



Media Asia Group Holdings Limited

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

(Stock Code: 8075)

Website: www.mediaasia.com

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 OCTOBER 2013

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*This announcement, 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 the GEM of the Stock Exchange (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 announcement 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 announcement misleading.*

FIRST QUARTERLY RESULTS

The board of directors (the “**Board**”) of Media Asia Group Holdings Limited (the “**Company**”) announces the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months ended 31 October 2013 together with the comparative unaudited figures for the corresponding periods in 2012 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Three months ended	
		31 October	
		2013	2012
	<i>Notes</i>	(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
CONTINUING OPERATIONS			
TURNOVER	3	147,695	64,526
Cost of sales		(81,797)	(45,732)
Gross profit		65,898	18,794
Other income		332	1,542
Marketing expenses		(17,335)	(1,318)
Administrative expenses		(23,312)	(22,862)
Other operating gains		469	1,798
Other operating expenses		(24,354)	(8,014)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES		1,698	(10,060)
Finance costs	4	(13,100)	(11,877)
Share of profits and losses of joint ventures		(1,195)	(40)
Share of profits and losses of an associate		(1)	—
LOSS BEFORE TAX FROM CONTINUING OPERATIONS		(12,598)	(21,977)
Income tax credit/(expense)	5	(1,589)	563
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(14,187)	(21,414)
DISCONTINUED OPERATION			
Loss for the period from a discontinued operation		—	(161)
LOSS FOR THE PERIOD		(14,187)	(21,575)
Attributable to:			
Owners of the Company		(15,904)	(22,460)
Non-controlling interests		1,717	885
		(14,187)	(21,575)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
	6		
Basic and diluted (HK cents)			
For loss for the period		(0.12)	(0.17)
For loss from continuing operations		(0.12)	(0.17)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31 October	
	2013 (Unaudited) <i>HK\$'000</i>	2012 (Unaudited) <i>HK\$'000</i>
LOSS FOR THE PERIOD	(14,187)	(21,575)
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified subsequently to the income statement:		
Exchange differences on translation of foreign operations	816	430
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	816	430
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(13,371)	(21,145)
Attributable to:		
Owners of the Company	(15,362)	(22,164)
Non-controlling interests	1,991	1,019
	(13,371)	(21,145)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 October 2013

	Attributable to owners of the Company								Non-controlling interests	Total equity
	Issued capital	Share premium	Contributed surplus	Capital reserve	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 August 2013 (audited)	131,403	395,249	44,475	309,993	—	950	(443,014)	439,056	33,551	472,607
Profit/(loss) for the period	—	—	—	—	—	—	(15,904)	(15,904)	1,717	(14,187)
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	—	—	—	—	—	542	—	542	274	816
Total comprehensive income/(loss) for the period	—	—	—	—	—	542	(15,904)	(15,362)	1,991	(13,371)
Partial conversion of First Completion Convertible Notes (Note 4(a))	984	1,379	—	(499)	—	—	—	1,864	—	1,864
At 31 October 2013 (unaudited)	132,387	396,628	44,475	309,494	—	1,492	(458,918)	425,558	35,542	461,100
At 1 August 2012 (audited)	131,403	395,249	44,475	309,993	5,030	5,461	(349,495)	542,116	26,805	568,921
Profit/(loss) for the period	—	—	—	—	—	—	(22,460)	(22,460)	885	(21,575)
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	—	—	—	—	—	296	—	296	134	430
Total comprehensive income/(loss) for the period	—	—	—	—	—	296	(22,460)	(22,164)	1,019	(21,145)
Equity-settled share option arrangements	—	—	—	—	334	—	—	334	—	334
Transfer of share-based payment reserve upon lapse of share options	—	—	—	—	(5,364)	—	5,364	—	—	—
At 31 October 2012 (unaudited)	131,403	395,249	44,475	309,993	—	5,757	(366,591)	520,286	27,824	548,110

NOTES:

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 (the "Shares") have been listed and traded on the 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 drama series; music production and publishing; provision of advertising services and consultancy services in planning and management of cultural, entertainment and live performance projects.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial information has 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 information are consistent with those used in the audited consolidated financial statements of the Group for the year ended 31 July 2013. These unaudited condensed consolidated results should be read in conjunction with the Company's annual report for the year ended 31 July 2013.

The unaudited condensed consolidated financial information has not been audited by the Company's independent auditors, but has been reviewed by the Company's audit committee.

3. TURNOVER

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

	Three months ended	
	31 October	
	2013	2012
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Turnover		
Entertainment event income	64,704	50,870
Sales of video products, distribution commission income and licence fee income from film products and film rights	60,508	201
Album sales, licence income and distribution commission income from music publishing and licensing	5,110	6,531
Artiste management fee income	13,052	6,918
Advertising income	3,593	—
Producer fee income and distribution commission income of TV programs	728	6
	<u>147,695</u>	<u>64,526</u>

4. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	Three months ended 31 October	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Interest on:		
— First Completion Convertible Notes wholly repayable within five years (<i>note a</i>)	8,508	7,693
— Second Completion Convertible Notes wholly repayable within five years (<i>note b</i>)	4,592	4,184
	<u>13,100</u>	<u>11,877</u>

Notes:

- (a) 3-year zero coupon convertible notes of the Company due 8 June 2014, with an outstanding principal amount of HK\$344,386,642 as at 31 October 2013.
- (b) 3-year zero coupon convertible notes of the Company due 8 June 2015, with an outstanding principal amount of HK\$224,873,937 as at 31 October 2013.

5. INCOME TAX CREDIT/(EXPENSE)

No provision for Hong Kong profits tax has been made during the period under review as there were no assessable profits generated during the three months ended 31 October 2013 (three months ended 31 October 2012: 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 of.

	Three months ended 31 October	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Provision for tax for the period		
Current — Hong Kong		
Charge for the period	—	—
Current — Elsewhere		
Charge for the period	(2,168)	—
	<u>(2,168)</u>	—
Deferred tax credit for the period	579	563
Total tax credit/(expense) for the period	<u>(1,589)</u>	<u>563</u>

6. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share amounts is based on the loss attributable to owners of the Company for the three months ended 31 October 2013 of approximately HK\$15,904,000 (three months ended 31 October 2012: approximately HK\$22,460,000) and the weighted average number of ordinary shares of approximately 13,170,454,000 (three months ended 31 October 2012: approximately 13,140,258,000) in issue during the period.

The calculation of basic loss per share amounts from continuing operations is based on the loss from continuing operations attributable to owners of the Company for the three months ended 31 October 2013 of approximately HK\$15,904,000 (three months ended 31 October 2012: approximately HK\$22,299,000) and the weighted average number of ordinary shares of approximately 13,170,454,000 (three months ended 31 October 2012: approximately 13,140,258,000) in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the three months ended 31 October 2013 and 2012 in respect of a dilution as the impact of the share options, the First Completion Convertible Notes and the Second Completion Convertible Notes outstanding during the period 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 three months ended 31 October 2013 (three months ended 31 October 2012: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the three months ended 31 October 2013 (the “**Current Period**”), the Group recorded a turnover of approximately HK\$147,695,000, representing an increase of approximately 129% from approximately HK\$64,526,000 for the corresponding three months in 2012 (the “**Corresponding Period**”), mainly due to the increase in revenue of the Group’s film production and distribution and entertainment events.

Cost of sales increased to approximately HK\$81,797,000 for the Current Period from approximately HK\$45,732,000 for the Corresponding Period. The Group’s other income decreased to approximately HK\$332,000 for the Current Period from approximately HK\$1,542,000 for the Corresponding Period. The decrease in other income was mainly due to the decrease in interest income on the bank deposit.

The Group’s marketing expenses increased to approximately HK\$17,335,000 for the Current Period from approximately HK\$1,318,000 for the Corresponding Period. The increase in the abovementioned expenses is due to the increase in the operation activities of the Group. Administrative expenses increased to approximately HK\$23,312,000 for the Current Period from approximately HK\$22,862,000 for the Corresponding Period. These expenses are under strict control by the Company’s management. Other operating expenses increased to approximately HK\$24,354,000 for the Current Period from approximately HK\$8,014,000 for the Corresponding Period. Other operating expenses mainly include impairment of deposits and other receivables.

Finance costs increased to approximately HK\$13,100,000 for the Current Period from approximately HK\$11,877,000 for the Corresponding Period. The increase in finance costs was mainly due to the increase in the recognition of interest expenses on the First Completion Convertible Notes and the Second Completion Convertible Notes.

Loss attributable to owners of the Company for the Current Period was approximately HK\$15,904,000 compared to that of approximately HK\$22,460,000 for the Corresponding Period. Basic loss per Share was approximately 0.12 HK cents compared to that of approximately 0.17 HK cents for the Corresponding Period.

BUSINESS REVIEW

Media and Entertainment Segment

Events Management

During the Current Period, the Group organised and invested in 26 shows. Turnover from these shows amounted to approximately HK\$64,704,000.

In August 2011, the Group entered into an entertainment service agreement with an independent third party, pursuant to which the Group has provided certain entertainment services including designing and formulating event proposals, managing the events and arranging for artistes and staff to participate in the events. Events management income included retainer fees of approximately HK\$6,457,000 arising from the said entertainment service agreement.

Music

During the Current Period, the Group released over 6 albums. Turnover from music production and publishing was approximately HK\$5,110,000.

Artiste Management

During the Current Period, the Group recorded a turnover of approximately HK\$13,052,000 from artiste management.

Advertising

During the Current Period, the Group recorded a turnover of approximately HK\$3,593,000 from advertising business.

TV Program Distribution

During the Current Period, the Group recorded a turnover of approximately HK\$728,000 from TV program distribution commission income and TV program production fee income.

Film Production and Distribution Segment

During the Current Period, the Group released 2 films, namely One Night Surprise and The Wrath of Vajra. Turnover from the licence fee income and distribution commission income of films was approximately HK\$60,508,000.

Capital Reorganisation and Change in Board Lot Size

On 2 December 2013, the Company announced the proposed capital reorganisation (the “**Capital Reorganisation**”) and the proposed change in the board lot size.

The Capital Reorganisation will involve:

- (i) the share consolidation, whereby every twenty (20) issued Shares of HK\$0.01 each in the existing share capital of the Company will be consolidated into one (1) consolidated share of HK\$0.20 (the “**Consolidated Share**”);
- (ii) the capital reduction (the “**Capital Reduction**”), whereby the paid-up capital of the Consolidated Shares will be cancelled to the extent of HK\$0.19 per Consolidated Share so as to form a new share of HK\$0.01 (the “**New Share**”);
- (iii) the share premium reduction, whereby the entire sum standing to the credit of the Company’s share premium account will be cancelled (the “**Share Premium Reduction**”); and
- (iv) the transfer, whereby the entire amount of the credit arising from the Capital Reduction and the Share Premium Reduction will be transferred to the contributed surplus account of the Company and to apply part of the amount standing to the contributed surplus account to set off against the accumulated losses.

The Capital Reorganisation is conditional upon, among other things, the approval of the Capital Reorganisation by the shareholders of the Company (the “**Shareholders**”) at a special general meeting (the “**SGM**”).

The Company also proposed to change in the board lot size. The Shares are currently trading in board lot size of 2,000 Shares. The board lot size of the New Shares for trading on the Stock Exchange will be changed to 4,000 New Shares upon the Capital Reorganisation becoming effective (the “**Change in Board Lot Size**”).

The details of the Capital Reorganisation and the Change in Board Lot Size are set out in the announcement of the Company dated 2 December 2013. A circular containing, among other things, details of the Capital Reorganisation, the Change in Board Lot Size and a notice of the SGM will be despatched to the Shareholders on 13 December 2013.

Prospects

Entertainment consumption in China is undergoing unprecedented growth and the Group stands ready to build on its solid foundation to fully seize the opportunities.

The Group is on a continued drive to increase original production of films with Chinese themes. With the slate of films currently in development and production, the Group foresees a solid distribution pipeline in the year to come.

Answering the continued strong demand for good quality television drama from TV stations and online video websites in the PRC, the Group has strengthened its collaboration with top-notch TV producers and directors. In addition, the Group is looking to increase its investments in other types of TV programmes such as variety shows and reality series.

The Group believes that a strong artiste roster will complement our media and entertainment businesses. In addition to expanding our Chinese artiste roster, the Group also collaborates with high profile Asian artistes such as top Korean music groups. The diverse projects of the Group including film, TV, music and live events ensure maximum commercial value and appeal in attracting talent.

On the music side, the long awaited pay model for digital music in China is taking shape, with international music labels coming to a mutually acceptable licensing model with major Chinese music portals. With a vast and well-known Chinese music library under management, the Group is ideally poised to capitalize on this new economic model.

The Group was involved in the production and promotion of numerous major concerts in the first quarter in China by prominent local and international artistes. The Group remains committed to staying a major force in Chinese live entertainment and is expanding its focus on concerts to other types of live entertainment.

Overall, the Group is convinced that its integrated media platform comprising film, TV, music, talent, and event presents the most balanced and synergistic approach to growing a Chinese entertainment powerhouse, and the Group is constantly optimizing its resources towards this goal.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

At 31 October 2013, interests or short positions of the Directors and chief executives of the Company or their respective associates (as defined under the GEM Listing Rules) in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange, were as follows:

(1) The Company

(a) Long positions in the Shares

Name of Directors	Capacity in which the Shares are held	Number of the Shares	Approximate percentage of total issued Shares (Note 4)
Dr. Lam Kin Ngok, Peter (Note 1)	(i) Interest of controlled corporations	6,775,425,500	51.18%
	(ii) Deemed interest under S.317 of the SFO	676,093,209	5.11%
	Total	<u>7,451,518,709</u>	<u>56.29%</u>
Mr. Yu Feng (Note 2)	(i) Interest of controlled corporations	576,098,633	4.35%
	(ii) Deemed interest under S.317 of the SFO	6,875,420,076	51.94%
	Total	<u>7,451,518,709</u>	<u>56.29%</u>
Mr. Choi Chiu Fai, Stanley (Note 3)	Deemed interest under S.317 of the SFO	7,451,518,709	56.29%
Mr. Chan Chi Yuen	Beneficial owner	2,300,000	0.02%

(b) Long positions in the underlying Shares

Name of Directors	Capacity in which the underlying Shares are held	Number of the Underlying Shares	Approximate percentage of total issued Shares (Note 4)
Dr. Lam Kin Ngok, Peter (Note 1)	(i) Interest of controlled corporations	14,070,000,000	106.28%
	(ii) Deemed interest under S.317 of the SFO	9,650,479,894	72.90%
	Total	<u>23,720,479,894</u>	<u>179.18%</u>
Mr. Yu Feng (Note 2)	(i) Interest of controlled corporations	6,486,699,793	49.00%
	(ii) Deemed interest under S.317 of the SFO	17,233,780,101	130.18%
	Total	<u>23,720,479,894</u>	<u>179.18%</u>
Mr. Choi Chiu Fai, Stanley (Note 3)	(i) Interest of a controlled corporation	492,092,899	3.72%
	(ii) Deemed interest under S.317 of the SFO	23,228,386,995	175.46%
	Total	<u>23,720,479,894</u>	<u>179.18%</u>

(2) Associated Corporations

(a) eSun Holdings Limited (“eSun”)

(a.1) Long Positions in eSun shares

Name of Director	Capacity in which shares are held	Ordinary shares of HK\$0.50 each	
		Number of shares	Approximate percentage of total issued shares
Dr. Lam Kin Ngok, Peter	(i) Interest of controlled corporations	496,404,186	39.93%
	(ii) Beneficial owner	<u>2,794,443</u>	<u>0.22%</u>
	Total	<u>499,198,629</u>	<u>40.15%</u>

(a.2) Long positions in eSun underlying shares

Dr. Lam Kin Ngok, Peter (“**Dr. Lam**”) was granted on 18 January 2013 an option under the eSun share option scheme to subscribe for 1,243,212 eSun shares.

Mr. Lui Siu Tsuen, Richard was granted on 18 January 2013 an option under the eSun share option scheme to subscribe for 3,729,636 eSun shares.

(b) *Perfect Sky Holdings Limited (“Perfect Sky”)*

Ordinary shares of US\$1.00 each			Approximate percentage of total issued share
Name of Director	Capacity in which share is held	Number of share	
Dr. Lam Kin Ngok, Peter (Note 1)	Interest of controlled corporations	1	100.00%

(c) *Lai Fung Holdings Limited (“Lai Fung”)*

(c.1) Long positions in Lai Fung shares

Ordinary shares of HK\$0.10 each			Approximate percentage of total issued shares
Name of Director	Capacity in which shares are held	Number of shares	
Dr. Lam Kin Ngok, Peter* (Note 1)	Interest of controlled corporations	8,027,276,422	49.87%

* Dr. Lam (who was the chairman and an executive director of Lai Fung from 25 November 1993 to 31 October 2012) was deemed to be interested in 8,027,276,422 Lai Fung shares (approximately 49.87% of the Lai Fung shares in issue) indirectly held by eSun.

(c.2) Long positions in Lai Fung underlying shares

Dr. Lam was granted on 18 January 2013 an option under the Lai Fung share option scheme to subscribe for 16,095,912 Lai Fung shares.

(c.3) By virtue of his deemed controlling shareholding interests in eSun as described in Note (1) (b) below, as at 31 October 2013, Dr. Lam was also deemed to be interested in a principal amount of US\$1,025,000 in the 9.125% Senior Notes due 2014 issued by Lai Fung, which was beneficially owned by a wholly-owned subsidiary by eSun.

Notes:

- (1) (a) By virtue of the interest of Dr. Lam through his controlled corporations described in paragraph (b) immediately below, Dr. Lam was deemed to be interested in the Shares owned/to be owned by Perfect Sky as shown in the section headed “**SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS IN SECURITIES**” below pursuant to Part XV of the SFO.
 - (b) Perfect Sky is a wholly-owned subsidiary of eSun which as at 31 October 2013 owned approximately 51.18% of the issued Shares. As at 31 October 2013 eSun was indirectly owned as to approximately 39.93% by Lai Sun Development Company Limited (“**LSD**”) which was approximately 49.97% directly and indirectly owned by Lai Sun Garment (International) Limited (“**LSG**”). LSG was approximately 10.06% owned by Dr. Lam and approximately 29.99% owned by Wisdoman Limited which was in turn 50% beneficially owned by Dr. Lam. Further, Lai Fung was approximately 49.87% owned by eSun.
- (2) (a) By virtue of the interest of Mr. Yu Feng (“**Mr. Yu**”) through his controlled corporations described in paragraph (b) immediately below, Mr. Yu was deemed to be interested in the Shares owned/to be owned by Next Gen Entertainment Limited (“**Next Gen**”) as shown in the section headed “**SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS IN SECURITIES**” below pursuant to Part XV of the SFO.
 - (b) Next Gen is a wholly-owned subsidiary of Yunfeng Fund, L.P., of which Mr. Yu is the founder and chairman. Mr. Yu is also the sole director of the aforesaid fund’s general partner.
- (3) (a) By virtue of the interest of Mr. Choi Chiu Fai, Stanley (“**Mr. Choi**”) through his controlled corporation described in paragraph (b) immediately below, Mr. Choi was deemed to be interested in the Shares owned/to be owned by Grace Promise Limited (“**Grace Promise**”) as shown in the section headed “**SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS IN SECURITIES**” below pursuant to Part XV of the SFO.
 - (b) Grace Promise is wholly and beneficially owned by Mr. Choi.
- (4) The total number of the issued Shares as at 31 October 2013 (that is, 13,238,664,254 Shares) has been used for the calculation of the approximate percentage.

Save as disclosed above, as at 31 October 2013, none of the Directors or chief executive of the Company or their respective associates had, or was deemed to have, any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS IN SECURITIES

So far as was known by or otherwise notified to any Director or chief executive of the Company, as at 31 October 2013, the following corporations or persons had 5% or more interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO or were entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company (the “**Voting Entitlement**”):

Long position in the Shares

Name of Shareholders	Capacity in which the Shares and the underlying Share are held	Number of the Shares	Number of the underlying Shares	Deemed interest pursuant to Section 317 of the SFO (Note 7)	Total	Approximate percentage of total issued Shares (Note 8)
Substantial Shareholders						
Dr. Lam Kin Ngok, Peter (Note 1)	Interest of controlled corporations	6,775,425,500	14,070,000,000	10,326,573,103	31,171,998,603	235.46%
Lai Sun Garment (International) Limited (Note 1)	Interest of controlled corporations	6,775,425,500	14,070,000,000	10,326,573,103	31,171,998,603	235.46%
Zimba International Limited (Note 1)	Interest of controlled corporations	6,775,425,500	14,070,000,000	10,326,573,103	31,171,998,603	235.46%
Lai Sun Development Company Limited (Note 1)	Interest of controlled corporations	6,775,425,500	14,070,000,000	10,326,573,103	31,171,998,603	235.46%
Transtrend Holdings Limited (Note 1)	Interest of controlled corporations	6,775,425,500	14,070,000,000	10,326,573,103	31,171,998,603	235.46%
eSun Holdings Limited (Note 1)	Interest of a controlled corporation	6,775,425,500	14,070,000,000	10,326,573,103	31,171,998,603	235.46%
Perfect Sky Holdings Limited (Note 1)	Beneficial owner	6,775,425,500	14,070,000,000	10,326,573,103	31,171,998,603	235.46%
Mr. Tse On Kin (Note 2)	Interest of a controlled corporation	852,750,000	430,000,000	30,734,248,603	32,016,998,603	241.84%
Sun Great Investments Limited (Note 2)	Beneficial owner	7,750,000	430,000,000	30,734,248,603	31,171,998,603	235.46%
Mr. Yu Feng (Note 3)	Interest of controlled corporations	576,098,633	6,486,699,793	24,109,200,177	31,171,998,603	235.46%
Yunfeng Fund, L.P. (Note 3)	Interest of a controlled corporation	576,098,633	6,486,699,793	24,109,200,177	31,171,998,603	235.46%
Next Gen Entertainment Limited (Note 3)	Beneficial owner	576,098,633	6,486,699,793	24,109,200,177	31,171,998,603	235.46%
SINA Corporation (Note 4)	Interest of a controlled corporation	92,244,576	1,164,487,920	29,915,266,107	31,171,998,603	235.46%
Memestar Limited (Note 4)	Beneficial owner	92,244,576	1,164,487,920	29,915,266,107	31,171,998,603	235.46%
Mr. Choi Chiu Fai, Stanley (Note 5)	Interest of a controlled corporation	—	492,092,899	30,679,905,704	31,171,998,603	235.46%
Ms. Cheung Fung Kuen, Maggie (Note 5)	Interest of a controlled corporation	—	492,092,899	30,679,905,704	31,171,998,603	235.46%
Grace Promise Limited (Note 5)	Beneficial owner	—	492,092,899	30,679,905,704	31,171,998,603	235.46%
Mr. Zhou Xin (Note 6)	Interest of a controlled corporation	—	1,077,199,282	30,094,799,321	31,171,998,603	235.46%
嚴紅春 (Note 6)	Interest of a controlled corporation	—	1,077,199,282	30,094,799,321	31,171,998,603	235.46%
On Chance Inc. (Note 6)	Beneficial owner	—	1,077,199,282	30,094,799,321	31,171,998,603	235.46%
Other Persons						
Bronze Fortune Limited (Note 2)	Beneficial owner	845,000,000	—	—	845,000,000	6.38%

Notes:

- (1) Perfect Sky is wholly owned by eSun. As at 31 October 2013, eSun was owned as to approximately 39.93% by Transtrend Holdings Limited (“**Transtrend**”). Transtrend is wholly owned by LSD. LSD was approximately 49.97% owned by LSG and two of LSG’s wholly-owned subsidiaries, namely Zimba International Limited (“**Zimba**”) and Joy Mind Limited. LSG was approximately 10.06% owned by Dr. Lam (a Director of the Company) and approximately 29.99% owned by Wisdoman Limited which is in turn 50% beneficially owned by Dr. Lam. Thus, all the above companies are corporations controlled by Dr. Lam, and Dr. Lam, LSG, Zimba, LSD, Transtrend and eSun were deemed to be interested in such Shares which Perfect Sky was interested in pursuant to Part XV of the SFO.
- (2) Sun Great Investments Limited (“**Sun Great**”) and Bronze Fortune Limited (“**Bronze Fortune**”) are wholly and beneficially owned by Mr. Tse On Kin (“**Mr. Tse**”). Mr. Tse was, therefore, deemed to be interested in such Shares which Sun Great and Bronze Fortune were interested in pursuant to Part XV of the SFO.
- (3) Next Gen is wholly and beneficially owned by Yunfeng Fund, L.P. of which Mr. Yu (a Director of the Company) is the founder and chairman. Mr. Yu and the aforesaid fund were, therefore, deemed to be interested in such Shares which Next Gen was interested in pursuant to Part XV of the SFO. Mr. Yu is also the sole director of the general partner of the aforesaid fund.
- (4) Memestar Limited (“**Memestar**”) is wholly and beneficially owned by SINA Corporation (“**SINA**”). SINA was, therefore, deemed to be interested in such Shares which Memestar was interested in pursuant to Part XV of the SFO.
- (5) Grace Promise is wholly and beneficially owned by Mr. Choi (a Director of the Company). Mr. Choi and his spouse Ms. Cheung Fung Kuen, Maggie, were, therefore, deemed to be interested in such Shares which Grace Promise was interested in pursuant to Part XV of the SFO.
- (6) On Chance Inc. (“**On Chance**”) is owned as to 95% by Mr. Zhou Xin (“**Mr. Zhou**”). Mr. Zhou and his spouse 嚴紅春 were, therefore, deemed to be interested in such Shares which On Chance was interested in pursuant to Part XV of the SFO.
- (7) Pursuant to Section 317 of the SFO, each of the subscribers (including their beneficial owners) to a subscription agreement dated 23 March 2011 in relation to the subscription of certain Shares and convertible notes of the Company was deemed to be interested in the Shares and the underlying Shares held by the other subscribers.
- (8) The total number of the issued Shares as at 31 October 2013 (that is, 13,238,664,254 Shares) has been used for the calculation of the approximate percentage.

Save as disclosed above, at 31 October 2013, there were no other persons who were recorded in the register of the Company as having interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO or who had the Voting Entitlement.

AUDIT COMMITTEE

The Company has established an audit committee on 21 May 2001 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The audit committee has three members comprising three independent non-executive Directors, namely Mr. Chan Chi Yuen, Mr. Zhang Xi and Mr. Ng Chi Ho, Dennis. The audit committee has reviewed the accounting principles and practices adopted by the Group and the unaudited condensed consolidated financial information for the three months ended 31 October 2013.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the three months ended 31 October 2013.

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

Hong Kong, 11 December 2013

As at the date of this announcement, the Board comprises six executive Directors, namely Dr. Lam Kin Ngok, Peter (Chairman), Mr. Yu Feng, Mr. Choi Chiu Fai, Stanley, Mr. Jeffrey Soong, Mr. Lui Siu Tsuen, Richard and Mr. Chan Chi Kwong; and three independent non-executive Directors, namely Mr. Chan Chi Yuen, Mr. Zhang Xi and Mr. Ng Chi Ho, Dennis.

This announcement will remain on the GEM website on the "Latest Company Announcements" page for at least 7 days after its posting and the website of the Company at www.mediaasia.com.