



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 2020

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

Ng Chi Ho, Dennis
Poon Kwok Hing, Albert

AUDIT COMMITTEE

Ng Chi Ho, Dennis (*Chairman*)
Poon Kwok Hing, Albert

NOMINATION COMMITTEE

Lui Siu Tsuen, Richard
Ng Chi Ho, Dennis
Poon Kwok Hing, Albert
Yip Chai Tuck

REMUNERATION COMMITTEE

Ng Chi Ho, Dennis (*Chairman*)
Lui Siu Tsuen, Richard
Poon Kwok Hing, Albert
Yip Chai Tuck

AUTHORISED REPRESENTATIVES

Lui Siu Tsuen, Richard
Wong Lai Chun

COMPLIANCE OFFICER

Lui Siu Tsuen, Richard

COMPANY SECRETARY

Wong Lai Chun

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 2020 together with the comparative unaudited figures for the corresponding periods in 2019 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Three months ended 30 April		Nine months ended 30 April	
		2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
TURNOVER	3	21,038	85,443	177,063	377,385
Cost of sales		(8,611)	(58,272)	(102,368)	(325,303)
Gross profit		12,427	27,171	74,695	52,082
Other income		1,297	1,176	5,838	3,512
Marketing expenses		(119)	1,109	(24,312)	(14,266)
Administrative expenses		(32,798)	(34,454)	(107,135)	(105,585)
Other operating gains		(109)	(1,629)	1,409	7,041
Other operating expenses		(9,522)	(1,646)	(16,567)	(4,763)
LOSS FROM OPERATING ACTIVITIES		(28,824)	(8,273)	(66,072)	(61,979)
Finance costs	4	(4,660)	(3,762)	(14,024)	(11,767)
Share of profits and losses of joint ventures		(858)	(550)	(1,367)	(3,242)
Share of profits and losses of an associate		—	93	27	206
LOSS BEFORE TAX		(34,342)	(12,492)	(81,436)	(76,782)
Income tax expenses	5	(131)	(208)	(362)	(319)
LOSS FOR THE PERIOD		(34,473)	(12,700)	(81,798)	(77,101)
Attributable to:					
Owners of the Company		(32,225)	(10,904)	(74,073)	(75,816)
Non-controlling interests		(2,248)	(1,796)	(7,725)	(1,285)
		(34,473)	(12,700)	(81,798)	(77,101)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	6				
Basic and diluted (HK cents)		(1.51)	(0.51)	(3.47)	(3.55)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 30 April		Nine months ended 30 April	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
LOSS FOR THE PERIOD	(34,473)	(12,700)	(81,798)	(77,101)
OTHER COMPREHENSIVE INCOME/(LOSS) THAT MAY BE RECLASSIFIED TO INCOME STATEMENT IN SUBSEQUENT PERIODS				
Exchange differences on translation of foreign operations	1,570	713	2,226	(969)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	1,570	713	2,226	(969)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(32,903)	(11,987)	(79,572)	(78,070)
Attributable to:				
Owners of the Company	(30,687)	(10,305)	(71,947)	(76,708)
Non-controlling interests	(2,216)	(1,682)	(7,625)	(1,362)
	(32,903)	(11,987)	(79,572)	(78,070)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 April 2020

	Attributable to owners of the Company							Total equity
	Issued capital	Share premium account	Contributed surplus	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 August 2019 (audited)	21,361	633,661	95,191	(7,591)	(523,832)	218,790	(11,631)	207,159
Loss for the period	–	–	–	–	(74,073)	(74,073)	(7,725)	(81,798)
Other comprehensive income/(loss) for the period:								
Exchange differences on translation of foreign operations	–	–	–	2,126	–	2,126	100	2,226
Total comprehensive income/(loss) for the period	–	–	–	2,126	(74,073)	(71,947)	(7,625)	(79,572)
Capital contributions from a non-controlling shareholder	–	–	–	–	–	–	5,423	5,423
At 30 April 2020 (unaudited)	21,361	633,661	95,191	(5,465)	(597,905)	146,843	(13,833)	133,010
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

NOTES TO CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

30 April 2020

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 2019 and the unaudited condensed consolidated interim financial statements for the six months ended 31 January 2020. These unaudited condensed consolidated results should be read in conjunction with the Company's annual report for the year ended 31 July 2019 and the interim report for the six months ended 31 January 2020.

NOTES TO CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

30 April 2020

3. TURNOVER

An analysis of the Group's turnover is as follows:

	Three months ended 30 April		Nine months ended 30 April	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Revenue from contracts with customers				
Entertainment event income	700	59,159	67,086	136,213
Album sales, licence income and distribution commission income from music publishing and licensing	8,326	6,199	23,145	20,808
Artiste management fee income	878	1,529	4,214	6,129
Distribution commission income and licence fee income and sales from film and TV program products and film and TV program rights	11,134	18,556	82,618	214,235
	21,038	85,443	177,063	377,385

4. FINANCE COSTS

An analysis of finance costs is as follows:

	Nine months ended 30 April	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Interest on:		
– Loan from an intermediate holding company	4,815	4,029
– Loan from a fellow subsidiary	8,323	7,738
– Lease liabilities	886	–
	14,024	11,767

NOTES TO CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

30 April 2020

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 in Hong Kong during the nine months ended 30 April 2020 (nine months ended 30 April 2019: Nil). 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	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Provision for tax for the period		
Current — Hong Kong		
Charge for the period	—	—
Overprovision in prior years	(56)	(22)
Current — Elsewhere		
Charge for the period	418	341
Total tax expense for the period	362	319

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	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Loss				
Loss attributable to owners of the Company used in the basic loss per share calculation	(32,225)	(10,904)	(74,073)	(75,816)

NOTES TO CONDENSED CONSOLIDATED THIRD QUARTERLY FINANCIAL STATEMENTS

30 April 2020

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

	Number of shares			
	Three months ended 30 April		Nine months ended 30 April	
	2020 (Unaudited) '000	2019 (Unaudited) '000	2020 (Unaudited) '000	2019 (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)	(1.51)	(0.51)	(3.47)	(3.55)

The Group had no potential dilutive ordinary shares in issue during the three months and nine months ended 30 April 2020 (three months and nine months ended 30 April 2019: Nil).

7. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 April 2020 (nine months ended 30 April 2019: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the nine months ended 30 April 2020 (the “**Current Period**”), the Group recorded a turnover of approximately HK\$177,063,000, representing a decrease of approximately 53% from approximately HK\$377,385,000 for the corresponding nine months ended 30 April 2019 (the “**Corresponding Period**”), mainly due to the decrease in revenue from the Group’s TV program and entertainment event businesses.

Cost of sales decreased to approximately HK\$102,368,000 for the Current Period from approximately HK\$325,303,000 for the Corresponding Period. The Group’s marketing expenses increased to approximately HK\$24,312,000 for the Current Period from approximately HK\$14,266,000 for the Corresponding Period. The increase in the marketing expenses was related to 4 films produced/invested by the Group theatrically released during the Current Period. Administrative expenses increased to approximately HK\$107,135,000 for the Current Period from approximately HK\$105,585,000 for the Corresponding Period. Nevertheless, these expenses are under strict control by the Company’s management. Other operating expenses increased to approximately HK\$16,567,000 for the Current Period from approximately HK\$4,763,000 for the Corresponding Period. Other operating expenses mainly included exchange loss arising from the depreciation in Renminbi.

Finance costs increased to approximately HK\$14,024,000 for the Current Period compared to approximately HK\$11,767,000 for the Corresponding Period. The increase in interest expenses is mainly due to the additional loan from an intermediate holding company and the interest on lease liabilities upon adoption of HKFRS 16 from 1 August 2019.

Loss attributable to owners of the Company for the Current Period decreased to approximately HK\$74,073,000 from approximately HK\$75,816,000 for the Corresponding Period. Basic loss per share decreased to approximately HK3.47 cents from approximately HK3.55 cents for the Corresponding Period.

BUSINESS REVIEW

Media and Entertainment Segment

Events Management

During the Current Period, the Group organised and invested in 39 (2019: 61) shows by popular local, Asian and internationally renowned artistes, including EXO, Ivana Wong, Miriam Yeung and Jan Lamb. The total revenue from these concerts amounted to approximately HK\$67,086,000.

Music

During the Current Period, the Group released 7 (2019: 12) albums, representing titles by Sammi Cheng, Chan Kin On, Tang Siu Hau, Jay Fung, Nowhere Boys and Michael Lai. Turnover from music publishing and recording was approximately HK\$23,145,000.

Artiste Management

During the Current Period, the Group recorded a turnover of approximately HK\$4,214,000 from artiste management. The Group currently has 25 artistes under its management.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW *(continued)*

Film and TV Program Segment

Film Production and Distribution

During the Current Period, a total of 4 films produced/invested by the Group was theatrically released, namely “Bodies at Rest”, “Fagara”, “The Climbers” and “A Witness Out of the Blue”. Turnover from the licence fee income and distribution commission income of films was approximately HK\$82,491,000.

TV Program Production and Distribution

During the Current Period, the Group recorded a turnover of approximately HK\$127,000 from TV program licence fee and distribution commission.

PROSPECTS

The outbreak of novel coronavirus further weakens the entertainment consumption of the PRC and local markets. To rise the challenge we will focus on producing high quality projects with proven track record and commercial viability as well as tightening the cost control procedure to minimise unnecessary spending.

The Group continues to invest in original production of quality films with Chinese themes. Our current production pipeline include “I’m Living It”, a feature film produced by Cheang Pou Soi with Miriam Yeung and Aaron Kwok, “The Calling of a Bus Driver”, a romance comedy film with Ivana Wong and director Patrick Kong, and “Septet: the Story of Hong Kong”, an omnibus film produced by seven Hong Kong film masters including Johnnie To, Tsui Hark, Ann Hui, Patrick Tam, Sammo Hung, Yuen Woo-Ping and the memorable Ringo Lam.

A 52 episode romance drama series “New Horizon” starring Zheng Kai and Chen Chiao-en, is in the post-production stage. Projects under production include “Who Sell Bricks in Hong Kong”, a 20 episode modern-day drama series tailor-made for Viu TV, featuring Ng Siu Hin, Fish Liew, Wu Tze Tung and Patrick Tam. The Group is in discussion with various Chinese portals and video web sites for new project development in TV drama production.

The exclusive distribution licence 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 Group will continue to work with prominent local and Asian artistes for concert promotion. Upcoming events include concerts of Tsai Chin, Yoga Lin and Leon Lai.

Looking forward, we believe that the Group’s 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 2020, 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 Director	Long positions in the ordinary shares of the Company (“Shares”)			Approximate percentage of total 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%

(2) Interests in Associated Corporations

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

Name of Directors	Long positions in the ordinary shares of LSG (“LSG Shares”) and underlying LSG Shares				Approximate percentage of total issued LSG Shares
	Number of LSG Shares		Number of underlying LSG Shares	Total	
	Corporate interests	Personal interests	Personal interests		
Lam Kin Ngok, Peter	114,741,416 (Note 3)	48,802,906	708,575 (Note 4)	164,252,897	42.28%
Lui Siu Tsuen, Richard	—	185,600	—	185,600	0.05%

OTHER INFORMATION

DIRECTORS' INTERESTS IN SECURITIES *(continued)*

(2) *Interests in Associated Corporations (continued)*

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

Long positions in the ordinary shares of LSD (“LSD Shares”) and underlying LSD Shares

Name of Directors	Number of LSD Shares		Number of underlying LSD Shares	Total	Approximate percentage of total issued LSD Shares
	Corporate interests	Personal interests	Personal interests		
Lam Kin Ngok, Peter	343,593,021 <i>(Note 5)</i>	433,737	417,308 <i>(Note 6)</i>	344,444,066	56.44%
Lui Siu Tsuen, Richard	—	—	104,000 <i>(Note 7)</i>	104,000	0.02%

(c) *eSun Holdings Limited (“eSun”)*

Long positions in the ordinary shares of eSun (“eSun Shares”) and underlying eSun Shares

Name of Director	Number of eSun Shares		Number of underlying eSun Shares	Total	Approximate percentage of total issued eSun Shares
	Corporate interests	Personal interests	Personal interests		
Lam Kin Ngok, Peter	1,113,260,072 <i>(Note 8)</i>	2,794,443	—	1,116,054,515	74.81%

OTHER INFORMATION

DIRECTORS' INTERESTS IN SECURITIES (continued)

(2) Interests in Associated Corporations (continued)

(d) Lai Fung Holdings Limited ("**Lai Fung**")

Name of Director	Long positions in the ordinary shares of Lai Fung (" Lai Fung Shares ") and underlying Lai Fung Shares				
	Number of Lai Fung Shares		Number of underlying Lai Fung Shares		Approximate percentage of total issued Lai Fung Shares
	Corporate interests	Personal interests	Personal interests	Total	
Lam Kin Ngok, Peter	168,809,977 (Note 9)	—	321,918 (Note 10)	169,131,895	51.09%

Notes:

- (1) The total number of issued Shares as at 30 April 2020 (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 2020, eSun was indirectly owned as to approximately 74.62% by LSD. LSD was approximately 56.30% directly and indirectly owned by LSG. LSG was approximately 12.56% (excluding share option) owned by Dr. Lam Kin Ngok, Peter ("**Dr. Lam**") and approximately 29.54% 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 LSG Share with the respective exercise periods from 18 January 2013 to 17 January 2023 and from 19 June 2017 to 18 June 2027.
- (5) 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.
- (6) On 18 January 2013, Dr. Lam was granted a share option 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 the exercise price of HK\$16.1 per LSD Share with the exercise period from 18 January 2013 to 17 January 2023.

OTHER INFORMATION

DIRECTORS' INTERESTS IN SECURITIES *(continued)*

Notes: *(continued)*

- (7) On 18 January 2013, Mr. Lui Siu Tsuen, Richard was granted a share option 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 the exercise price of HK\$16.1 per LSD Share with the exercise period from 18 January 2013 to 17 January 2023.
- (8) 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.
- (9) 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 17,510 Lai Fung Shares held by Transtrend Holdings Limited (a wholly-owned subsidiary of LSD) and 168,792,467 Lai Fung Shares owned indirectly by eSun.

With reference to (i) the joint announcements issued by LSG, LSD, eSun, Lai Fung and Holy Unicorn Limited ("**Holy Unicorn**", a wholly-owned subsidiary of LSD) on 21 February 2020, 13 May 2020 and 14 May 2020; (ii) the joint announcement issued by LSD, Lai Fung and Holy Unicorn on 28 May 2020 (the "**Announcements**"); and (iii) the composite offer and response document jointly issued by Lai Fung, LSD and Holy Unicorn on 24 April 2020, the LF Offers (as defined in the Announcements) had been declared unconditional in all respects on 14 May 2020 and closed on 28 May 2020.

Holy Unicorn received valid acceptances in respect of 180,600,756 LF Offer Shares (as defined in the Announcements) from 24 April 2020 to 28 May 2020, which increased the total number of Lai Fung Shares in which Dr. Lam was deemed to be interested from 168,809,977 to 180,618,266. Out of which 168,792,467 Lai Fung Shares were tendered for acceptance by eSun and therefore eSun ceased to hold any interest in Lai Fung on 14 May 2020.

- (10) On 18 January 2013, Dr. Lam was granted a share option 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 the exercise price of HK\$11.4 per Lai Fung Share with the exercise period from 18 January 2013 to 17 January 2023.

Save as disclosed above, as at 30 April 2020, none of the Directors had, or was deemed to have, 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.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 April 2020, 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 total 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%

Notes:

- (1) The total number of issued Shares as at 30 April 2020 (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 2020, 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 as well as Messrs. Chan Chi Kwong, Lui Siu Tsuen, Richard and Yip Chai Tuck (together, 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.

OTHER INFORMATION

INTERESTS IN COMPETING BUSINESSES *(continued)*

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 businesses 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 had purchased, sold or redeemed any of the Company’s listed securities during the nine months ended 30 April 2020.

REVIEW OF QUARTERLY REPORT

The audit committee of the Company currently comprises two independent non-executive Directors, namely Mr. Ng Chi Ho, Dennis and Mr. Poon Kwok Hing, Albert. 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 2020.

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

Hong Kong, 11 June 2020