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eSun Holdings Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 571)



Media Asia Group Holdings Limited

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 8075)

JOINT ANNOUNCEMENT

**DISCLOSEABLE TRANSACTION —
DEEMED DISPOSAL**

**(1) SUBSCRIPTION AGREEMENT
IN RELATION TO THE ISSUE
OF SHARES BY MAGHL; AND
(2) PROPOSED REFRESHMENT
OF GENERAL MANDATE**

**SUBSCRIPTION AGREEMENT IN RELATION TO THE ISSUE OF SHARES BY
MAGHL**

The MAGHL Board is pleased to announce that on 4 June 2021 (after trading hours), MAGHL and the Subscriber entered into the Subscription Agreement, pursuant to which MAGHL has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, an aggregate of 83,333,333 Subscription Shares at the Subscription Price of HK\$1.20 per Subscription Share. The Subscription Shares will be issued in two tranches.

The Subscription Shares represent (i) approximately 2.87% of the existing total number of issued Shares as at the date of this joint announcement; (ii) approximately 2.79% of the enlarged total number of issued Shares immediately after Tranche B Closing (assuming there will be no other changes in the total number of issued Shares between the date of this joint announcement and Tranche B Closing, other than the allotment and issue of the Subscription Shares). Tranche A Subscription Shares will be issued under the General Mandate, and Tranche B Subscription Shares will be issued under the Specific Mandate.

The gross proceeds and the estimated net proceeds from the Subscription will be HK\$100,000,000 and approximately HK\$97,000,000, respectively. MAGHL intends to use the net proceeds from the Subscription as general working capital and for the future development of the MAGHL Group's business.

Completion of the Subscription Agreement is subject to the fulfilment of a number of conditions under the Subscription Agreement. The Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of MAGHL.

PROPOSED REFRESHMENT OF GENERAL MANDATE

The MAGHL Board proposes to refresh the General Mandate for the MAGHL Directors to allot and issue new Shares up to 20% of the total number of issued Shares as at the date of passing of the relevant resolutions at the SGM. Pursuant to Rule 17.42A of the GEM Listing Rules, the grant of the New General Mandate will be subject to Independent Shareholders' approval at the SGM.

LISTING RULES IMPLICATIONS

eSun

MAGHL is an indirect non-wholly-owned subsidiary of eSun. As at the date of this joint announcement, eSun is interested in approximately 69.65% of the total number of issued Shares.

Upon the completion of the Subscription, the shareholding interests of eSun in MAGHL will be diluted to 67.70%. As such, the Subscription constitutes a deemed disposal of eSun's interest in MAGHL (the "**Deemed Disposal**") pursuant to Rule 14.29 of the Listing Rules. As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Deemed Disposal exceeds 5% but is less than 25%, the Deemed Disposal constitutes a discloseable transaction of eSun and is therefore subject to the reporting and announcement requirements, but is exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

MAGHL

The Tranche A Subscription Shares will be allotted and issued under the General Mandate. Accordingly, the allotment and issue of the Tranche A Subscription Shares will not be subject to Shareholders' approval.

The Specific Mandate will be sought from the Shareholders in respect of the allotment and issue of the Tranche B Subscription Shares. Accordingly, the allotment and issue of the Tranche B Subscription Shares will be subject to Shareholders' approval.

Pursuant to Rule 17.42A of the GEM Listing Rules, the grant of the New General Mandate will be subject to Independent Shareholders' approval at the SGM.

SGM

The SGM will be convened and held for the purposes of considering of, and if thought fit, approving, among other things, (i) the allotment and issue of the Tranche B Subscription Shares under the Specific Mandate; and (ii) the grant of the New General Mandate. The Independent Board Committee, comprising all the independent non-executive MAGHL Directors, namely Messrs. Au Hoi Fung, Ng Chi Ho, Dennis and Poon Kwok Hing, Albert, will be established to advise the Independent Shareholders on the proposed grant of the New General Mandate. An independent financial adviser will be appointed by MAGHL to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the New General Mandate.

A circular containing, among other things, (i) information on the Subscription Agreement and the Specific Mandate; (ii) information on the proposed grant of the New General Mandate; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the proposed grant of the New General Mandate; (iv) the recommendation from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the New General Mandate; and (v) the notice of SGM will be despatched to the Shareholders as soon as practicable in compliance with the GEM Listing Rules.

SUBSCRIPTION AGREEMENT IN RELATION TO THE ISSUE OF SHARES BY MAGHL

The MAGHL Board is pleased to announce that on 4 June 2021 (after trading hours), MAGHL and the Subscriber entered into the Subscription Agreement, pursuant to which MAGHL has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, an aggregate of 83,333,333 Subscription Shares at the Subscription Price of HK\$1.20 per Subscription Share.

Subscription Agreement

The principal terms of the Subscription Agreement are set out below:

Date : 4 June 2021 (after trading hours)

Parties : (1) MAGHL, as issuer; and
(2) the Subscriber

Subscription Shares

Pursuant to the terms of the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and MAGHL has conditionally agreed to allot and issue, an aggregate of 83,333,333 Subscription Shares. The Subscription Shares will be issued in two tranches.

The Tranche A Subscription Shares represent:

- (i) approximately 1.47% of the existing total number of issued Shares as at the date of this joint announcement; and

- (ii) approximately 1.45% of the issued share capital of MAGHL as enlarged by the allotment and issue of the Tranche A Subscription Shares (assuming there will be no other changes in the total number of issued Shares between the date of this joint announcement and Tranche A Closing).

The Tranche B Subscription Shares represent:

- (i) approximately 1.40% of the existing total number of issued Shares as at the date of this joint announcement; and
- (ii) approximately 1.36% of the issued share capital of MAGHL as enlarged by the allotment and issue of the Tranche A Subscription Shares and the Tranche B Subscription Shares (assuming there will be no other changes in the total number of issued Shares between the date of this joint announcement and Tranche B Closing).

It is expected that the Subscriber will not become a substantial shareholder of MAGHL as a result of the Subscription. After Tranche A Closing and Tranche B Closing, MAGHL will continue to be an indirect non-wholly-owned subsidiary of eSun.

Subscription Price

The Subscription Price of HK\$1.20 per Share represents:

- (i) a discount of approximately 11.11% to the closing price of HK\$1.35 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement;
- (ii) a discount of approximately 11.11% to the average closing price of approximately HK\$1.35 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement; and
- (iii) a discount of approximately 13.20% to the average closing price of approximately HK\$1.38 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Subscription Agreement.

Based on the closing price of the Share of HK\$1.35 on the date of the Subscription Agreement, the Subscription Shares had a market value of approximately HK\$112,499,999. The aggregate nominal value of the Subscription Shares is approximately HK\$8,333,333.

The Subscription Price was determined after arm's length negotiations between MAGHL and the Subscriber with reference to, among other things, the prevailing market conditions and the recent market price and liquidity of the Shares. The MAGHL Directors and the eSun Directors consider that the terms of the Subscription Agreement (including the Subscription Price) are fair and reasonable and in the interests of MAGHL, eSun and their respective shareholders as a whole.

The Subscription Price for the Tranche A Subscription Shares and the Tranche B Subscription Shares will be payable by the Subscriber in cash at Tranche A Closing and Tranche B Closing, respectively.

Ranking of Subscription Shares

The Subscription Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Subscription Shares, including the right to receive all dividends and distributions which may be declared, made or paid on or after such date.

Conditions precedent

Tranche A Closing is subject to the fulfilment or waiver (as the case may be) of the following conditions:

- (i) the GEM Listing Committee granting or agreeing to grant (subject to allotment) the listing of, and permission to deal in, the Tranche A Subscription Shares, and such listing and permission to deal not being withdrawn or revoked by no later than the first day of their dealing;
- (ii) the obtaining of all necessary approvals of any relevant Governmental Authority on the part of MAGHL, the Subscriber or their respective Affiliates;
- (iii) the warranties, representations and/or undertakings given or made by MAGHL as set out in the Subscription Agreement remaining and continuing to be true, correct and complete in all material respects and not misleading as of the Tranche A Closing date;
- (iv) the Shares remaining listed on GEM at all times from the date of the Subscription Agreement, save for any temporary suspension or halt in trading not exceeding five consecutive trading days, or such longer period as the Subscriber may accept in writing;
- (v) MAGHL having performed and complied with all obligations, covenants, undertakings or conditions under the Subscription Agreement that are required or contemplated to be performed or complied with by it on or before the Tranche A Closing;
- (vi) no material adverse effect on the MAGHL Group having occurred since the date of the Subscription Agreement; and
- (vii) the Subscriber having performed and complied with all obligations, covenants, undertakings or conditions under the Subscription Agreement that are required or contemplated to be performed or complied with by it on or before the Tranche A Closing.

Tranche B Closing is subject to the fulfilment or waiver (as the case may be) of the following conditions:

- (i) Tranche A Closing having occurred;
- (ii) the passing of the necessary resolutions by the Shareholders (other than those required to abstain from voting according to the GEM Listing Rules or other applicable regulations) at a special general meeting duly convened and held for approving the allotment and the issue of the Tranche B Subscription Shares;

- (iii) the GEM Listing Committee granting or agreeing to grant (subject to allotment) the listing of, and permission to deal in, the Tranche B Subscription Shares, and such listing and permission to deal not being withdrawn or revoked by no later than the first day of their dealing;
- (iv) the obtaining of all necessary approvals of any relevant Governmental Authority on the part of MAGHL, the Subscriber or their respective Affiliates;
- (v) the warranties, representations and/or undertakings given or made by MAGHL as set out in the Subscription Agreement remaining and continuing to be true, correct and complete in all material respects and not misleading as of the Tranche B Closing date;
- (vi) the Shares remaining listed on GEM at all times from the date of Tranche A Closing, save for any temporary suspension or halt in trading not exceeding five consecutive trading days, or such longer period as the Subscriber may accept in writing;
- (vii) MAGHL having performed and complied with all obligations, covenants, undertakings or conditions under the Subscription Agreement that are required or contemplated to be performed or complied with by it on or before the Tranche B Closing;
- (viii) no material adverse effect on the MAGHL Group having occurred since the Tranche A Closing; and
- (ix) the Subscriber having performed and complied with all obligations, covenants, undertakings or conditions under the Subscription Agreement that are required or contemplated to be performed or complied with by it on or before the Tranche B Closing.

None of the above conditions may be waived by MAGHL and the Subscriber, save that those specified in paragraphs (iii) to (vi) above in respect of Tranche A Closing and paragraphs (v) to (viii) above in respect of Tranche B Closing may be waived, in whole or in part, at any time by the Subscriber by notice in writing to MAGHL, and the conditions specified in paragraph (vii) above in respect of Tranche A Closing and paragraph (ix) above in respect of Tranche B Closing may be waived, in whole or in part, at any time by MAGHL by notice in writing to the Subscriber.

If the conditions to Tranche A Closing have not been fulfilled (or waived, as the case may be) on or before the 90th calendar day following the date of the Subscription Agreement (or such later date as the parties may agree), or if the conditions to Tranche B Closing have not been fulfilled (or waived, as the case may be) on or before the 90th calendar day following the date of the Subscription Agreement (or such later date as the parties may agree), the Subscription Agreement shall become void and of no further force and effect, save that such termination shall not be deemed to release any party from any liability from any breach of the Subscription Agreement prior to the effective date of such termination.

Closing

Tranche A Closing will take place on the tenth Business Day after the fulfilment (or waiver, as the case may be) of the last of the conditions to Tranche A Closing under the Subscription Agreement.

Tranche B Closing will take place on the tenth Business Day after the fulfilment (or waiver, as the case may be) of the last of the conditions to Tranche B Closing under the Subscription Agreement.

Lock-up

Pursuant to the Subscription Agreement, for a period of three months from the Tranche A Closing date (the “**Tranche A Lock Up Period**”), the Subscriber and/or its designated Affiliate(s) will not, without the prior written consent of MAGHL, directly or indirectly offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any Tranche A Subscription Shares. For a period of three months from the Tranche B Closing date (the “**Tranche B Lock Up Period**”), the Subscriber and/or its designated Affiliate(s) will not, without the prior written consent of MAGHL, directly or indirectly offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of any Tranche B Subscription Shares. MAGHL may give consent to the Subscriber and/or its designated Affiliate(s) for dealing in any Subscription Shares during the Tranche A Lock Up Period and/or the Tranche B Lock Up Period. Such consent will be given on a case-by-case basis at the sole and absolute discretion of MAGHL and on terms or conditions prescribed by MAGHL. However, this shall not prevent the Subscriber from, directly or indirectly, transferring any of the Subscription Shares (or any interest in any company or entity holding any of the Subscription Shares) to any Affiliate of the Subscriber during the Tranche A Lock Up Period and/or the Tranche B Lock Up Period.

General Mandate to issue the Tranche A Subscription Shares

The Tranche A Subscription Shares will be allotted and issued under the General Mandate. Under the General Mandate, MAGHL is authorised to allot and issue up to 42,721,136 Shares (adjusted for the effect of the share consolidation which became effective on 22 December 2020). As at the date of this joint announcement, no Shares have been allotted and issued under the General Mandate. The allotment and issue of the Tranche A Subscription Shares will utilise 100% of the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of the Tranche A Subscription Shares, and the allotment and issue of the Tranche A Subscription Shares will not be subject to the approval of the Shareholders.

Specific Mandate to issue the Tranche B Subscription Shares

The issue of the Tranche B Subscription Shares is subject to approval of the Shareholders. The Tranche B Subscription Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought from the Shareholders at the SGM.

Application for listing

Application will be made by MAGHL to the GEM Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

Use of proceeds

The aggregate gross proceeds and the net proceeds from the allotment and issue of the Subscription Shares are estimated to be approximately HK\$100,000,000 and HK\$97,000,000 respectively. MAGHL intends to use the net proceeds for general working capital of the MAGHL Group and for the future development of the MAGHL Group's business.

The net price of each Subscription Share is approximately HK\$1.16.

Financial impact of the Subscription to eSun

Immediately after completion of the Subscription, eSun's interest in MAGHL will reduce from approximately 69.65% to approximately 67.70% and the change in the ownership interest in MAGHL will not result in loss of control. Therefore, the Deemed Disposal will be accounted for as an equity transaction of the eSun Group. The assets, liabilities and financial results of MAGHL will continue to be included in the consolidated financial statements of the eSun Group, and it will not result in the recognition of any gain or loss in the consolidated income statement of the eSun Group.

PROPOSED REFRESHMENT OF GENERAL MANDATE

The MAGHL Board proposes to refresh the General Mandate for the MAGHL Directors to allot and issue new Shares up to 20% of the total number of issued Shares as at the date of passing of the relevant resolutions at the SGM. Pursuant to Rule 17.42A of the GEM Listing Rules, the grant of the New General Mandate will be subject to Independent Shareholders' approval at the SGM.

Existing General Mandate

At the 2020 AGM, the Shareholders approved, among other things, the General Mandate which authorised the MAGHL Directors to allot and issue not more than 427,211,365 new MAGHL shares, being 20% of the total number of issued shares of MAGHL at the date of the 2020 AGM. As set out in the joint announcement of MAGHL and eSun dated 6 November 2020, the circular of MAGHL dated 30 November 2020 and the announcement of MAGHL dated 18 December 2020, MAGHL conducted a share consolidation pursuant to which every ten issued and unissued shares of HK\$0.01 each were consolidated into one share of HK\$0.10 each, which became effective on 22 December 2020. Accordingly, the number of Shares which the MAGHL Directors may allot and issue under the General Mandate was revised to 42,721,136 Shares.

As at the date of this joint announcement, no Shares have been allotted and issued under the General Mandate. As disclosed in the section headed "Subscription Agreement in relation to the issue of Shares by MAGHL — General Mandate to issue the Tranche A Subscription Shares" in this joint announcement, it is proposed that the Tranche A Subscription Shares will be allotted and issued under the General Mandate, which will utilise 100% of the General Mandate.

Proposed grant of New General Mandate

The MAGHL Board now proposes to refresh the General Mandate for the MAGHL Directors to allot and issue new Shares up to 20% of the total number of issued Shares as at the date of passing of the relevant resolution(s) at the SGM.

MAGHL has not refreshed the General Mandate since the 2020 AGM. The New General Mandate proposed will last until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of MAGHL;
- (ii) the expiration of the period within which the next annual general meeting of MAGHL is required by the Memorandum of Continuance and Bye-laws of MAGHL or any other applicable laws to be held; or
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the MAGHL Directors under the New General Mandate.

As at the date of this joint announcement, MAGHL had an aggregate of 2,902,980,682 Shares in issue. On the basis that (i) no further Shares are issued and/or repurchased by MAGHL between the date of this joint announcement and the date of the SGM, MAGHL will be allowed under the New General Mandate to allot and issue up to 580,596,136 Shares, representing 20% of the aggregate number of the issued Shares as at the date of this joint announcement; (ii) the Tranche A Subscription Shares are allotted and issued prior to the date of the SGM, and assuming that no further Shares are issued and/or repurchased by MAGHL between the date of this joint announcement and the date of the SGM, MAGHL will be allowed under the New General Mandate to allot and issue up to 589,140,363 Shares, representing 20% of the aggregate number of the issued Shares as at the date of the SGM.

INFORMATION ON eSUN

eSun is an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed and traded on the Main Board. eSun acts as an investment holding company and the principal activities of its subsidiaries include the development, operation of and investment in media and entertainment, music production and distribution, the investment in and production and distribution of television programs, films and video format products and cinema operation. As at the date of this joint announcement, eSun is interested in approximately 69.65% of the total number of issued Shares.

INFORMATION ON MAGHL

MAGHL is an exempted company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued Shares of which are listed and traded on GEM. The principal activity of MAGHL is investment holding. Its subsidiaries are principally engaged in film production and distribution, organisation, management and production of concerts and live performances; artiste management; production and distribution of television programs; music production and publishing; licensing of media contents; provision of consultancy services in planning and management of cultural, entertainment and live performance projects.

Set out below are the abridged audited consolidated financial statements of MAGHL for the two years ended 31 July 2019 and 2020 as extracted from the annual report of MAGHL for the year ended 31 July 2020:

	For the year ended 31 July 2019	For the year ended 31 July 2020
	<i>HK\$ '000</i>	<i>HK\$ '000</i>
Loss before tax	(142,269)	(187,332)
Loss after tax for the year	(144,906)	(187,271)
Loss for the year attributable to owners of MAGHL	(147,056)	(178,169)

The audited consolidated net asset value attributable to the Shareholders as at 31 July 2020 as disclosed in the annual report of MAGHL for the year ended 31 July 2020 was approximately HK\$40,237,000, and the unaudited consolidated net asset value attributable to the Shareholders as at 31 January 2021 as disclosed in the interim report of MAGHL for the six months ended 31 January 2021 was approximately HK\$437,003,000.

INFORMATION ON THE SUBSCRIBER

The Subscriber is a company incorporated under the laws of the British Virgin Islands with limited liability. It is a direct wholly-owned subsidiary of Tencent Holdings Limited (“**Tencent**”), the issued shares of which are listed and traded on the Main Board (Stock Code: 700). Tencent and its subsidiaries are principally engaged in the business of communication and social, games, digital content, online advertising, FinTech and business services.

To the best of the MAGHL Directors’ and the eSun Directors’ knowledge, information and belief after having made all reasonable enquiries, as at the date of this joint announcement, the Subscriber and its ultimate beneficial owners are Independent Third Parties.

EFFECT OF THE SUBSCRIPTION ON SHAREHOLDING STRUCTURE OF MAGHL

To the best of the MAGHL Directors' knowledge, information and belief after having made all reasonable enquiries, the existing shareholding structure of MAGHL and the effect on the shareholding structure of MAGHL upon completion of the Tranche A Closing and the Tranche B Closing (assuming there are no other changes in the shareholding structure of MAGHL immediately after the date of this joint announcement and up to Tranche B Closing, other than the allotment and issue of the Subscription Shares) as set out below:

Shareholders	As at the date of this joint announcement		Immediately upon Tranche A Closing		Immediately upon Tranche B Closing	
	No. of issued Shares	Approximate percentage (%)	No. of issued Shares	Approximate percentage (%)	No. of issued Shares	Approximate percentage (%)
eSun (<i>Note</i>)	2,021,848,647	69.65	2,021,848,647	68.64	2,021,848,647	67.70
The Subscriber	4,949,366	0.17	47,670,502	1.62	88,282,699	2.96
Other Shareholders	876,182,669	30.18	876,182,669	29.74	876,182,669	29.34
Total	2,902,980,682	100.00	2,945,701,818	100.00	2,986,314,015	100.00

Note: The 2,021,848,647 Shares are held by eSun indirectly through Perfect Sky Holdings Limited, a direct wholly-owned subsidiary of eSun.

EQUITY FUND RAISING ACTIVITIES OF MAGHL DURING THE PAST 12 MONTHS

During the past 12 months from the date of this joint announcement, MAGHL has conducted the following equity fund raising activities:

Date of announcement	Fund raising activity	Net proceeds	Intended use of net proceeds	Actual use of proceeds
6 November 2020	Issue of 2,687,500,000 new Shares at a price of HK\$0.16 per Share under specific mandate	Approximately HK\$430 million	Capitalisation of an aggregate principal amount of HK\$430 million in shareholders' loans due to eSun	Fully applied as intended

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Subscription Agreement

Tencent is a leading provider of digital content services in China.

The Subscription will provide additional working capital for MAGHL's new content digitisation initiatives. The MAGHL Directors (including the independent non-executive MAGHL Directors) and the eSun Directors (including the independent non-executive eSun Directors) have, after due and careful consideration, determined that the Subscription is an appropriate means by which MAGHL can increase its capital base. Based on the foregoing, the MAGHL Directors (including the independent non-executive MAGHL Directors) and the eSun Directors (including the independent non-executive eSun Directors) consider that the terms of the Subscription are fair and reasonable, on normal and commercial terms and are in the interests of MAGHL, eSun, the Shareholders and the shareholders of eSun as a whole.

New General Mandate

As disclosed in the section headed "Subscription Agreement in relation to the issue of Shares by MAGHL — General Mandate to issue the Tranche A Subscription Shares" in this joint announcement, it is proposed that the Tranche A Subscription Shares will be allotted and issued under the General Mandate, which will utilise 100% of the General Mandate. Taking into consideration that the next annual general meeting of MAGHL is expected to be held in December 2021, the MAGHL Board is proposing to seek the approval of Independent Shareholders at the SGM on the grant of the New General Mandate such that should funding needs arise or attractive terms for investment become available, the MAGHL Board will be able to respond to the market and such investment opportunities promptly. In addition, fund raising exercise pursuant to a general mandate provides MAGHL with a more efficient process than other types of fund raising exercises, and enables MAGHL to avoid uncertainties such as not being able to obtain a specific mandate in a timely manner.

In order to provide additional flexibility to allow MAGHL to grasp appropriate fund raising opportunities, the MAGHL Board believes that New General Mandate is in the best interests of MAGHL and the Shareholders as a whole by maintaining the financial flexibility necessary for the MAGHL Group's future business expansion and development as well as to cater for future funding requirement of the MAGHL Group. The MAGHL Board considers equity financing to be an important avenue of resources to the MAGHL Group since it can reduce and limit financing which will create additional interest paying obligations on the MAGHL Group. In appropriate circumstances, the MAGHL Group will also consider other financing methods such as debt financing or internal cash resources to fund its future business development.

The MAGHL Directors have considered other financing alternatives apart from equity financing such as debt financing, rights issue, open offer or internal cash resources to meet the financial requirements of the MAGHL Group, if appropriate, taking into consideration the then financial position, capital structure and cost of funding of the MAGHL Group as well as the prevailing market condition. However, debt financing may be subject to more lengthy negotiations and less favourable terms as compared to the equity financing available to the MAGHL Directors if the New General Mandate is granted. Furthermore, rights issue or open offer may also involve substantial time and costs to complete as compared to equity financing by issuance of new Shares under the general mandate.

Having considered that (i) the grant of the New General Mandate will empower the MAGHL Directors to issue new Shares under the refreshed limit and provide MAGHL with the flexibility and ability to capture any appropriate capital raising or business opportunities in a timely manner, should they arise; and (ii) equity financing does not create any interest paying obligations on the MAGHL Group, the MAGHL Board (excluding the independent non-executive MAGHL Directors whose view will be set out in the letter from the Independent Board Committee to be included in the circular) considers the grant of the New General Mandate is in the best interests of MAGHL and the Shareholders as a whole.

As at the date of this joint announcement and save as disclosed in this joint announcement, MAGHL has no concrete plan or agreement with any party to issue Shares by utilising the New General Mandate.

LISTING RULES IMPLICATIONS

eSun

MAGHL is an indirect non-wholly-owned subsidiary of eSun. As at the date of this joint announcement, eSun is interested in approximately 69.65% of the total number of issued Shares.

Upon the completion of the Subscription, the shareholding interests of eSun in MAGHL will be diluted to approximately 67.70%. As such, the Subscription constitutes a Deemed Disposal pursuant to Rule 14.29 of the Listing Rules. As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Deemed Disposal exceeds 5% but is less than 25%, the Deemed Disposal constitutes a discloseable transaction of eSun and is therefore subject to the reporting and announcement requirements, but is exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

MAGHL

Subscription Agreement

The Tranche A Subscription Shares will be allotted and issued under the General Mandate. Accordingly, the allotment and issue of the Tranche A Subscription Shares will not be subject to Shareholders' approval.

The allotment and issue of the Tranche B Subscription Shares will be subject to Shareholders' approval. The SGM will be convened and held for the purposes of considering of, and if thought fit, approving, among other things, the Specific Mandate to issue the Tranche B Subscription Shares. A circular containing, among others, details of the Subscription Agreement and the notice of SGM will be despatched to the Shareholders as soon as practicable in compliance with the GEM Listing Rules.

New General Mandate

As the proposed grant of the New General Mandate is to be proposed to the Shareholders prior to the next annual general meeting of MAGHL, pursuant to the GEM Listing Rules, this proposal is subject to the Independent Shareholders' approval by way of an ordinary resolution at the SGM. According to Rule 17.42A(1) of the GEM Listing Rules, any controlling shareholders and their associates or, where there are no controlling shareholders, MAGHL Directors (excluding independent non-executive MAGHL Directors) and the chief executive of MAGHL and their respective associates shall abstain from voting in favour of the resolution to approve the proposed grant of the New General Mandate.

As at the date of this joint announcement, eSun is interested in approximately 69.65% of the total number of issued Shares and is the controlling shareholder of MAGHL. Accordingly eSun and its associates shall abstain from voting in favour of the resolution(s) to approve the proposed grant of the New General Mandate. Save as disclosed in the foregoing, to the best knowledge, information and belief of the MAGHL Directors, no other Shareholder is required to abstain from voting on the relevant resolution(s) on the grant of the New General Mandate at the SGM.

SGM

The SGM will be convened and held for the purposes of considering of, and if thought fit, approving, among other things, (i) the allotment and issue of the Tranche B Subscription Shares under the Specific Mandate; and (ii) the grant of the New General Mandate. The Independent Board Committee, comprising all the independent non-executive MAGHL Directors, namely Messrs. Au Hoi Fung, Ng Chi Ho, Dennis and Poon Kwok Hing, Albert, will be established to advise the Independent Shareholders on the proposed grant of the New General Mandate. An independent financial adviser will be appointed by MAGHL to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the New General Mandate.

A circular containing, among others, (i) information on the Subscription Agreement and the Specific Mandate; (ii) information on the proposed grant of the New General Mandate; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the proposed grant of the New General Mandate; (iv) the recommendation from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the New General Mandate; and (v) the notice of SGM will be despatched to the Shareholders as soon as practicable in compliance with the GEM Listing Rules.

Completion of the Subscription Agreement is subject to the fulfilment of a number of conditions under the Subscription Agreement. The Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of MAGHL.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the terms below have the following meanings:

“2020 AGM”	the annual general meeting of MAGHL held on 18 December 2020 in which the Shareholders had approved, among other things, the General Mandate
“Affiliate(s)”	(a) in the case of a person other than a natural person, any other person that directly or indirectly Controls, is Controlled by or is under common Control with such person; and (b) in the case of a natural person, any other person that directly or indirectly is controlled by the such person or is a relative of such person
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules and the Listing Rules
“Business Day(s)”	a day, other than a Saturday, a Sunday or a public holiday, on which banks are generally open in Hong Kong and the PRC for business
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules and the Listing Rules
“Control”	control of a given person shall mean the power or authority, whether exercised or not, to direct the business, management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; provided, that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than 50% of the votes entitled to be cast at a meeting of the members or shareholders of such person or power to control the composition of a majority of the board of directors of such person and “Controlled” and “Controlling” shall be construed accordingly
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules and the Listing Rules
“eSun”	eSun Holdings Limited (豐德麗控股有限公司), an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed and traded on the Main Board (Stock Code: 571), and the controlling shareholder of MAGHL
“eSun Directors”	the director(s) of eSun
“eSun Group”	eSun and its subsidiaries (excluding, for the avoidance of doubt, the MAGHL Group)

“GEM”	the GEM of the Stock Exchange
“GEM Listing Committee”	the GEM listing committee of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“General Mandate”	the general mandate granted to the MAGHL Directors to allot and issue up to 20% of the total number of Shares in issue on 18 December 2020, by a resolution of the Shareholders passed at the 2020 AGM
“Governmental Authority”	any government (domestic or foreign) or political subdivision thereof; any department, agency or instrumentality of any government or political subdivision thereof, including any entity or enterprise owned or controlled by a government, or a public international organisation; any court or arbitral tribunal; and the governing body of any securities exchange, in each case having competent jurisdiction including but not limited to the Stock Exchange
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of MAGHL, comprising all the independent non-executive MAGHL Directors, to advise the Independent Shareholders on the proposed grant of the New General Mandate
“Independent Shareholder(s)”	any Shareholder(s) who are not required to abstain from voting at the SGM under the GEM Listing Rules
“Independent Third Party(ies)”	third party(ies) who are independent of and not connected with MAGHL, eSun or their connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board
“MAGHL”	Media Asia Group Holdings Limited (寰亞傳媒集團有限公司), an exempted company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed and traded on GEM (Stock Code: 8075)
“MAGHL Board”	the board of directors of MAGHL
“MAGHL Director(s)”	the director(s) of MAGHL

“MAGHL Group”	MAGHL and its subsidiaries
“Main Board”	the Main Board of the Stock Exchange
“New General Mandate”	the general mandate proposed to be granted to the MAGHL Directors at the SGM to allot and issue new Shares not exceeding 20% of the total number of issued Shares as at the date of passing of the relevant resolution(s) at the SGM
“PRC”	the People’s Republic of China and for the purpose of this joint announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“SGM”	the special general meeting of MAGHL to be convened and held at which resolutions will be proposed to consider, and, if thought fit, to approve, among other things, (i) the allotment and issue of the Tranche B Subscription Shares under the Specific Mandate; and (ii) the grant of the New General Mandate
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of MAGHL
“Shareholder(s)”	the duly registered holder(s) of Shares
“Specific Mandate”	the specific mandate proposed to be granted to the MAGHL Directors at the SGM for the allotment and issue of the Tranche B Subscription Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	THL G Limited, a company incorporated under the laws of the British Virgin Islands with limited liability
“Subscription”	the proposed subscription by the Subscriber and/or its designated Affiliate(s) of the Subscription Shares at the Subscription Price
“Subscription Agreement”	the share subscription agreement dated 4 June 2021 entered into between MAGHL and the Subscriber in relation to the Subscription
“Subscription Price”	HK\$1.20 per Subscription Share
“Subscription Share(s)”	an aggregate of 83,333,333 new Shares (comprising the Tranche A Subscription Shares and the Tranche B Subscription Shares) to be allotted and issued to the Subscriber and/or its designated Affiliate(s) pursuant to the Subscription Agreement

“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules and the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules and the Listing Rules
“Tranche A Closing”	the completion of the subscription of the Tranche A Subscription Shares in accordance with the Subscription Agreement
“Tranche A Subscription Shares”	42,721,136 Subscription Shares
“Tranche B Closing”	the completion of the subscription of the Tranche B Subscription Shares in accordance with the Subscription Agreement
“Tranche B Subscription Shares”	40,612,197 Subscription Shares
“%”	per cent.

By order of the Board
eSun Holdings Limited
Lui Siu Tsuen, Richard
Executive Director and Chief Executive Officer

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

Hong Kong, 4 June 2021

As at the date of this joint announcement,

- (a) *the board of eSun Directors comprises four executive directors, namely Messrs. Lui Siu Tsuen, Richard (Chief Executive Officer), Chew Fook Aun, Lam Hau Yin, Lester (also alternate to Madam U Po Chu) and Yip Chai Tuck; one non-executive director, namely Madam U Po Chu; and four independent non-executive directors, namely Messrs. Low Chee Keong (Chairman), Lo Kwok Kwei, David and Alfred Donald Yap and Dr. Ng Lai Man, Carmen; and*
- (b) *the MAGHL Board comprises four executive directors, namely Dr. Lam Kin Ngok, Peter (Chairman), Messrs. Chan Chi Kwong, Lui Siu Tsuen, Richard and Yip Chai Tuck; and three independent non-executive directors, namely Messrs. Au Hoi Fung, Ng Chi Ho, Dennis and Poon Kwok Hing, Albert.*

This joint announcement, for which the MAGHL Directors collectively and individually accept full responsibility of the information contained in this joint announcement (other than information relating to the eSun Group), includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the MAGHL Group. The MAGHL Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this joint announcement (other than information relating to the eSun Group) 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 joint announcement misleading.

This joint announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the website of MAGHL at www.mediaasia.com.