



Media Asia Group Holdings Limited

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 8075)

THIRD QUARTERLY REPORT
For the nine months ended 30 April 2019

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This report, for which the directors of Media Asia Group Holdings Limited (the "**Directors**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the "**GEM Listing Rules**") for the purpose of giving information with regard to Media Asia Group Holdings Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

CORPORATE INFORMATION

PLACE OF INCORPORATION

Incorporated in the Cayman Islands and continued in Bermuda

BOARD OF DIRECTORS

Executive Directors

Lam Kin Ngok, Peter (*Chairman*)
Chan Chi Kwong
Lui Siu Tsuen, Richard
Yip Chai Tuck

Independent Non-executive Directors

Chan Chi Yuen
Ng Chi Ho, Dennis
Zhang Xi

AUDIT COMMITTEE

Chan Chi Yuen (*Chairman*)
Ng Chi Ho, Dennis
Zhang Xi

NOMINATION COMMITTEE

Zhang Xi (*Chairman*)
Chan Chi Yuen
Lui Siu Tsuen, Richard
Ng Chi Ho, Dennis
Yip Chai Tuck

REMUNERATION COMMITTEE

Chan Chi Yuen (*Chairman*)
Lui Siu Tsuen, Richard
Ng Chi Ho, Dennis
Yip Chai Tuck
Zhang Xi

AUTHORISED REPRESENTATIVES

Lui Siu Tsuen, Richard
Lau Siu Mui

COMPLIANCE OFFICER

Lui Siu Tsuen, Richard

COMPANY SECRETARY

Lau Siu Mui

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS

11th Floor
Lai Sun Commercial Centre
680 Cheung Sha Wan Road
Kowloon, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

INDEPENDENT AUDITOR

Ernst & Young
Certified Public Accountants

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

LISTING INFORMATION

Place of Listing

GEM of The Stock Exchange of Hong Kong Limited

Stock Code

8075

Board Lot

4,000 shares

WEBSITE

www.mediaasia.com

INVESTOR RELATIONS

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THIRD QUARTERLY RESULTS

The board of directors (the “**Board**”) of Media Asia Group Holdings Limited (the “**Company**”) presents the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months and the nine months ended 30 April 2019 together with the comparative unaudited figures for the corresponding periods in 2018 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Three months ended 30 April		Nine months ended 30 April	
		2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
TURNOVER	3	85,443	85,561	377,385	384,810
Cost of sales		(58,272)	(30,310)	(325,303)	(382,857)
Gross profit		27,171	55,251	52,082	1,953
Other income		1,176	2,343	3,512	7,193
Marketing expenses		1,109	(25,354)	(14,266)	(88,788)
Administrative expenses		(34,454)	(40,035)	(105,585)	(122,968)
Other operating gains		(1,629)	1,008	7,041	29,168
Other operating expenses		(1,646)	—	(4,763)	(313)
LOSS FROM OPERATING ACTIVITIES		(8,273)	(6,787)	(61,979)	(173,755)
Finance costs	4	(3,762)	(6,427)	(11,767)	(19,712)
Share of profits and losses of joint ventures		(550)	(372)	(3,242)	(3,346)
Share of profits and losses of an associate		93	1	206	—
LOSS BEFORE TAX		(12,492)	(13,585)	(76,782)	(196,813)
Income tax expenses	5	(208)	(156)	(319)	(621)
LOSS FOR THE PERIOD		(12,700)	(13,741)	(77,101)	(197,434)
Attributable to:					
Owners of the Company		(10,904)	(11,461)	(75,816)	(191,210)
Non-controlling interests		(1,796)	(2,280)	(1,285)	(6,224)
		(12,700)	(13,741)	(77,101)	(197,434)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	6	(0.51)	(0.54)	(3.55)	(8.95)
Basic and diluted (HK cents)					

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 30 April		Nine months ended 30 April	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
LOSS FOR THE PERIOD	(12,700)	(13,741)	(77,101)	(197,434)
OTHER COMPREHENSIVE INCOME/ (LOSS) TO BE RECLASSIFIED TO INCOME STATEMENT IN SUBSEQUENT PERIODS				
Exchange differences on translation of foreign operations	713	2,184	(969)	(395)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(11,987)	(11,557)	(78,070)	(197,829)
Attributable to:				
Owners of the Company	(10,305)	(9,261)	(76,708)	(191,498)
Non-controlling interests	(1,682)	(2,296)	(1,362)	(6,331)
	(11,987)	(11,557)	(78,070)	(197,829)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 April 2019

	Attributable to owners of the Company								
	Issued capital	Share premium account	Contributed surplus	Capital reserve	Foreign currency		Non-controlling interests	Total equity	
					translation reserve	Accumulated losses			
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 August 2018 (audited)	21,361	633,661	95,191	—	(8,903)	(376,776)	364,534	(18,768)	345,766
Loss for the period	—	—	—	—	—	(75,816)	(75,816)	(1,285)	(77,101)
Other comprehensive loss for the period:									
Exchange differences on translation of foreign operations	—	—	—	—	(892)	—	(892)	(77)	(969)
Total comprehensive loss for the period	—	—	—	—	(892)	(75,816)	(76,708)	(1,362)	(78,070)
Capital contributions from a non-controlling shareholder	—	—	—	—	—	—	—	858	858
At 30 April 2019 (unaudited)	21,361	633,661	95,191	—	(9,795)	(452,592)	287,826	(19,272)	268,554
At 1 August 2017 (audited)	21,361	633,661	95,191	71,454	(8,631)	(174,727)	638,309	(10,693)	627,616
Loss for the period	—	—	—	—	—	(191,210)	(191,210)	(6,224)	(197,434)
Other comprehensive loss for the period:									
Exchange differences on translation of foreign operations	—	—	—	—	(288)	—	(288)	(107)	(395)
Total comprehensive loss for the period	—	—	—	—	(288)	(191,210)	(191,498)	(6,331)	(197,829)
Capital contributions from a non-controlling shareholder	—	—	—	—	—	—	—	2,362	2,362
At 30 April 2018 (unaudited)	21,361	633,661	95,191	71,454	(8,919)	(365,937)	446,811	(14,662)	432,149

NOTES TO CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

30 April 2019

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 29 February 2000 as an exempted company with limited liability under the Companies Law (Revised) of the Cayman Islands. The Company's domicile was changed to Bermuda by way of de-registration in the Cayman Islands and continuation as an exempted company under the laws of Bermuda on 3 December 2009. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company's issued ordinary shares of HK\$0.01 each have been listed and traded on GEM of the Stock Exchange since 31 May 2001.

The principal activity of the Company is investment holding. The Group's principal activities include film production and distribution; organisation, management and production of concerts and live performances; artiste management; production and distribution of television programs; music production and publishing; licensing of media contents; provision of consultancy services in planning and management of cultural, entertainment and live performance projects.

2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group have not been audited by the Company's auditor but have been reviewed by the Company's audit committee.

The unaudited condensed consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and applicable disclosure requirements of the GEM Listing Rules and the Hong Kong Companies Ordinance. The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the audited consolidated financial statements of the Group for the year ended 31 July 2018 and the unaudited condensed consolidated interim financial statements for the six months ended 31 January 2019. These unaudited condensed consolidated results should be read in conjunction with the Company's annual report for the year ended 31 July 2018 and the interim report for the six months ended 31 January 2019.

NOTES TO CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

30 April 2019

3. TURNOVER

An analysis of the Group's turnover during the three months and nine months ended 30 April 2019 is as follows:

	Three months ended 30 April		Nine months ended 30 April	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Turnover				
Entertainment event income	59,159	23,212	136,213	147,128
Album sales, licence income and distribution commission income from music publishing and licensing	6,199	8,136	20,808	24,809
Artiste management fee income	1,529	6,399	6,129	20,068
Distribution commission income and licence fee income from film and TV program products and film rights	18,556	47,814	214,235	192,805
	85,443	85,561	377,385	384,810

4. FINANCE COSTS

An analysis of finance costs is as follows:

	Nine months ended 30 April	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Interest on:		
— Loan from an intermediate holding company	4,029	—
— Loan from a fellow subsidiary	7,738	—
— TFN Convertible Notes	—	8,476
— Specific Mandate Convertible Notes	—	11,236
	11,767	19,712

NOTES TO CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

30 April 2019

5. INCOME TAX EXPENSES

No provision for Hong Kong profits tax has been made during the period under review as there were no assessable profits generated during the nine months ended 30 April 2019 (nine months ended 30 April 2018: Nil) in Hong Kong. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Nine months ended 30 April	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Provision for tax for the period		
Current — Hong Kong		
Charge for the period	—	—
Overprovision in prior years	(22)	(9)
Current — Elsewhere		
Charge for the period	341	762
Overprovision in prior years	—	(132)
Total tax expense for the period	319	621

6. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Three months ended 30 April		Nine months ended 30 April	
	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2018 (Unaudited) HK\$'000
Loss				
Loss attributable to owners of the Company used in the basic loss per share calculation	(10,904)	(11,461)	(75,816)	(191,210)

NOTES TO CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

30 April 2019

6. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY *(continued)*

	Number of shares			
	Three months ended 30 April		Nine months ended 30 April	
	2019 (Unaudited) '000	2018 (Unaudited) '000	2019 (Unaudited) '000	2018 (Unaudited) '000
Shares				
Weighted average number of ordinary shares in issue used in the basic loss per share calculation	2,136,056	2,136,056	2,136,056	2,136,056
Loss per share:				
— Basic and diluted (HK cents)	(0.51)	(0.54)	(3.55)	(8.95)

No adjustment has been made to the basic loss per share amounts presented for three months and nine months ended 30 April 2019 as there is no potential ordinary shares outstanding during the periods.

No adjustment has been made to the basic loss per share amounts presented for three months and nine months ended 30 April 2018 in respect of a dilution as the impact of the TFN Convertible Notes and Specific Mandate Convertible Notes outstanding during the periods had an anti-dilutive effect on the basic loss per share amounts presented.

7. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 April 2019 (nine months ended 30 April 2018: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the nine months ended 30 April 2019 (the “**Current Period**”), the Group recorded a turnover of approximately HK\$377,385,000, representing a decrease of approximately 1.9% from approximately HK\$384,810,000 for the corresponding nine months ended 30 April 2018 (the “**Corresponding Period**”).

Cost of sales decreased to approximately HK\$325,303,000 for the Current Period from approximately HK\$382,857,000 for the Corresponding Period. The Group’s marketing expenses decreased to approximately HK\$14,266,000 for the Current Period from approximately HK\$88,788,000 for the Corresponding Period. The decrease in the above-mentioned expenses was due to decrease in the number of large-scale films released during the Current Period. Administrative expenses decreased to approximately HK\$105,585,000 for the Current Period from approximately HK\$122,968,000 for the Corresponding Period. Nevertheless, these expenses are under strict control by the Company’s management. Other operating expenses increased to approximately HK\$4,763,000 for the Current Period from approximately HK\$313,000 for the Corresponding Period. Other operating expenses mainly included impairment of advances and other receivables.

Finance costs decreased to approximately HK\$11,767,000 for the Current Period from approximately HK\$19,712,000 for the Corresponding Period. Finance costs in Current Period represented the interest expenses arising from the loans from an intermediate holding company and a fellow subsidiary.

Loss attributable to owners of the Company for the Current Period decreased to approximately HK\$75,816,000 from approximately HK\$191,210,000 for the Corresponding Period. Basic loss per share decreased to approximately HK3.55 cents from approximately HK8.95 cents for the Corresponding Period.

BUSINESS REVIEW

Media and Entertainment Segment

Events Management

During the Current Period, the Group organised and invested in 61 (2018: 80) shows by popular local, Asian and internationally renowned artistes, including Andy Lau, Sammi Cheng, Ekin Cheng, Ivana Wong, JJ Lin and MayDay. The total revenue from these concerts amounted to approximately HK\$136,213,000.

Music

During the Current Period, the Group released 12 (2018: 8) albums, representing titles by Sammi Cheng, Remus Choy and Andy Leung. Turnover from music publishing and recording was approximately HK\$20,808,000.

Artiste Management

During the Current Period, the Group recorded a turnover of approximately HK\$6,129,000 from artiste management. The Group currently has 27 artistes under its management.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW *(continued)*

Film and TV Program Segment

Film Production and Distribution

During the Current Period, the Group released 2 films, namely “Kung Fu Monster” and “Dead Pigs”. Turnover from the licence fee income and distribution commission income of films was approximately HK\$33,654,000.

TV Program Production and Distribution

During the Current Period, the Group recorded a turnover of approximately HK\$180,581,000 from TV program licence fee and distribution commission.

PROSPECTS

The Group continues to invest in original production of quality films with Chinese themes targeting the PRC as its primary market. “Bodies At Rest”, an action crime film by director Renny Harlin casting Nick Cheung and Richie Jen, “Fagara in Mara”, a romance film produced by Ann Hui featuring Sammi Cheng, and “I’m Living It”, a feature film produced by Cheang Pou Soi with Aaron Kwok and Miriam Yeung, are in post-production stage. Projects under production include an action film “Knockout” by director Roy Chow featuring Han Geng and a romance comedy film “The Calling of a Bus Driver” by director Patrick Kong casting Ivana Wong.

A 52 episode romance TV drama series “New Horizon”, starring Zheng Kai and Chen Chiao-en, is in the post-production stage and the Group is in discussion with various Chinese and overseas portals and video web sites for new project development.

The exclusive distribution license of our music products with Tencent Music Entertainment (Shenzhen) Co., Ltd and Warner Music continue to provide stable income contribution to the Group. The Group is actively looking for new talent in Greater China and further co-operation with Asian artistes with an aim to build up a strong artiste roster.

The recent “Along With Ekin Live Concert 2019” and “Yoga Lin Concert “Idol” 2019” have earned good reputation and public praises. The Group will continue to work with prominent local and Asian artistes for concert promotion. Upcoming events include concerts of Sammi Cheng and Super Junior Donghae & Eunhyuk.

The Group believes that an integrated media platform comprising movies, TV programs, music, new media, artiste management and live entertainment put us in a strong position to capture the opportunities of China entertainment market by a balanced and synergistic approach and we will continue to explore cooperation and investment opportunities to enrich our portfolio, broaden our income stream and maximise value for our shareholders.

OTHER INFORMATION

DIRECTORS' INTERESTS IN SECURITIES

As at 30 April 2019, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules, were as follows:

(1) Interests in the Company

Name of Directors	Long positions in the shares of the Company			Approximate percentage of issued shares (Note 1)
	Number of shares		Total	
	Corporate interests	Personal interests		
Lam Kin Ngok, Peter	1,443,156,837 (Note 2)	—	1,443,156,837	67.56%
Chan Chi Yuen	—	172,500	172,500	0.01%

(2) Interests in Associated Corporations

(a) Lai Sun Garment (International) Limited (“LSG”)

Name of Directors	Long positions in shares and underlying shares of LSG				Approximate percentage of issued shares
	Number of shares		Share options	Total	
	Corporate interests	Personal interests	Personal interests		
Lam Kin Ngok, Peter	113,891,650 (Note 3)	48,441,476	708,575 (Note 4)	163,041,701	42.15%
Lui Siu Tsuen, Richard	—	185,600 (Note 5)	—	185,600	0.05%

(b) Lai Sun Development Company Limited (“LSD”)

Name of Directors	Long positions in shares and underlying shares of LSD				Approximate percentage of issued shares
	Number of shares		Share options	Total	
	Corporate interests	Personal interests	Personal interests		
Lam Kin Ngok, Peter	340,023,572 (Note 6)	429,232	417,308 (Note 7)	340,870,112	56.21%
Lui Siu Tsuen, Richard	—	—	104,000 (Note 8)	104,000	0.02%

OTHER INFORMATION

DIRECTORS' INTERESTS IN SECURITIES (continued)

(2) Interests in Associated Corporations (continued)

(c) eSun Holdings Limited (“eSun”)

Name of Director	Long positions in shares and underlying shares of eSun				
	Number of shares		Share options	Total	Approximate percentage of issued shares
	Corporate interests	Personal interests	Personal interests		
Lam Kin Ngok, Peter	1,113,260,072 <i>(Note 9)</i>	2,794,443	—	1,116,054,515	74.81%

(d) Lai Fung Holdings Limited (“Lai Fung”)

Name of Director	Long positions in shares and underlying shares of Lai Fung				
	Number of shares		Share options	Total	Approximate percentage of issued shares
	Corporate interests	Personal interests	Personal interests		
Lam Kin Ngok, Peter	165,502,573 <i>(Note 10)</i>	—	321,918 <i>(Note 11)</i>	165,824,491	50.65%

Notes:

- (1) The number of issued shares of the Company (the “Shares”) as at 30 April 2019 (that is, 2,136,056,825 Shares) has been used for the calculation of the approximate percentage.
- (2) The Shares were owned by Perfect Sky Holdings Limited (“Perfect Sky”), a wholly-owned subsidiary of eSun.

As at 30 April 2019, eSun was indirectly owned as to approximately 74.62% by LSD. LSD was approximately 56.07% directly and indirectly owned by LSG. LSG was approximately 12.52% (excluding share option) owned by Dr. Lam Kin Ngok, Peter (“Dr. Lam”) and approximately 29.45% owned by Wisdoman Limited (“Wisdoman”) which was in turn 100% beneficially owned by Dr. Lam. Therefore, Dr. Lam was deemed to be interested in the Shares owned indirectly by eSun as shown in the section headed “Substantial Shareholders’ Interests in Securities” below pursuant to Part XV of the SFO.
- (3) By virtue of his interests in Wisdoman as described in Note (2) above, Dr. Lam was deemed to be interested in such LSG shares owned directly by Wisdoman.
- (4) On 18 January 2013 and 19 June 2017, Dr. Lam was granted share options by LSG to subscribe (after the adjustments for the rights issue effective on 7 February 2014 (if applicable) and share consolidation effective on 15 August 2017 of LSG) for 375,242 and 333,333 LSG shares at the respective exercise prices of HK\$6.05 and HK\$15 per share with the respective exercise periods from 18 January 2013 to 17 January 2023 and from 19 June 2017 to 18 June 2027.
- (5) On 18 April 2019, Mr. Lui Siu Tsuen, Richard (“Mr. Lui”) exercised the share options granted by LSG and subscribed for 185,600 LSG shares at an exercise price of HK\$6.05 per share.
- (6) By virtue of his deemed controlling shareholding interests in LSG as described in Note (2) above, Dr. Lam was deemed to be interested in such LSD shares owned directly and indirectly by LSG.

OTHER INFORMATION

DIRECTORS' INTERESTS IN SECURITIES *(continued)*

Notes: *(continued)*

- (7) On 18 January 2013, Dr. Lam was granted share options by LSD to subscribe (after the adjustments for the rights issue effective on 17 February 2016 and share consolidation effective on 15 August 2017 of LSD) for 417,308 LSD shares at an exercise price of HK\$16.1 per share with an exercise period from 18 January 2013 to 17 January 2023.
- (8) On 18 January 2013, Mr. Lui was granted share options by LSD to subscribe (after the adjustments for the rights issue effective on 17 February 2016 and share consolidation effective on 15 August 2017 of LSD) for 104,000 LSD shares at an exercise price of HK\$16.1 per share with an exercise period from 18 January 2013 to 17 January 2023.
- (9) By virtue of his deemed controlling shareholding interests in LSD as described in Note (2) above, Dr. Lam was deemed to be interested in such eSun shares owned indirectly by LSD.
- (10) By virtue of his deemed controlling shareholding interests in LSD and eSun as described in Note (2) above, Dr. Lam was deemed to be interested in 17,167 Lai Fung shares held by a wholly-owned subsidiary of LSD and 165,485,406 Lai Fung shares owned indirectly by eSun.
- (11) On 18 January 2013, Dr. Lam was granted share options by Lai Fung to subscribe (after the adjustment for the share consolidation effective on 15 August 2017 of Lai Fung) for 321,918 Lai Fung shares at an exercise price of HK\$11.4 per share with an exercise period from 18 January 2013 to 17 January 2023.

Save as disclosed above, as at 30 April 2019, none of the Directors had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 April 2019, the interests and short positions of the persons, other than Directors, in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long Position in the Shares

Name of shareholders	Capacity in which interests are held	Number of Shares	Approximate percentage of issued Shares <i>(Note 1)</i>
Lai Sun Garment (International) Limited	Interest of controlled corporations	1,443,156,837 <i>(Note 2)</i>	67.56%
Lai Sun Development Company Limited	Interest of controlled corporations	1,443,156,837 <i>(Note 2)</i>	67.56%
eSun Holdings Limited	Interest of controlled corporation	1,443,156,837 <i>(Note 2)</i>	67.56%

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES *(continued)*

Notes:

- (1) The number of issued Shares as at 30 April 2019 (that is, 2,136,056,825 Shares) has been used for the calculation of the approximate percentage.
- (2) LSG, LSD and eSun were deemed to be interested in the same 1,443,156,837 Shares held by Perfect Sky. Please refer to Note (2) as shown in the section headed "Directors' Interests in Securities" above for further details.

Save as disclosed above, as at 30 April 2019, no other persons (other than the Directors) had any interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

INTERESTS IN COMPETING BUSINESSES

During the period under review and up to the date of this report, eSun and four executive Directors, namely, Dr. Lam Kin Ngok, Peter, Mr. Chan Chi Kwong, Mr. Lui Siu Tsuen, Richard and Mr. Yip Chai Tuck (the "Interested Directors") are considered to have interests in businesses which compete or may compete with the businesses of the Group pursuant to the GEM Listing Rules.

The Interested Directors held shareholding interests and/or other interests and/or directorships in companies/entities in the group of eSun which engage in the businesses including the development, operation of and investment in media and entertainment, music production and distribution, the investment in and production and distribution of television programs, films and video format products and cinema operation.

However, the Board is independent from the boards of directors/governing committees of the aforesaid companies/entities and none of the Interested Directors can personally control the Board. Further, each of the Interested Directors is fully aware of, and has been discharging, his fiduciary duty to the Company and has acted and will continue to act in the best interest of the Company and the shareholders of the Company (the "Shareholders") as a whole. Therefore, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies/entities.

Save as disclosed above, none of the Directors, the controlling Shareholder and their respective close associates competes or may compete with the business of the Group and has or may have any other conflict of interest with the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30 April 2019.

REVIEW OF QUARTERLY REPORT

The audit committee of the Company comprises three independent non-executive Directors, namely Mr. Chan Chi Yuen, Mr. Ng Chi Ho, Dennis and Mr. Zhang Xi. The audit committee has reviewed the third quarterly report (containing the unaudited condensed consolidated financial statements) of the Company for the nine months ended 30 April 2019.

By Order of the Board
Media Asia Group Holdings Limited
Lui Siu Tsuen, Richard
Executive Director

Hong Kong, 12 June 2019