



Media Asia Group Holdings Limited

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8075)

FIRST QUARTERLY REPORT

For the three months ended 31 October 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

Au Hoi Fung
Ng Chi Ho, Dennis
Poon Kwok Hing, Albert

AUDIT COMMITTEE

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

NOMINATION COMMITTEE

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

REMUNERATION COMMITTEE

Ng Chi Ho, Dennis (*Chairman*)
Au Hoi Fung
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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FIRST 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 ended 31 October 2020 together with the comparative unaudited figures for the corresponding period in 2019 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Three months ended 31 October	
		2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
	Notes		
TURNOVER	3	21,970	105,636
Cost of sales		(20,172)	(55,312)
Gross profit		1,798	50,324
Other income		3,893	2,032
Marketing expenses		(3,082)	(24,107)
Administrative expenses		(25,562)	(33,417)
Other operating gains	4	20,056	648
Other operating expenses		(1,473)	(5,996)
LOSS FROM OPERATING ACTIVITIES		(4,370)	(10,516)
Finance costs	5	(3,133)	(4,246)
Share of profits and losses of joint ventures		(443)	(548)
Share of profits and losses of an associate		—	22
LOSS BEFORE TAX		(7,946)	(15,288)
Income tax expenses	6	(109)	(24)
LOSS FOR THE PERIOD		(8,055)	(15,312)
Attributable to:			
Owners of the Company		(6,922)	(11,648)
Non-controlling interests		(1,133)	(3,664)
		(8,055)	(15,312)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted (HK cents)	7	(0.32)	(0.55)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31 October	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
LOSS FOR THE PERIOD	(8,055)	(15,312)
OTHER COMPREHENSIVE INCOME/(LOSS) THAT MAY BE RECLASSIFIED TO INCOME STATEMENT IN SUBSEQUENT PERIODS		
Exchange differences on translation of foreign operations	(6,199)	250
Release of foreign currency translation reserve upon disposal of subsidiaries	28	—
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	(6,171)	250
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(14,226)	(15,062)
Attributable to:		
Owners of the Company	(13,125)	(11,399)
Non-controlling interests	(1,101)	(3,663)
	(14,226)	(15,062)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 October 2020

	Attributable to owners of the Company							
	Issued capital	Share premium account	Contributed surplus	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 August 2020 (audited)	21,361	633,661	95,191	(7,975)	(702,001)	40,237	(15,231)	25,006
Loss for the period	–	–	–	–	(6,922)	(6,922)	(1,133)	(8,055)
Other comprehensive income/(loss) for the period:								
Exchange differences on translation of foreign operations	–	–	–	(6,231)	–	(6,231)	32	(6,199)
Release of foreign currency translation reserve upon disposal of subsidiaries	–	–	–	28	–	28	–	28
Total comprehensive loss for the period	–	–	–	(6,203)	(6,922)	(13,125)	(1,101)	(14,226)
At 31 October 2020 (unaudited)	21,361	633,661	95,191	(14,178)	(708,923)	27,112	(16,332)	10,780
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	–	–	–	–	(11,648)	(11,648)	(3,664)	(15,312)
Other comprehensive income for the period:								
Exchange differences on translation of foreign operations	–	–	–	249	–	249	1	250
Total comprehensive income/(loss) for the period	–	–	–	249	(11,648)	(11,399)	(3,663)	(15,062)
At 31 October 2019 (unaudited)	21,361	633,661	95,191	(7,342)	(535,480)	207,391	(15,294)	192,097

NOTES TO CONDENSED CONSOLIDATED FIRST QUARTERLY FINANCIAL STATEMENTS

31 October 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 2020. These unaudited condensed consolidated results should be read in conjunction with the Company's annual report for the year ended 31 July 2020.

NOTES TO CONDENSED CONSOLIDATED FIRST QUARTERLY FINANCIAL STATEMENTS

31 October 2020

3. TURNOVER

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

	Three months ended 31 October	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Revenue from contracts with customers		
Entertainment event income	450	29,200
Album sales, licence income and distribution commission income from music publishing and licensing	8,408	6,173
Artiste management fee income	1,027	1,948
Distribution commission income and licence fee income from film and TV program products and film and TV program rights	12,085	68,315
	21,970	105,636

4. OTHER OPERATING GAINS

	Three months ended 31 October	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Foreign exchange gains	19,935	—
Others	121	648
	20,056	648

5. FINANCE COSTS

An analysis of finance costs is as follows:

	Three months ended 31 October	
	2020 (Unaudited) HK\$'000	2019 (Unaudited) HK\$'000
Interest on:		
— Loan from an intermediate holding company	2,950	1,449
— Loan from a fellow subsidiary	—	2,797
— Lease liabilities	183	—
	3,133	4,246

NOTES TO CONDENSED CONSOLIDATED FIRST QUARTERLY FINANCIAL STATEMENTS

31 October 2020

6. INCOME TAX EXPENSES

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the three months ended 31 October 2020 (three months ended 31 October 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.

	Three months ended	
	31 October	
	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	(38)	(36)
Current – Elsewhere		
Charge for the period	147	60
Total tax expense for the period	109	24

7. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share amounts is based on the loss for the period attributable to owners of the Company of approximately HK\$6,922,000 (2019: approximately HK\$11,648,000) and the weighted average number of ordinary shares of approximately 2,136,056,000 (2019: approximately 2,136,056,000) in issue during the period.

The Group had no potential dilutive ordinary shares in issue during the three months ended 31 October 2020 (three month ended 31 October 2019: Nil).

8. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 October 2020 (three months ended 31 October 2019: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the three months ended 31 October 2020 (the “**Current Period**”), the Group recorded a turnover of approximately HK\$21,970,000, representing a decrease of approximately 79% from turnover of approximately HK\$105,636,000 for the corresponding three months ended 31 October 2019 (the “**Corresponding Period**”), mainly due to the decrease in revenue from the Group’s film and entertainment event businesses.

Cost of sales decreased to approximately HK\$20,172,000 for the Current Period from approximately HK\$55,312,000 for the Corresponding Period. The Group’s marketing expenses decreased to approximately HK\$3,082,000 for the Current Period from approximately HK\$24,107,000 for the Corresponding Period. The decrease in above-mentioned expenses was due to decrease in the number of films released and events held during the Current Period. Administrative expenses decreased to approximately HK\$25,562,000 for the Current Period from approximately HK\$33,417,000 for the Corresponding Period. These expenses are under strict control by the Company’s management. Other operating gains increased to approximately HK\$20,056,000 for the Current Period from approximately HK\$648,000 for the Corresponding Period. Other operating gains mainly included exchange gain arising from the appreciation in Renminbi.

Finance costs was approximately HK\$3,133,000 for the Current Period compared to approximately HK\$4,246,000 for the Corresponding Period. Finance costs mainly represented the interest expenses arising from the loans from an intermediate holding company.

Loss attributable to owners of the Company for the Current Period decreased to approximately HK\$6,922,000 from approximately HK\$11,648,000 for the Corresponding Period. Basic loss per share decreased to approximately HK0.32 cents from basic loss per share of approximately HK0.55 cents for the Corresponding Period.

BUSINESS REVIEW

Media and Entertainment Segment

Events Management

During the Current Period, the Group organised in 1 (2019: 28) show(s). The total revenue from event management amounted to approximately HK\$450,000.

Music

During the Current Period, the Group released 1 (2019: 2) album(s), representing title by Sammi Cheng. Turnover from music publishing and recording was approximately HK\$8,408,000.

Artiste Management

During the Current Period, the Group recorded a turnover of approximately HK\$1,027,000 from artiste management. The Group currently has 26 artistes under its management.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW *(continued)*

Film and TV Program Segment

Film Production and Distribution

During the Current Period, 1 film produced by the Group was theatrically released, namely “I’m Livin’ It”. Turnover from the licence fee income and distribution commission income of film was approximately HK\$12,085,000.

TV Program Production and Distribution

During the Current Period, no turnover from TV program licence fee and distribution commission was recorded by the Group.

RECAPITALISATION PROPOSAL AND POTENTIAL ACQUISITION

On 6 November 2020, an announcement was jointly published by the Company, Lai Sun Garment (International) Limited (“**LSG**”), Lai Sun Development Company Limited (“**LSD**”) and eSun Holdings Limited (“**eSun**”) and on 30 November 2020, a circular was published by the Company, in relation to, among other things, the Recapitalisation Proposal and the Potential Acquisition (as defined below).

The principal elements of the Recapitalisation Proposal are as follows:

(a) Proposed Share Consolidation

The Board proposed to implement the share consolidation (the “**Share Consolidation**”) on the basis that every ten issued and unissued existing ordinary shares of HK\$0.01 each of the Company (the “**Shares**”) will be consolidated into one consolidated share of HK\$0.10 each (the “**Consolidated Share**”).

(b) Proposed Change in Board Lot Size

The Board proposed to change the board lot size of the Shares for trading on the Stock Exchange from 4,000 Shares to 12,000 Consolidated Shares.

(c) Proposed Increase in Authorised Share Capital

Conditional upon the Share Consolidation becoming effective, the Board proposed that the authorised share capital of the Company will be increased from HK\$600,000,000 divided into 6,000,000,000 Consolidated Shares to HK\$1,000,000,000 divided into 10,000,000,000 Consolidated Shares by creating an additional 4,000,000,000 unissued Consolidated Shares.

(d) Proposed Loan Capitalisation

On 6 November 2020, the Company and eSun entered into a loan capitalisation agreement (the “**Loan Capitalisation Agreement**”), pursuant to which the Company has conditionally agreed to allot and issue a maximum of 2,687,500,000 new Consolidated Shares at a price of HK\$0.16 per Consolidated Share (the “**Capitalisation Shares**”) to eSun, or any persons as it may direct, in consideration of the cancellation by way of setting-off against the loans in an aggregate principal amount of HK\$430 million owing by the Company to eSun as at 31 October 2020 (the “**Loan Capitalisation**”).

MANAGEMENT DISCUSSION AND ANALYSIS

RECAPITALISATION PROPOSAL AND POTENTIAL ACQUISITION *(continued)*

(e) Proposed Clawback Offer by eSun

As part of the Loan Capitalisation, in order to provide the independent qualifying shareholders of the Company (the “**Clawback Qualifying Shareholders**”) with an opportunity to reduce the dilutive impact of the Loan Capitalisation on their shareholdings in the Company and to continue to participate in and share the growth of the business of the Company, eSun will conditionally offer 207,869,997 Consolidated Shares (the “**Clawback Offer Shares**”, representing approximately 7.7% of the Capitalisation Shares) to the Clawback Qualifying Shareholders on a pro rata basis of three Clawback Offer Shares for every one Consolidated Share held by the Clawback Qualifying Shareholders as at 28 December 2020 (as disclosed in the joint announcement of the Company and eSun dated 10 December 2020) at HK\$0.16 per Clawback Offer Share (the “**Clawback Offer**”). The price at which the Clawback Offer Shares would be offered will be equal to the issue price of the Capitalisation Shares under the Loan Capitalisation Agreement.

(f) Placing of Capitalisation Shares

As part of the Loan Capitalisation, and in order to maintain a public float of not less than 25% of the total issued Shares, in addition to the Clawback Offer, the Company and eSun entered into a placing agreement with Get Nice Securities Limited (the “**Placing Agent**”) on 6 November 2020 to place, through the Placing Agent, up to an aggregate of 937,500,000 Capitalisation Shares otherwise due to be allotted to eSun under the Loan Capitalisation on a best effort basis to at least six placees, at the price of HK\$0.16 per Capitalisation Share, payable to eSun (the “**Placing**”).

(g) Proposed Open Offer

After the completion of the Loan Capitalisation (including the Clawback Offer and the Placing), the Company proposed to raise up to approximately HK\$154.7 million before expense by way of an open offer of 967,035,227 Consolidated Shares (the “**Offer Shares**”) at the offer price of HK\$0.16 per Offer Share on the basis of one Offer Share for every three Consolidated Shares held by the Company’s qualifying shareholders as at 21 January 2021 and payable in full on acceptance (the “**Open Offer**”).

The Recapitalisation Proposal will put the Company in a position to acquire synergistic and complementary businesses to increase the scale of its business and its growth potential. On 6 November 2020, the Company and VSM Holdings Limited (“**VS Media**”, a private company incorporated in the British Virgin Islands and VS Media and its subsidiaries (“**VS Media Group**”) are engaged primarily in the social e-commerce, influencer marketing, short-form content sponsorship and licensing business) entered into the non-legally binding term sheet in relation to the potential acquisition by the Company of the entire issued share capital of VS Media (the “**Potential Acquisition**”). Definitive agreement(s) in respect of the Potential Acquisition, should it proceed, will only be entered into after completion of the Loan Capitalisation and will be conditional upon, among others, the completion of the Recapitalisation Proposal in full.

MANAGEMENT DISCUSSION AND ANALYSIS

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 as well as commercial viability and tightening the cost control procedure. As the consumption of online content has substantially increased in areas of streaming platforms and also e-commerce as a result of pandemic lockdown measures and social distancing policies, we believe there are opportunities in online e-commerce and influencer market which the Group can capture and expand into with appropriate acquisition of synergistic businesses. We have preliminarily identified VS Media Group as the target for potential acquisition. We have also proposed a recapitalisation plan, including capitalisation of HK\$430 million shareholder's loans and an open offer to raise HK\$150 million, subject to approval from the shareholders. The recapitalisation proposal will substantially increase the Company's capital base and introduce new investors and funds to sustain our existing operation and proposed business plans for future growth.

The Group continues to invest in original production of quality films with Chinese themes. Our current production pipeline include "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, and "Tales from the Occult", a psychological thriller made up of three short stories produced by John Chong and Mathew Tang, and directed by Wesley Hoi, Fung Chih Chiang and Fruit Chan.

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 "Modern Dynasty", a 30 episode modern-day drama series tailor-made for Alibaba's Youku platforms. 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. Joyce Cheng has joined our family earlier this year and we will keep looking for new talent in Greater China and further co-operation with Asian artistes with an aim to build up a strong artiste roster for the Group.

Several concerts of the Group are postponed due to the health concerns. The Group will continue to work with prominent local and Asian artistes for concert promotion and upcoming events including concerts of Tsai Chin, Yoga Lin and Leon Lai will be held next year in the hope of recovery of the pandemic situation.

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 31 October 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, Chapter 571 of the Laws of Hong Kong (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 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) 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 (Note 3)
	Number of LSG Shares		Number of underlying LSG Shares Personal interests	Total	
	Corporate interests	Personal interests			
Lam Kin Ngok, Peter	114,741,416 (Note 4)	48,802,906	333,333 (Note 5)	163,877,655	41.74%
Lui Siu Tsuen, Richard	—	185,600	—	185,600	0.05%

OTHER INFORMATION

DIRECTORS' INTERESTS IN SECURITIES *(continued)*

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

(b) *LSD*

Name of Directors	Long positions in the ordinary shares of LSD ("LSD Shares") and underlying LSD Shares				
	Number of LSD Shares		Number of underlying LSD Shares	Total	Approximate percentage of total issued LSD Shares <i>(Note 6)</i>
	Corporate interests	Personal interests	Personal interests		
Lam Kin Ngok, Peter	343,593,021 <i>(Note 7)</i>	433,737	417,308 <i>(Note 8)</i>	344,444,066	56.27%
Lui Siu Tsuen, Richard	—	—	104,000 <i>(Note 9)</i>	104,000	0.02%

(c) *eSun*

Name of Director	Long positions in the ordinary shares of eSun ("eSun Shares") and underlying eSun Shares				
	Number of eSun Shares		Number of underlying eSun Shares	Total	Approximate percentage of total issued eSun Shares <i>(Note 10)</i>
	Corporate interests	Personal interests	Personal interests		
Lam Kin Ngok, Peter	1,113,260,072 <i>(Note 11)</i>	2,794,443	—	1,116,054,515	74.81%

(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	Total	Approximate percentage of total issued Lai Fung Shares <i>(Note 12)</i>
	Corporate interests	Personal interests	Personal interests		
Lam Kin Ngok, Peter	180,618,266 <i>(Note 13)</i>	—	321,918 <i>(Note 14)</i>	180,940,184	54.66%

OTHER INFORMATION

DIRECTORS' INTERESTS IN SECURITIES *(continued)*

Notes:

1. The total number of issued Shares as at 31 October 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 31 October 2020, eSun was indirectly owned as to approximately 74.62% by LSD. LSD was approximately 56.13% directly and indirectly owned by LSG. LSG was approximately 12.43% (excluding share option) owned by Dr. Lam Kin Ngok, Peter ("**Dr. Lam**") and approximately 29.23% 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. The total number of issued LSG Shares as at 31 October 2020 (that is, 392,610,623 LSG Shares) has been used for the calculation of the approximate percentage.
4. 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.
5. On 19 June 2017, Dr. Lam was granted a share option by LSG to subscribe (after the adjustment for the share consolidation effective on 15 August 2017 of LSG) for 333,333 LSG Shares at the exercise price of HK\$15 per LSG Share with the exercise period from 19 June 2017 to 18 June 2027.
6. The total number of issued LSD Shares as at 31 October 2020 (that is, 612,089,025 LSD Shares) has been used for the calculation of the approximate percentage.
7. 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.
8. 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.
9. 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.
10. The total number of issued eSun Shares as at 31 October 2020 (that is, 1,491,854,598 eSun Shares) has been used for the calculation of the approximate percentage.
11. 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.
12. The total number of issued Lai Fung Shares as at 31 October 2020 (that is, 331,033,443 Lai Fung Shares) has been used for the calculation of the approximate percentage.
13. By virtue of his deemed controlling shareholding interests in LSD as described in Note 2 above, Dr. Lam was deemed to be interested in 17,510 Lai Fung Shares held by Transtrend Holdings Limited and 180,600,756 Lai Fung Shares held by Holy Unicorn Limited respectively, both being wholly-owned subsidiaries of LSD.
14. 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.

OTHER INFORMATION

DIRECTORS' INTERESTS IN SECURITIES *(continued)*

Save as disclosed above, as at 31 October 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 October 2020, the interests and short positions of the persons, other than the Directors, in the Shares and 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 corporations	1,443,156,837 <i>(Note 2)</i>	67.56%

Notes:

1. The total number of issued Shares as at 31 October 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.
3. Based on the disclosure of interests notices received by the Company, as at the date of this report, Hung Hon Man, Honeylink Agents Limited, Get Nice Holdings Limited, Get Nice Financial Group Limited and Get Nice Incorporated were deemed to be interested in the same 404,886,665 Consolidated Shares (approximately 10.46% of the issued Shares as enlarged by the Recapitalisation Proposal) held by Get Nice Securities Limited as the underwriter to the Open Offer.

Save as disclosed above, as at 31 October 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.

OTHER INFORMATION

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 (collectively, 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 its 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 THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed the Company’s listed securities during the three months ended 31 October 2020.

REVIEW OF QUARTERLY REPORT

The audit committee of the Company (the “**Audit Committee**”) currently comprises three independent non-executive Directors, namely Mr. Ng Chi Ho, Dennis (Chairman), Mr. Au Hoi Fung and Mr. Poon Kwok Hing, Albert. The Audit Committee has reviewed the first quarterly report (containing the unaudited condensed consolidated financial statements) of the Company for the three months ended 31 October 2020.

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

Hong Kong, 11 December 2020