



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 2011

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

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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.*

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 2011 together with the comparative unaudited figures for the corresponding period in 2010 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Three months ended 31 October	
		2011	2010
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
Turnover	3	11,068	551
Cost of sales		<u>(6,520)</u>	<u>(412)</u>
Gross profit		4,548	139
Other income		372	23
Marketing expenses		(32)	(48)
Administrative expenses		(13,224)	(6,530)
Fair value loss on a forward contract	4	(467,226)	—
Other operating gains		137	—
Other operating expenses		<u>(1,938)</u>	<u>(1,627)</u>
Loss from operating activities		(477,363)	(8,043)
Finance costs	5	<u>(7,149)</u>	<u>(485)</u>
Loss before tax		(484,512)	(8,528)
Income tax credit/(expense)	6	<u>(480)</u>	<u>70</u>
Loss for the period		<u>(484,992)</u>	<u>(8,458)</u>
Attributable to:			
Owners of the parent		(484,878)	(8,318)
Non-controlling interests		<u>(114)</u>	<u>(140)</u>
		<u>(484,992)</u>	<u>(8,458)</u>
Loss per share attributable to owners of the parent			
Basic and diluted	7	<u>HK(4.08) cents</u>	<u>HK(0.36) cent</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31 October	
	2011	2010
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss for the period	(484,992)	(8,458)
Other comprehensive income		
Exchange differences on translation of foreign operations	<u>208</u>	<u>212</u>
Other comprehensive income for the period, net of tax	<u>208</u>	<u>212</u>
Total comprehensive loss for the period	<u>(484,784)</u>	<u>(8,246)</u>
Attributable to:		
Owners of the parent	<u>(484,670)</u>	<u>(8,106)</u>
Non-controlling interests	<u>(114)</u>	<u>(140)</u>
	<u>(484,784)</u>	<u>(8,246)</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent										
	Issued capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Subscription right reserve <i>HK\$'000</i>	Share- based payment reserve <i>HK\$'000</i>	Foreign currency translation reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 1 August 2010 (unaudited)	23,061	2	44,475	4,747	2,500	—	4,749	(29,239)	50,295	—	50,295
Loss for the period	—	—	—	—	—	—	—	(8,318)	(8,318)	(140)	(8,458)
Other comprehensive income for the period:											
Exchange differences on translation of foreign operations	—	—	—	—	—	—	212	—	212	—	212
Total comprehensive income/(loss) for the period	—	—	—	—	—	—	212	(8,318)	(8,106)	(140)	(8,246)
At 31 October 2010 (unaudited)	<u>23,061</u>	<u>2</u>	<u>44,475</u>	<u>4,747</u>	<u>2,500</u>	<u>—</u>	<u>4,961</u>	<u>(37,557)</u>	<u>42,189</u>	<u>(140)</u>	<u>42,049</u>
At 1 August 2011	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>—</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 contents to new media; and operation of new media and related businesses primarily in the People's Republic of China (the "PRC") and Macao.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

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 period from 1 April 2011 to 31 July 2011. During the current period, the Group recognised revenue from its film and music operations and, accordingly the accounting policies for revenue recognition of relevant revenue are adopted by the Group and described in 2.1 below. These unaudited condensed consolidated results should be read in conjunction with the Company's annual report for the period from 1 April 2011 to 31 July 2011.

2.1 Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when revenue can be measured reliably, on the following bases:

- (a) income from films licensed to movie theatres, when the films are exhibited;
- (b) licence income from films licensed for a fixed fee or non-refundable guarantee under a non-cancellable contract, where an assignment is granted to the licensee, which permits the licensee to exploit those film rights freely and where the Group has no remaining obligations to perform and when the film materials have been delivered to licensees. Revenue recognised is limited to the amount of consideration received and subject to due allowance for contingencies;
- (c) licence income from films licensed, other than for a fixed fee or non-refundable guarantee under a non-cancellable contract, to licensees, over the licence period and when the films are available for showing or telecast;
- (d) sale of products and albums, when significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the products and albums sold;
- (e) distribution commission income, when the album or film materials have been delivered to the wholesalers and distributors; and

- (f) album licence income and music publishing income, on an accrual basis in accordance with the terms of the relevant agreements.

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	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Turnover		
Entertainment events income	9,595	—
Film distribution commission income and licence fee income	948	—
Album sales, licence income and distribution commission income from music publishing and licensing	525	—
Licensing of software income	—	551
	<u>11,068</u>	<u>551</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 to the Subscribers 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 to the Subscribers 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 were fulfilled on 9 June 2011 (the "**First Completion Date**"). Subject to fulfillment of certain conditions, completion of the issue of the Second Completion Convertible Notes is expected to take place on 9 June 2012, being the first anniversary of the First 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 Hong Kong Accounting Standard 39, and is recognised at its fair value as an asset or a liability on the commitment date, and is subsequently remeasured at fair value with changes in fair value recognised in the income statement.

The Group has recognised a fair value loss in respect of the forward contract of approximately HK\$467,226,000 (period from 1 August 2010 to 31 October 2010: Nil) in the unaudited condensed consolidated income statement for the period from 1 August 2011 to 31 October 2011.

The fair value of the forward contract as at 31 October 2011 was determined with reference to the valuation of the forward contract as at that date performed by Greater China Appraisal Limited, an independent firm of professional valuers. The valuation has taken into account factors including adjusted weighted average market price of the Company's shares, volatility, and prevailing market interest rates etc.

5. FINANCE COSTS

An analysis of the finance costs is as follows:

	Three months ended 31 October	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Interest on:		
— convertible bonds wholly repayable within five years (<i>Note</i>)	—	485
— First Completion Convertible Notes wholly repayable within five years	<u>7,149</u>	<u>—</u>
	<u>7,149</u>	<u>485</u>

Note: Convertible bonds in the principal amount of HK\$25,000,000 (the “**Convertible Bonds**”) were issued to a bondholder on 30 April 2010. Upon receipt of a notice from the bondholder requesting for full conversion of the Convertible Bonds, on 18 April 2011, the Company issued 500,000,000 Shares at the price of HK\$0.05 per Share upon full conversion of the Convertible Bonds.

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 2011 (three months ended 31 October 2010: 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.

The amount of income tax credited/(charged) to the unaudited condensed consolidated income statement represents:

	Three months ended 31 October	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Current tax	(480)	—
Deferred tax	<u>—</u>	<u>70</u>
	<u>(480)</u>	<u>70</u>

7. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

The calculation of basic loss per share amounts is based on the loss for the period attributable to owners of the parent and the weighted average number of ordinary shares of approximately 11,888,736,000 (period from 1 August 2010 to 31 October 2010: approximately 2,306,115,000) in issue during the period.

The calculation of basic loss per share is based on:

	Three months ended 31 October	
	2011	2010
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss		
Loss for the period attributable to owners of the parent used in the basic loss per share calculation	<u>(484,878)</u>	<u>(8,318)</u>
	Number of shares	
	Three months ended 31 October	
	2011	2010
	(Unaudited)	(Unaudited)
	'000	'000
Shares		
Weighted average number of ordinary shares in issue used in the basic loss per share calculation	<u>11,888,736</u>	<u>2,306,115</u>

The calculation of diluted loss per share for the period from 1 August 2011 to 31 October 2011 has not assumed the conversion of the First Completion Convertible Notes as such conversion has an anti-dilutive effect during the period. In addition, the calculation of diluted loss per share for the period from 1 August 2011 to 31 October 2011 has not assumed the exercise of share options as no diluting event existed during the period.

The calculation of diluted loss per share for the period from 1 August 2010 to 31 October 2010 had not assumed the exercise of share options and conversion of the Convertible Bonds as they had an anti-dilutive effect during that period.

8. INTERIM DIVIDEND

The Board has resolved not to pay an interim dividend for the three months ended 31 October 2011 (three months ended 31 October 2010: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

Turnover was increased by approximately 1,909% to approximately HK\$11,068,000 for the three months ended 31 October 2011 from approximately HK\$551,000 for the corresponding three months in 2010. 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\$6,520,000 for the three months ended 31 October 2011 from approximately HK\$412,000 for the corresponding three months in 2010. The Group's other income increased to approximately HK\$372,000 for the three months ended 31 October 2011 from approximately HK\$23,000 for the corresponding three months in 2010. Operating expenses increased by approximately 85% to approximately HK\$15,194,000 for the three months ended 31 October 2011 from approximately HK\$8,205,000 for the corresponding three months in 2010. The increase was mainly due to the increased expenses associated with the expansion and development of the Group's businesses. During the period under review, the Group recognised a fair value loss on the forward contract in relation to the Second Completion Convertible Notes of approximately HK\$467,226,000 (three months ended 31 October 2010: Nil). Finance costs increased to approximately HK\$7,149,000 for the three months ended 31 October 2011 from approximately HK\$485,000 for the corresponding three months in 2010. The increase in finance costs was mainly due to the recognition of interest expenses on the First Completion Convertible Notes in the period under review.

Loss attributable to owners of the parent for the three months ended 31 October 2011 was approximately HK\$484,878,000 compared to that of approximately HK\$8,318,000 for the corresponding three months in 2010. Basic loss per share attributable to owners of the parent was approximately 4.08 HK cents compared to that of approximately 0.36 HK cent for the corresponding three months in 2010.

The fair value loss of the forward contract in relation to the Second Completion Convertible Notes and the effective interest expenses arising from the First Completion Convertible Notes were non-cash in nature. The Company will in no event be obligated to settle any of such financial liability in respect of the forward contract by incurring a cash payout or otherwise by using any of its assets. Excluding the fair value loss of the forward contract of HK\$467,226,000, the Group would have recorded a loss for the period attributable to owners of the parent of HK\$17,652,000 for the three months ended 31 October 2011.

At 31 October 2011, the Group had bank and cash balances of approximately HK\$741,601,000, increased from approximately HK\$507,315,000 at 31 July 2011. The increase in bank and cash balances was mainly attributable to the net proceeds received from the completion of the placement of new shares of the Company during the period.

Business Review

Events Management

During the period under review, the Group organised and invested in concerts, including Sammi Cheng in Macao, Andy Hui in Macao and Ekin Cheng in Foshan and Macao. The total revenue from these concerts amounted to approximately HK\$5,262,000.

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\$4,333,000 arising from the said entertainment service agreement.

Film production

During the period under review, the Group recorded a turnover of approximately HK\$948,000 from video distribution and film distribution commission income.

Music

During the period under review, turnover from music publishing and recording was approximately HK\$525,000.

Change of Financial Year End Date

The financial year end date of the Company has been changed from 31 March to 31 July with effect from 31 July 2011 to align the financial year end date of the Company with that of eSun Holdings Limited (“**eSun**”, the Company’s ultimate holding company) and eSun’s other listed affiliates.

Change of Company Name and Increase in Authorised Share Capital

The English name of the Company has been changed from “Rojam Entertainment Holdings Limited” to “Media Asia Group Holdings Limited” and the Chinese name “寰亞傳媒集團有限公司” has been adopted with effect from 23 August 2011. The English stock short name of the Company has been changed from “Rojam” to “Media Asia” and the Chinese stock short name “寰亞傳媒” has been adopted with effect from 22 September 2011. The Company’s authorised share capital has been increased from HK\$500,000,000 divided into 50,000,000,000 Shares to HK\$600,000,000 divided into 60,000,000,000 Shares by the creation of an additional 10,000,000,000 Shares.

Partial Conversion of Convertible Notes

On 8 September 2011, Perfect Sky Holdings Limited (“**Perfect Sky**”), a wholly-owned subsidiary of eSun, converted part of the First Completion Convertible Notes in an aggregate principal amount of HK\$25,000,000 at a conversion price of HK\$0.016 per Share; as a result, the Company issued a total of 1,562,500,000 new Shares to Perfect Sky.

Placing of New Shares

Pursuant to a placing agreement and a supplemental agreement thereto entered into between the Company and CLSA Limited on 28 July 2011 and 1 August 2011 respectively, an aggregate of 1,467,500,000 Shares were issued on 8 September 2011 at a price of HK\$0.20 per Share to three placees who were independent of, and not connected with, the Company or any of its subsidiaries or any of their respective associates (as defined in the GEM Listing Rules). The net proceeds from the said placement amounted to approximately HK\$290,837,000.

Appointment of New Directors

The Board appointed Mr. Tang Jun as an executive director and the chief executive officer of the Company with effect from 6 September 2011, Mr. Choi Chiu Fai, Stanley as an executive director of the Company with effect from 24 October 2011, and Mr. Ng Chi Ho, Dennis as an independent non-executive director and a member of both the audit committee and the remuneration committee of the Company with effect from 3 October 2011.

Prospects

The Group will adopt a comprehensive revenue plan realised across all major consumer media and entertainment platforms. A dedicated team will be charged to execute this plan with a view to capturing the synergistic and cohesive efforts across all divisions of the Group, including film, television, music, live entertainment, talent management and new media. The Group will aim to distribute not only our own products but also contents from third parties with values similar to ours. By leveraging on the strengths of our strategic investors, partners, content providers and advertisers, the Group endeavours to build up a distribution platform that will deliver maximum revenue from our movies, television, music, live entertainment, merchandising and talent management.

The Group will enter markets of strategic importance and expand its portfolio to broaden appeal and synergy. We are also interested in developing location-based entertainment projects to create interactive entertainment experiences by linking online activities with offline experiences, and vice versa. Management of the Group will continue to explore opportunities to broaden the Group's income stream through business and/or assets acquisition, with primary focus in the PRC and Macao markets.

Dividend

The Board has resolved not to pay an interim dividend for the three months ended 31 October 2011 (three months ended 31 October 2010: Nil).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

The Directors and the chief executive of the Company who held office on 31 October 2011 and their respective associates (as defined under the GEM Listing Rules) were interested or were deemed to be interested in the following long 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 Securities and Futures Ordinance (Chapter 571) of the laws of Hong Kong (the "SFO")) on that date (a) which were 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 (b) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (c) which were required, pursuant to the Code of Practice for Securities Transactions by Directors and Designated Employees adopted by the Company, to be notified to the Company and the Stock Exchange:

(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 5)
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	<u>1,732,343,209</u>	<u>13.18%</u>
	Total	<u>8,445,268,709</u>	<u>64.27%</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	<u>7,869,170,076</u>	<u>59.89%</u>
	Total	<u>8,445,268,709</u>	<u>64.27%</u>
Mr. Choi Chiu Fai, Stanley (Note 3)	Deemed interest under S.317 of the SFO	8,445,268,709	64.27%
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	Interests in the underlying Shares		Approximate percentage of total issued Shares (Note 5)
		Convertible Notes	Share Options	
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	9,650,479,894	—	73.44%
	Total	<u>23,782,979,894</u>		<u>180.99%</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	17,296,280,101	—	131.63%
	Total	<u>23,782,979,894</u>		<u>180.99%</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	23,290,886,995	—	177.25%
	Total	<u>23,782,979,894</u>		<u>180.99%</u>
Mr. Tang Jun (Note 4)	Beneficial owner	—	94,025,000	0.72%

(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	471,604,186	37.93%
	(ii) Beneficial owner	<u>2,794,443</u>	<u>0.23%</u>
Total		<u>474,398,629</u>	<u>38.16%</u>

(b) *Perfect Sky Holdings Limited*

Ordinary shares of US\$1.00 each			
Name of Director	Capacity in which shares are 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 is a wholly-owned subsidiary of eSun and eSun is indirectly owned as to approximately 37.93% by Lai Sun Development Company Limited (“**LSD**”) which is approximately 47.97% 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 share option to subscribe for a total of 94,025,000 Shares was granted to Mr. Tang Jun pursuant to the share option scheme adopted by the Company on 19 November 2009 and their particulars are set out in the section headed “**SHARE OPTION SCHEME**” below.
- (5) The total number of the issued Shares as at 31 October 2011 (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 2011, none of the Directors, the chief executive of the Company or their respective associates (as defined under the GEM Listing Rules) was interested or was deemed to be interested in the long or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations, which were required to be notified to the Company and the Stock Exchange or recorded in the register as aforesaid.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SECURITIES

Save as disclosed below, so far as it is known to any Director or the chief executive of the Company, as at 31 October 2011, no other individual/corporation (a) had an interest or short position in the Shares or underlying Shares of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or (b) was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or any options in respect of such capital, or (c) was recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions in the Shares

Name of Shareholders	Capacity in which the Shares and the underlying Shares 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 11)
Substantial Shareholders						
Dr. Lam Kin Ngok, Peter (Note 1)	Interest of controlled corporations	6,712,925,500	14,132,500,000	11,382,823,103	32,228,248,603	245.26%
Lai Sun Garment (International) Limited (Note 1)	Interest of controlled corporations	6,712,925,500	14,132,500,000	11,382,823,103	32,228,248,603	245.26%
Zimba International Limited (Note 1)	Interest of controlled corporations	6,712,925,500	14,132,500,000	11,382,823,103	32,228,248,603	245.26%
Lai Sun Development Company Limited (Note 1)	Interest of controlled corporations	6,712,925,500	14,132,500,000	11,382,823,103	32,228,248,603	245.26%
Transtrend Holdings Limited (Note 1)	Interest of controlled corporations	6,712,925,500	14,132,500,000	11,382,823,103	32,228,248,603	245.26%
eSun Holdings Limited (Note 1)	Interest of a controlled corporation	6,712,925,500	14,132,500,000	11,382,823,103	32,228,248,603	245.26%
Perfect Sky Holdings Limited (Note 1)	Beneficial owner	6,712,925,500	14,132,500,000	11,382,823,103	32,228,248,603	245.26%
Mr. Tse On Kin (Note 2)	Interest of a controlled corporation	1,064,000,000	430,000,000	30,734,248,603	32,228,248,603	245.26%
Sun Great Investments Limited (Note 2)	Beneficial owner	1,064,000,000	430,000,000	30,734,248,603	32,228,248,603	245.26%
Mr. Yu Feng (Note 3)	Interest of controlled corporations	576,098,633	6,486,699,793	25,165,450,177	32,228,248,603	245.26%
Yunfeng Fund, L.P. (Note 3)	Interest of a controlled corporation	576,098,633	6,486,699,793	25,165,450,177	32,228,248,603	245.26%
Next Gen Entertainment Limited (Note 3)	Beneficial owner	576,098,633	6,486,699,793	25,165,450,177	32,228,248,603	245.26%
SINA Corporation (Note 4)	Interest of a controlled corporation	92,244,576	1,164,487,920	30,971,516,107	32,228,248,603	245.26%
Memestar Limited (Note 4)	Beneficial owner	92,244,576	1,164,487,920	30,971,516,107	32,228,248,603	245.26%
Mr. Choi Chiu Fai, Stanley (Note 5)	Interest of a controlled corporation	—	492,092,899	31,736,155,704	32,228,248,603	245.26%
Ms. Cheung Fung Kuen, Maggie (Note 5)	Interest of a controlled corporation	—	492,092,899	31,736,155,704	32,228,248,603	245.26%
Grace Promise Limited (Note 5)	Beneficial owner	—	492,092,899	31,736,155,704	32,228,248,603	245.26%
Prowise Global Investment Limited (Note 6)	Interest of a controlled corporation	—	1,077,199,282	31,151,049,321	32,228,248,603	245.26%

Name of Shareholders	Capacity in which the Shares and the underlying Shares 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 11)
Mr. Zhou Xin (Note 6)	Interest of a controlled corporation	—	1,077,199,282	31,151,049,321	32,228,248,603	245.26%
嚴紅春 (Note 6)	Interest of a controlled corporation	—	1,077,199,282	31,151,049,321	32,228,248,603	245.26%
On Chance Inc. (Note 6)	Beneficial owner	—	1,077,199,282	31,151,049,321	32,228,248,603	245.26%
Other Persons						
Golden Coach Limited (Note 8)	Beneficial owner	688,000,000	—	—	688,000,000	5.24%
Mr. Chan Chun Kuen (Note 8)	(i) Interest of a controlled corporation	688,000,000	—	—	688,000,000	5.24%
	(ii) Beneficial owner	9,000,000	—	—	9,000,000	0.06%
	Total of (i) and (ii)	697,000,000			697,000,000	5.30%
Ms. Liu Yang (Note 9)	Interest of controlled corporations	658,750,000	—	—	658,750,000	5.01%
Atlantis Capital Holdings Limited (Note 9)	Interest of a controlled corporation	658,750,000	—	—	658,750,000	5.01%
Atlantis Investment Management (Hong Kong) Limited (Note 9)	Beneficial owner	658,750,000	—	—	658,750,000	5.01%
Tencent Holdings Limited (Note 10)	Interest of a controlled corporation	658,750,000	—	—	658,750,000	5.01%
THL G Limited (Note 10)	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 37.93% by Transtrend Holdings Limited (“**Transtrend**”). Transtrend is wholly-owned by LSD. LSD is approximately 47.97% 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**”) and as to 5% by Prowise Global Investment Limited. 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) Golden Coach Limited is wholly and beneficially owned by Mr. Chan Chun Kuen (“**Mr. Chan**”). Mr. Chan was, therefore, deemed to be interested in Golden Coach Limited’s interest in 688,000,000 Shares. In addition, Mr. Chan was personally interested in 9,000,000 Shares.
- (9) Atlantis Investment Management (Hong Kong) Limited (“**Atlantis Investment**”) is wholly and beneficially owned by Atlantis Capital Holdings Limited (“**Atlantis Capital**”) which is in turn wholly and beneficially owned by Ms. Liu Yang (“**Ms. Liu**”). Ms. Liu and Atlantis Capital were, therefore, deemed to be interested in such Shares which Atlantis Investment was interested in pursuant to Part XV of the SFO.
- (10) 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.
- (11) The total number of the issued Shares as at 31 October 2011 (that is, 13,140,257,612 Shares) has been used for the calculation of the approximate percentage.

Save as disclosed above, at 31 October 2011, the Company had not been notified by any individuals/corporations who/which had 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 who/which was interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or any options in respect of such capital, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Share Option Scheme**”) on 19 November 2009, pursuant to which the Directors 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 the 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 2011 are as follows:

Name of Grantee	Number of underlying Shares comprised in share options					Date of grant	Exercise period (dd/mm/yyyy)	Exercise price per Share (Note 3) (HK\$)
	Outstanding as at 1 August 2011	Granted during the period	Exercised during the period	Lapsed/ cancelled during the period	Outstanding as at 31 October 2011			
Director								
Mr. Tang Jun (Notes 1 and 2)	—	31,341,666	—	—	31,341,666	26 August 2011	06/08/2012 to 05/08/2013	0.2042
	—	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
Total	<u>—</u>	<u>94,025,000</u>	<u>—</u>	<u>—</u>	<u>94,025,000</u>			

Notes:

- Mr. Tang Jun was appointed an executive Director and the chief executive officer of the Company with effect from 6 September 2011.
- Any part of the share option in respect of the Shares comprised therein not exercised in whole in the original exercise period may be carried forward and exercised in the subsequent periods subject to the payment of the appropriate exercise price per Share.
 - For the first tranche of the share option, the vesting period is from 26 August 2011 to 5 August 2012. For the second tranche of the share option, the vesting period is from 26 August 2011 to 5 August 2013. For the third tranche of the share option, the vesting period is from 26 August 2011 to 5 August 2014.
- The exercise price of the share options is subject to adjustment in case of rights issue or other specific changes in the Company's share capital.

AUDIT COMMITTEE

The Company 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. As at the date of this announcement, the audit committee comprises three independent non-executive Directors, namely Mr. Chan Chi Yuen, Mr. Zhang Xi and Mr. Ng Chi Ho, Dennis. The chairman of the audit committee is Mr. Chan Chi Yuen. 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 2011.

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

The Company did not redeem any of its Shares listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sold any of such Shares during the three months ended 31 October 2011.

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

Hong Kong, 13 December 2011

As at the date of this announcement, the Board comprises eight executive Directors, namely Dr. Lam Kin Ngok, Peter (Chairman), Mr. Yu Feng, Mr. Choi Chiu Fai, Stanley, Mr. Tang Jun (Chief Executive Officer), Mr. Lui Siu Tsuen, Richard, Mr. Chan Chi Kwong, Ms. Etsuko Hoshiyama and Mr. Chan Chi Ming, Alvin; 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.maghl.com>.