



Media Asia Group Holdings Limited

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

(Stock Code: 8075)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 OCTOBER 2012

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

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

*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 2012 together with the comparative unaudited figures for the corresponding periods in 2011 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Three months ended 31 October	
		2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Turnover	3	64,526	11,068
Cost of sales		(45,732)	(6,520)
Gross profit		18,794	4,548
Other income		1,544	372
Marketing expenses		(1,318)	(32)
Administrative expenses		(23,025)	(13,224)
Fair value loss on a forward contract	4	–	(467,226)
Other operating gains		1,798	137
Other operating expenses		(8,014)	(1,938)
Loss from operating activities		(10,221)	(477,363)
Finance costs	5	(11,877)	(7,149)
Share of profits and losses of a joint venture		(40)	–
Loss before tax		(22,138)	(484,512)
Income tax credit/(expense)	6	563	(480)
Loss for the period		(21,575)	(484,992)
Attributable to:			
Owners of the Company		(22,460)	(484,878)
Non-controlling interests		885	(114)
		(21,575)	(484,992)
Loss per share attributable to owners of the Company	7	(0.17)	(4.08)
Basic and diluted (HK cents)			

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended	
	31 October	
	2012	2011
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss for the period	(21,575)	(484,992)
Other comprehensive income		
Exchange differences on translation of foreign operations	<u>430</u>	<u>208</u>
Other comprehensive income for the period, net of tax	<u>430</u>	<u>208</u>
Total comprehensive loss for the period	<u>(21,145)</u>	<u>(484,784)</u>
Attributable to:		
Owners of the Company	(22,164)	(484,670)
Non-controlling interests	<u>1,019</u>	<u>(114)</u>
	<u>(21,145)</u>	<u>(484,784)</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 October 2012

	Attributable to owners of the Company									
	Issued capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Capital reserve HK\$'000	Share-based payment reserve HK\$'000	Foreign currency translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total Equity HK\$'000
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
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)	<u>131,403</u>	<u>395,249</u>	<u>44,475</u>	<u>309,993</u>	<u>-</u>	<u>5,757</u>	<u>(366,591)</u>	<u>520,286</u>	<u>27,824</u>	<u>548,110</u>
At 1 August 2011 (audited)	101,103	109,611	44,475	92,651	-	5,475	(59,320)	293,995	(2,153)	291,842
Loss for the period	-	-	-	-	-	-	(484,878)	(484,878)	(114)	(484,992)
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	-	-	-	-	-	208	-	208	-	208
Total comprehensive income/(loss) for the period	-	-	-	-	-	208	(484,878)	(484,670)	(114)	(484,784)
Partial conversion of convertible notes	15,625	9,476	-	(6,237)	-	-	-	18,864	-	18,864
Placing of new shares	14,675	278,825	-	-	-	-	-	293,500	-	293,500
Transaction costs of placing of new shares	-	(2,663)	-	-	-	-	-	(2,663)	-	(2,663)
Equity-settled share option arrangements	-	-	-	-	937	-	-	937	-	937
At 31 October 2011 (unaudited)	<u>131,403</u>	<u>395,249</u>	<u>44,475</u>	<u>86,414</u>	<u>937</u>	<u>5,683</u>	<u>(544,198)</u>	<u>119,963</u>	<u>(2,267)</u>	<u>117,696</u>

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; cinema investment and operation; provision of consultancy services in planning and management of cultural, entertainment and live performance projects; provision of content to new media and operation of new media and related businesses primary in the People's Republic of China (the "PRC") and Macau.

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 2012. These unaudited condensed consolidated results should be read in conjunction with the Company's annual report for the year ended 31 July 2012.

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 is as follows:

	Three months ended	
	31 October	
	2012	2011
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Turnover		
Entertainment event income	50,870	9,595
Sales of video products, distribution commission income and licence fee income from film rights	201	948
Album sales, licence income and distribution commission income from music publishing and licensing	6,531	525
Artiste management fee income	6,918	–
Producer fee income of TV Program	6	–
	<u>64,526</u>	<u>11,068</u>

4. FAIR VALUE LOSS ON A FORWARD CONTRACT

Pursuant to a subscription agreement (the “**Subscription Agreement**”) entered into between Perfect Sky Holdings Limited, Sun Great Investments Limited, Next Gen Entertainment Limited, Memestar Limited, On Chance Inc. and Grace Promise Limited (collectively the “**Subscribers**”) and the Company on 23 March 2011, among others, the Company:

- conditionally agreed to issue, and the Subscribers conditionally agreed to subscribe for 3-year zero coupon convertible notes in an aggregate principal amount of HK\$371,386,642 (the “**First Completion Convertible Notes**”); and
- conditionally agreed to issue, and the Subscribers conditionally agreed to subscribe for 3-year zero coupon convertible notes in an aggregate principal amount of HK\$224,873,937 (the “**Second Completion Convertible Notes**”).

All conditions precedent to the completion of the subscription of the First Completion Convertible Notes and the Second Completion Convertible Notes were fulfilled on 9 June 2011 and 9 June 2012 respectively.

Before 9 June 2012 (the “**Second Completion Date**”), the Company was contractually obligated to issue the Second Completion Convertible Notes. In this regard, before the issue of the Second Completion Convertible Notes, the Subscription Agreement in respect of the issue of the Second Completion Convertible Notes constitutes a forward contract within the scope of HKAS 39 “Financial Instruments: Recognition and Measurement”, and is recognised at its fair value as an asset or a liability on the commitment date, and is subsequently measured at fair value with changes in fair value recognised in the income statement. During the three months ended 31 October 2011, the Group recognised a fair value loss in respect of the forward contract of approximately HK\$467,226,000 in the income statement.

On the Second Completion Date, the Group recognised a financial liability of the forward contract of approximately HK\$172,488,000. On the same date, the Company issued the Second Completion Convertible Notes in an aggregate principal amount of HK\$224,873,937. The fair value of the forward contract of approximately HK\$172,488,000 formed part of the consideration for the issuance of the Second Completion Convertible Notes (further details are set out in the Company’s annual report for the year ended 31 July 2012). Accordingly, no fair value gain or loss in respect of the forward contract was recognised for the three months ended 31 October 2012.

The fair values of the forward contract as at the Second Completion Date and 31 October 2011 were determined with reference to the valuations of the forward contract as at those dates performed by Greater China Appraisal Limited, an independent firm of professional valuers. The valuations have taken into account factors including adjusted weighted average market prices of the Company’s shares, volatilities and prevailing market interest rates.

5. FINANCE COSTS

An analysis of finance costs is as follows:

	Three months ended 31 October	
	2012	2011
	(Unaudited)	(Unaudited)
	HK\$’000	HK\$’000
Interest on:		
— First Completion Convertible Notes wholly repayable within five years	7,693	7,149
— Second Completion Convertible Notes wholly repayable within five years	4,184	—
	11,877	7,149

6. 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 2012 (three months ended 31 October 2011: 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	
	2012	2011
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Provision for tax for the period		
Hong Kong	–	–
Elsewhere	–	(480)
	<u>–</u>	<u>(480)</u>
Deferred tax credit for the period	563	–
	<u>563</u>	<u>(480)</u>
Total tax credit/(expense) for the period	563	(480)
	<u><u>563</u></u>	<u><u>(480)</u></u>

7. 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 2012 of HK\$22,460,000 (three months ended 31 October 2011: HK\$484,878,000) and the weighted average number of ordinary shares of approximately 13,140,258,000 (three months ended 31 October 2011: approximately 11,888,736,000) 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 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.

No adjustment has been made to the basic loss per share amounts presented for the three months ended 31 October 2011 in respect of a dilution as the impact of the share options and the First Completion Convertible Notes outstanding during the period had an anti-dilutive effect on the basic loss per share amounts presented.

8. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 October 2012 (three months ended 31 October 2011: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the three months ended 31 October 2012, the Group recorded a turnover of approximately HK\$64,526,000, representing an increase of approximately 483% from approximately HK\$11,068,000 for the corresponding three months in 2011. The significant increase in turnover was mainly due to the increase in revenue from the Group's entertainment businesses.

Cost of sales increased to approximately HK\$45,732,000 for the three months ended 31 October 2012 from approximately HK\$6,520,000 for the corresponding three months in 2011. The Group's other income increased to approximately HK\$1,544,000 for the three months ended 31 October 2012 from approximately HK\$372,000 for the corresponding three months in 2011. The increase in other income was mainly due to the increase in interest income on the bank deposit. Operating expenses increased by approximately 113% to approximately HK\$32,357,000 for the three months ended 31 October 2012 from approximately HK\$15,194,000 for the corresponding three months in 2011. Finance costs increased to approximately HK\$11,877,000 for the three months ended 31 October 2012 from approximately HK\$7,149,000 for the corresponding three months in 2011. The increase in finance costs was mainly due to the recognition of interest expenses on the Second Completion Convertible Notes.

Loss attributable to owners of the Company for the three months ended 31 October 2012 was approximately HK\$22,460,000 compared to that of approximately HK\$484,878,000 for the corresponding three months in 2011. The significant reduction in loss attributable to owners of the Company was mainly due to the fact that the issuance of the Second Completion Convertible Notes was completed on 9 June 2012 and therefore no fair value loss on a forward contract was recognised during the period. The fair value loss on a forward contract of approximately HK\$467,226,000 was recognised for the corresponding three months in 2011. Basic loss per Share was approximately 0.17 HK cents compared to that of approximately 4.08 HK cents for the corresponding three months in 2011.

At 31 October 2012, the Group had bank and cash balances of approximately HK\$638,817,000, decreased from approximately HK\$696,869,000 at 31 July 2012.

Business Review

Events Management

During the period under review, the Group organised and invested in a number of concerts and shows and provided certain entertainment consultancy services. The total revenue from these business amounted to approximately HK\$50,870,000.

Film production and distribution

During the period under review, the Group recorded a turnover of approximately HK\$201,000 from video distribution and film distribution commission income.

Music

During the period under review, the Group released 5 albums. Turnover from music publishing and recording was approximately HK\$6,531,000.

Artiste management

During the period under review, the Group recorded a turnover of approximately HK\$6,918,000 from artiste management.

TV Program distribution

During the period under review, the Group recorded a turnover of approximately HK\$6,000 from TV program producer fee income.

Continuing Connected Transactions

On 23 December 2011, the Company entered into the following agreements:

- (i) the artistes engagement framework agreement with eSun Holdings Limited (“**eSun**”) in relation to the arrangement for the engagement of the artistes by the Group;
- (ii) the concert co-production framework agreement with eSun in relation to the arrangement for the co-production of concerts by both parties;
- (iii) the music catalogue licence agreements with certain subsidiaries of eSun as the licensors and eSun as the designated representative of the licensors respectively in relation to the grant of licences by the licensors to the Company to enable the Company to exploit the music works (including karaoke music videos) owned by the licensors in the territories of the PRC and Macau; and
- (iv) the film library licence agreements with certain subsidiaries of eSun as the licensors and eSun as the designated representative of the licensors respectively in relation to the grant of licences by the licensors to the Company to enable the Company to exploit the rights in the films owned or acquired by, or licensed to, the licensors in the territories of the PRC and Macau,

(each of the continuing connected transactions contemplated under the above agreements for the three years of the Company ending 31 July 2014, collectively, the “**Continuing Connected Transactions**”).

Details of the Continuing Connected Transactions are set out in the announcement and circular of the Company dated 23 December 2011 and 17 February 2012 respectively. The Continuing Connected Transactions and the proposed maximum annual amount of each of the Continuing Connected Transactions for three years ending 31 July 2014 have been approved by the independent shareholders of the Company (the “**Shareholders**”) on 5 March 2012.

Prospects

The Group continues to further expand its media and entertainment business, aiming to maximise income from its film, television, music, live entertainment, talent management and new media businesses in the PRC in order to capitalise on this fast growing industry.

A number of the Group's films under production will be released in the current financial year. The Group is actively pursuing opportunities to collaborate with renowned studios, directors and producers in investing and producing high-quality Chinese language films that appeal to the PRC market, with the objectives of expanding market share and increasing our film revenue.

The Group has been increasing the volume of its investment and/or production in concerts and live entertainment, particularly in the PRC. In order to bring to the Chinese audience with more exuberant choices in live entertainment experiences, the Group has been diversifying its live performance events from major pop concerts to musical performances and location based entertainment events with popular local as well as international artistes.

The Group believes that a strong artiste roster will complement our media and entertainment businesses. Apart from working with and securing an increasing number of successful and famous artistes in Hong Kong and the PRC, the Group continues to look for opportunities in cooperating with high profile Asian artistes and explore new talents in Asia to provide a fresh supply of artistes for its entertainment projects.

In view of the continued strong demand for good quality television drama from TV stations and online video website operators in the PRC, the Group will increase its investment and/or production of premium quality programmes with well-known producers and artistes. Meanwhile, the Group will continue its efforts in developing relationships with major television networks, production teams and video websites operators in the PRC and has been investing in other television programme genre such as variety shows and singing contests.

In light of the enormous yet continuously growing PRC market, the Group endeavors to continue expansion of its integrated entertainment platform with view to provide the most valuable and competitive Chinese-language content. The Group will continue to explore cooperation and investment opportunities so as to enrich its portfolio and broaden its income stream with primary focus in the PRC market.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

At 31 October 2012, 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	6,712,925,500	51.09%
	(ii) Deemed interest under S.317 of the SFO	1,521,093,209	11.57%
	Total	<u>8,234,018,709</u>	<u>62.66%</u>
Mr. Yu Feng (Note 2)	(i) Interest of controlled corporations	576,098,633	4.38%
	(ii) Deemed interest under S.317 of the SFO	7,657,920,076	58.28%
	Total	<u>8,234,018,709</u>	<u>62.66%</u>
Mr. Choi Chiu Fai, Stanley (Note 3)	Deemed interest under S.317 of the SFO	8,234,018,709	62.66%
Ms. Etsuko Hoshiyama	Beneficial owner	3,000,000	0.02%
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	14,132,500,000	107.55%
	(ii) Deemed interest under S.317 of the SFO	<u>9,650,479,894</u>	<u>73.44%</u>
	Total	<u><u>23,782,979,894</u></u>	<u><u>180.99%</u></u>
Mr. Yu Feng (Note 2)	(i) Interest of controlled corporations	6,486,699,793	49.36%
	(ii) Deemed interest under S.317 of the SFO	<u>17,296,280,101</u>	<u>131.63%</u>
	Total	<u><u>23,782,979,894</u></u>	<u><u>180.99%</u></u>
Mr. Choi Chiu Fai, Stanley (Note 3)	(i) Interest of a controlled corporation	492,092,899	3.74%
	(ii) Deemed interest under S.317 of the SFO	<u>23,290,886,995</u>	<u>177.25%</u>
	Total	<u><u>23,782,979,894</u></u>	<u><u>180.99%</u></u>

(2) Associated Corporations**(a) eSun Holdings Limited****Ordinary shares of HK\$0.50 each**

Name of Director	Capacity in which shares are held	Number of shares	Approximate percentage of total issued shares
Dr. Lam Kin Ngok, Peter	(i) Interest of controlled corporations	473,634,186	38.10%
	(ii) Beneficial owner	<u>2,794,443</u>	<u>0.22%</u>
	Total	<u><u>476,428,629</u></u>	<u><u>38.32%</u></u>

(b) Perfect Sky Holdings Limited

Ordinary shares of US\$1.00 each

Name of Director	Capacity in which share is held	Number of shares	Approximate percentage of total issued shares
Dr. Lam Kin Ngok, Peter	Interest of controlled corporations	1	100.00%

Notes:

- (1) (a) By virtue of the interest of Dr. Lam Kin Ngok, Peter ("**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 Holdings Limited ("**Perfect Sky**") is a wholly-owned subsidiary of eSun and eSun is indirectly owned as to approximately 38.10% by Lai Sun Development Company Limited ("**LSD**") which is approximately 48.00% directly and indirectly owned by Lai Sun Garment (International) Limited ("**LSG**"). LSG is approximately 8.07% owned by Dr. Lam and is approximately 29.99% owned by Wisdoman Limited which is in turn 50% beneficially owned by Dr. Lam.
- (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 Chui 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 2012 (that is, 13,140,257,612 Shares) has been used for the calculation of the approximate percentage.

Save as disclosed above, as at 31 October 2012, none of the Directors or chief executive of the Company or their respective associates had 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 2012, 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 9)
Substantial Shareholders						
Dr. Lam Kin Ngok, Peter (Note 1)	Interest of controlled corporations	6,712,925,500	14,132,500,000	11,171,573,103	32,016,998,603	243.66%
Lai Sun Garment (International) Limited (Note 1)	Interest of controlled corporations	6,712,925,500	14,132,500,000	11,171,573,103	32,016,998,603	243.66%
Zimba International Limited (Note 1)	Interest of controlled corporations	6,712,925,500	14,132,500,000	11,171,573,103	32,016,998,603	243.66%
Lai Sun Development Company Limited (Note 1)	Interest of controlled corporations	6,712,925,500	14,132,500,000	11,171,573,103	32,016,998,603	243.66%
Transtrend Holdings Limited (Note 1)	Interest of controlled corporations	6,712,925,500	14,132,500,000	11,171,573,103	32,016,998,603	243.66%
eSun Holdings Limited (Note 1)	Interest of a controlled corporation	6,712,925,500	14,132,500,000	11,171,573,103	32,016,998,603	243.66%
Perfect Sky Holdings Limited (Note 1)	Beneficial owner	6,712,925,500	14,132,500,000	11,171,573,103	32,016,998,603	243.66%
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	243.66%
Sun Great Investments Limited (Note 2)	Beneficial owner	852,750,000	430,000,000	30,734,248,603	32,016,998,603	243.66%
Mr. Yu Feng (Note 3)	Interest of controlled corporations	576,098,633	6,486,699,793	24,954,200,177	32,016,998,603	243.66%
Yunfeng Fund, L.P. (Note 3)	Interest of a controlled corporation	576,098,633	6,486,699,793	24,954,200,177	32,016,998,603	243.66%
Next Gen Entertainment Limited (Note 3)	Beneficial owner	576,098,633	6,486,699,793	24,954,200,177	32,016,998,603	243.66%
SINA Corporation (Note 4)	Interest of a controlled corporation	92,244,576	1,164,487,920	30,760,266,107	32,016,998,603	243.66%
Memestar Limited (Note 4)	Beneficial owner	92,244,576	1,164,487,920	30,760,266,107	32,016,998,603	243.66%
Mr. Choi Chiu Fai, Stanley (Note 5)	Interest of a controlled corporation	–	492,092,899	31,524,905,704	32,016,998,603	243.66%
Ms. Cheung Fung Kuen, Maggie (Note 5)	Interest of a controlled corporation	–	492,092,899	31,524,905,704	32,016,998,603	243.66%
Grace Promise Limited (Note 5)	Beneficial owner	–	492,092,899	31,524,905,704	32,016,998,603	243.66%
Mr. Zhou Xin (Note 6)	Interest of a controlled corporation	–	1,077,199,282	30,939,799,321	32,016,998,603	243.66%
嚴紅春 (Note 6)	Interest of a controlled corporation	–	1,077,199,282	30,939,799,321	32,016,998,603	243.66%
On Chance Inc. (Note 6)	Beneficial owner	–	1,077,199,282	30,939,799,321	32,016,998,603	243.66%
Other Persons						
Tencent Holdings Limited (Note 8)	Interest of a controlled corporation	658,750,000	–	–	658,750,000	5.01%
THL G Limited (Note 8)	Beneficial owner	658,750,000	–	–	658,750,000	5.01%

Notes:

- (1) Perfect Sky is wholly owned by eSun. eSun is owned as to approximately 38.10% by Transtrend Holdings Limited (“**Transtrend**”). Transtrend is wholly owned by LSD. LSD is approximately 48.00% owned by LSG and two of LSG’s wholly-owned subsidiaries, namely Zimba International Limited (“**Zimba**”) and Joy Mind Limited. LSG is approximately 8.07% owned by Dr. Lam and is 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**”) is 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 was 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 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. 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 was deemed to be interested in the Shares and the underlying Shares held by the other Subscribers.
- (8) THL G Limited (“**THL**”) is wholly and beneficially owned by Tencent Holdings Limited (“**Tencent**”). Tencent was, therefore, deemed to be interested in such Shares which THL was interested in pursuant to Part XV of the SFO.
- (9) The total number of the issued Shares as at 31 October 2012 (that is, 13,140,257,612 Shares) has been used for the calculation of the approximate percentage.

Save as disclosed above, at 31 October 2012, 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.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Share Option Scheme**”) on 19 November 2009, pursuant to which the Directors of the Company may, at their discretion, invite any employee, director, non-executive director (including independent non-executive director), supplier, customer, advisor, consultant, agent, contractor, and any shareholder of any member of the Group or any invested entity or any holder of any securities issued by any member of the Group or any invested entity, to take up options to subscribe for Shares.

Details of the movements in the share options granted pursuant to the Share Option Scheme and exercised during the three months ended 31 October 2012 are as follows:

Name of Grantee	Number of underlying Shares comprised in share options				Outstanding as at 31 October 2012	Date of grant	Exercise period (dd/mm/yyyy)	Exercise price per Share (Note 3) (HK\$)
	Outstanding as at 1 August 2012	Granted during the period	Exercised during the period	Lapsed/ cancelled during the period				
Director								
Mr. Tang Jun (Note)	31,341,666	-	-	(31,341,666)	-	26 August 2011	06/08/2012 to 05/08/2013	0.20420
	31,341,666	-	-	(31,341,666)	-	26 August 2011	06/08/2013 to 05/08/2014	0.24504
	31,341,668	-	-	(31,341,668)	-	26 August 2011	06/08/2014 to 05/09/2015	0.26546
	2,359,192	-	-	(2,359,192)	-	17 January 2012	06/08/2012 to 05/08/2013	0.14480
	2,359,192	-	-	(2,359,192)	-	17 January 2012	06/08/2013 to 05/08/2014	0.17376
	2,359,192	-	-	(2,359,192)	-	17 January 2012	06/08/2014 to 05/09/2015	0.18824
Total	<u>101,102,576</u>	<u>-</u>	<u>-</u>	<u>(101,102,576)</u>	<u>-</u>			

Note: Mr. Tang Jun (“**Mr. Tang**”) resigned as an executive Director and the chief executive officer of the Company with effect from 15 September 2012. All the share options had lapsed during the period as the share options were not exercised by Mr. Tang within one month from the date of his resignation.

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 the 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 2012.

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 2012.

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

Hong Kong, 12 December 2012

As at the date of this announcement, the Board comprises seven 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, Mr. Chan Chi Kwong and Ms. Etsuko Hoshiyama; 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 "Latest Company Announcements" page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its publication and on the website of the Company at <http://www.mediaasia.com>.