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JOINT ANNOUNCEMENT RECAPITALISATION PROPOSAL AND POTENTIAL ACQUISITION



LAI SUN GARMENT

Lai Sun Garment (International) Limited
(Incorporated in Hong Kong with limited liability)

(Stock Code: 191)

DISCLOSEABLE TRANSACTIONS



Media Asia Group Holdings Limited

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

(Stock Code: 8075)

- (1) SHARE CONSOLIDATION;
- (2) CHANGE IN BOARD LOT SIZE;
- (3) INCREASE IN AUTHORISED
SHARE CAPITAL;
- (4) CONNECTED TRANSACTION —
LOAN CAPITALISATION INVOLVING
ISSUE OF SHARES UNDER
SPECIFIC MANDATE;
- (5) OPEN OFFER;
- (6) POTENTIAL ACQUISITION;
- (7) ISSUE OF FEE SHARES UNDER
SPECIFIC MANDATE;
- (8) POSSIBLE PLACING UNDER
SPECIFIC MANDATE; AND
- (9) RESUMPTION OF TRADING

Financial Adviser to MAGHL

ANGLO CHINESE
CORPORATE FINANCE, LIMITED 英高



LAI SUN DEVELOPMENT

Lai Sun Development Company Limited
(Incorporated in Hong Kong with limited liability)

(Stock Code: 488)

DISCLOSEABLE TRANSACTIONS



eSun Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 571)

- (1) MAJOR TRANSACTIONS —
SUBSCRIPTION OF MAGHL SHARES
UNDER LOAN CAPITALISATION AND
OPEN OFFER;
- (2) DISCLOSEABLE TRANSACTIONS —
CLAWBACK OFFER TO
SHAREHOLDERS OF MAGHL AND
PLACING OF MAGHL SHARES;
AND
- (3) RESUMPTION OF TRADING

Financial Adviser to eSun

OPTIMA
CAPITAL
Optima Capital Limited

Placing Agent for the Placing and Underwriter to the Open Offer

 結好證券有限公司
GET NICE SECURITIES LIMITED

RECAPITALISATION PROPOSAL

The Board is pleased to announce the Recapitalisation Proposal which comprises the following:

Proposed Share Consolidation

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares will be consolidated into one (1) Consolidated Share. The Share Consolidation is conditional upon, among other things, the approval of an ordinary resolution by the Shareholders at the SGM.

Proposed Change in Board Lot Size

The Existing Shares are currently traded in board lots of 4,000 Existing Shares each and the market value of each board lot of the Shares is HK\$76 (based on the closing price of HK\$0.019 per Existing Share as quoted on the Stock Exchange as at the Last Trading Day). Conditional upon the Share Consolidation becoming effective, it is proposed that the board lot size be changed such that the Consolidated Shares will be traded in board lots of 12,000 Consolidated Shares each and the estimated market value of each board lot of Consolidated Shares will be HK\$2,280 (based on the closing price of HK\$0.019 per Existing Share (equivalent to the theoretical closing price of HK\$0.190 per Consolidated Share) as quoted on the Stock Exchange as at the Last Trading Day).

Proposed Increase in Authorised Share Capital

As at the date of this joint announcement, the authorised share capital of MAGHL is HK\$600,000,000 divided into 60,000,000,000 Existing Shares, of which 2,136,056,825 Existing Shares have been allotted and issued as fully paid or credited as fully paid.

Conditional upon the Share Consolidation becoming effective, the Board proposes the Increase in Authorised Share Capital from HK\$600,000,000 divided into 6,000,000,000 Consolidated Shares to HK\$1,000,000,000 divided into 10,000,000,000 Consolidated Shares by creating an additional 4,000,000,000 unissued Consolidated Shares, subject to the approval of the Shareholders by way of an ordinary resolution at the SGM.

Proposed Loan Capitalisation

On 6 November, 2020 (after trading hours), MAGHL and eSun entered into the Loan Capitalisation Agreement, pursuant to which MAGHL has conditionally agreed to allot and issue the Capitalisation Shares to eSun, or any persons as it may direct, at the Capitalisation Price of HK\$0.16 per Consolidated Share in consideration of the cancellation by way of setting-off against the Loan Capitalisation Amount of HK\$430 million under the eSun Shareholder's Loans, subject to the conditions set out in the section "LOAN CAPITALISATION — Principal terms of the Loan Capitalisation Agreement". Out of the Capitalisation Shares proposed to be allotted and issued to eSun, or any persons as it may direct, under the Loan Capitalisation Agreement, approximately 7.7% of such Capitalisation Shares will be offered to the Clawback Qualifying Shareholders and up to another 34.9% of such Capitalisation Shares are proposed to be placed to at least six Places, respectively, pursuant to the Clawback Offer and the Placing Agreement, respectively, each as described further below.

Proposed Clawback Offer by eSun

As part of the Loan Capitalisation, in order to provide the Clawback Qualifying Shareholders with an opportunity to reduce the dilutive impact of the Loan Capitalisation on their shareholdings in MAGHL and to continue to participate in and share the growth of the business of MAGHL alongside eSun under the Loan Capitalisation, eSun will offer 207,869,997 Clawback Offer Shares, representing approximately 7.7% of the Capitalisation Shares, to the Clawback Qualifying Shareholders on a pro rata basis of three (3) Clawback Offer Shares for every one (1) Consolidated Share held by the Clawback Qualifying Shareholders as at the Clawback Record Time at HK\$0.16 per Clawback Offer Share, and so in proportion to any lesser or greater number of Shares held. The price at which the Clawback Offer Shares would be offered will be equal to the issue price of the Capitalisation Shares under the Loan Capitalisation Agreement.

Assuming there will be no change in the issued share capital of MAGHL and the Shares held by eSun and its associates between the date of this joint announcement and completion of the Clawback Offer, save for the Share Consolidation becoming effective and the allotment and issue of the Capitalisation Shares, (i) the 207,869,997 Clawback Offer Shares represent approximately 7.2% of the issued share capital of MAGHL as enlarged by the issue of the Capitalisation Shares; and (ii) assuming the Clawback Offer is accepted in full, eSun will receive an aggregate consideration of HK\$33.3 million from the Clawback Qualifying Shareholders.

Placing of Capitalisation Shares

As part of the Loan Capitalisation, and in order to maintain a public float of not less than 25% of the issued Shares, in addition to the Clawback Offer, eSun and MAGHL have entered into the Placing Agreement with the Placing Agent to place, through the Placing Agent, up to an aggregate of 937,500,000 Capitalisation Shares otherwise due to be allotted to eSun under the Loan Capitalisation on a best effort basis to at least six Places, at the price of HK\$0.16 per Capitalisation Share (which is the same as the price per Capitalisation Share under the Loan Capitalisation and the Clawback Offer), payable to eSun.

Proposed Open Offer

After the completion of the Loan Capitalisation (including the Clawback Offer and the Placing), MAGHL proposes to raise up to approximately HK\$154.7 million before expenses by way of an Open Offer of 967,035,227 Offer Shares at the Offer Price of HK\$0.16 per Offer Share on the basis of one (1) Offer Share for every three (3) Consolidated Shares held by the Open Offer Qualifying Shareholders as at the Open Offer Record Time and payable in full on acceptance.

The Open Offer is intended to provide the MAGHL Group with working capital to be applied towards its existing operations and to fund prospective new activities, such as the further development of the VS Media Group, should the parties agree to move forward with the Potential Acquisition.

The Open Offer is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. Please refer to the paragraph headed “Conditions of the Underwriting Agreement” in the section headed “The underwriting arrangement for the proposed Open Offer” below for the conditions of the Underwriting Agreement, which include the completion of the Share Consolidation, the Change in Board Lot Size, the Increase in Authorised Share Capital, the Loan Capitalisation, the Clawback Offer and the Placing. If the conditions of the Underwriting Agreement are not satisfied (or waived, as the case may be) at or prior to the Latest Time for Termination, or such other date as MAGHL and the Underwriter may agree, the Open Offer will not proceed.

The Open Offer will only be made to the Open Offer Qualifying Shareholders and not the Non-Qualifying Shareholders. In order to be registered as members of MAGHL as at the Open Offer Record Time to qualify for the Open Offer, any transfer of Shares (together with the relevant Share certificates) must be lodged with the Share Registrar for registration by 4:30 p.m. on Wednesday, 20 January, 2021. The address of the Share Registrar, Computershare Hong Kong Investor Services Limited, is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

eSun has irrevocably undertaken to MAGHL that it shall take up or procure to be taken up such number of the Offer Shares under the Open Offer to which it will be entitled, being up to 631,438,561 Offer Shares (based on the number of Shares held by it as at the date of the Irrevocable Undertaking and its potential maximum shareholding upon the completion of the Loan Capitalisation).

On 6 November, 2020 (after trading hours), MAGHL entered into the Underwriting Agreement with the Underwriter, pursuant to which the Underwriter has conditionally agreed to fully underwrite the Underwritten Shares. Accordingly, the Open Offer is fully underwritten. The maximum underwriting commitment of the Underwriter shall be 404,886,665 Offer Shares. Any Unsubscribed Shares will be allotted to Qualifying Shareholders through the Excess Application Forms. To the extent that there remains any Unsubscribed Shares that are not allocated to Qualifying Shareholders through the Excess Application Forms, these Shares will be taken up by the Underwriter pursuant to the Underwriting Agreement.

POTENTIAL ACQUISITION

On 6 November, 2020 (after trading hours), MAGHL and VS Media entered into the Acquisition Term Sheet in relation to the Potential Acquisition, being the prospective acquisition by MAGHL of the VS Media Group, which is a digital media network company producing authentic short-form content and empowering independent creative talents. The terms and conditions of the Potential Acquisition are subject to further negotiations between, among others, MAGHL and the Prospective Vendors, and no assurance is given that the parties will be able to negotiate or enter into a legally binding acquisition agreement in relation to the Potential Acquisition. Definitive agreement(s) in respect of the Potential Acquisition, should it proceed, will only be entered into after completion of the Loan Capitalisation and will be conditional upon, among others, the completion of the Recapitalisation Proposal in full.

POTENTIAL PLACING UNDER SPECIFIC MANDATE

In the event that the Loan Capitalisation is approved and implemented and the Potential Acquisition proceeds, the Directors wish to have the flexibility to place further Consolidated Shares to new investors under the Potential Placing, at the same price as the Consolidated Shares to be issued under the Loan Capitalisation and the Open Offer. Accordingly, a resolution will be proposed at a special general meeting to grant a specific mandate to the Directors to issue up to 625,000,000 Consolidated Shares at an issue price of HK\$0.16 per Consolidated Share, which Consolidated Shares will not be entitled to participate in the Open Offer and will not be issued before the Open Offer Record Time.

The specific mandate sought will be for a period that will expire three (3) months after the date of a special general meeting to be convened.

The proceeds deriving from the Potential Placing, in the gross amount of approximately HK\$100 million assuming the mandate is used to its fullest extent, and based upon the minimum issue price of HK\$0.16 per Consolidated Share, will be used for funding the new film and television projects development, other new business development and opportunities, and general working capital of MAGHL.

As at the date of this joint announcement, no arrangements have been made to issue Shares under the specific mandate being sought and no placing agreement in this regard has been entered into by MAGHL. In the event that arrangements are made to place further Shares under the specific mandate being sought, the Board and the board of eSun will make further announcement(s), as and when necessary, in compliance with the GEM Listing Rules, the Listing Rules and applicable laws.

THE ISSUE OF SHARES UNDER SPECIFIC MANDATE IN RELATION TO ADVISORY SERVICE OF FINANCIAL ADVISER

MAGHL has appointed the Financial Adviser to advise on and assist in formulating and overseeing the Recapitalisation Proposal and the Potential Acquisition. In this relation, the Advisory Fee in the amount of HK\$400,000 (being a portion of the advisory fee payable to the Financial Adviser) may, upon the election of the Financial Adviser, be settled by the allotment and issue of Fee Shares. Under this arrangement, 2,500,000 Fee Shares would be allotted and issued to the Financial Adviser at an issue price of HK\$0.16 per Fee Share. The Fee Shares will be allotted and issued under a Specific Mandate proposed to be sought from the Shareholders at the SGM. It is proposed that should the Financial Adviser elect to accept Fee Shares as settlement for the Advisory Fee, the Fee Shares would be allotted and issued around the time of the despatch of the circular to the Shareholders in connection with the Potential Acquisition.

LISTING RULES IMPLICATIONS

Proposed Loan Capitalisation

1. *MAGHL*

LSG, LSD and eSun are holding companies of MAGHL, and hence connected persons of MAGHL under the GEM Listing Rules. Accordingly, the Loan Capitalisation between MAGHL and eSun constitutes a connected transaction of MAGHL under Chapter 20 of the GEM Listing Rules, and is subject to the reporting, announcement, and Independent Shareholders' approval requirements under the GEM Listing Rules.

Given that eSun has a material interest in the Loan Capitalisation, eSun is therefore required to abstain from voting on the relevant resolution(s) to be proposed at the SGM to approve the Loan Capitalisation. Dr. Peter Lam has abstained from voting on the Board resolution(s) for approving the Loan Capitalisation and the transactions contemplated thereunder. Save as disclosed above, no other Director has a material interest in the Loan Capitalisation Agreement and the transactions contemplated thereunder or is required to abstain from voting on the Board resolution(s) in relation to the aforesaid matters.

MAGHL will establish an independent board committee to advise the Independent Shareholders, and an independent financial adviser will be appointed to advise the independent board committee and the Independent Shareholders in respect of the Loan Capitalisation and the transactions contemplated thereunder.

2. *eSun*

MAGHL is an indirect non-wholly-owned subsidiary of eSun. As the shareholding in MAGHL held by eSun will be increased upon the completion of Loan Capitalisation, the Loan Capitalisation constitutes an acquisition of assets for eSun under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Loan Capitalisation is more than 25% but less than 100%, the Loan Capitalisation and the transactions contemplated thereunder constitute a major transaction of eSun and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As no shareholder of eSun is required to abstain from voting at a special general meeting of eSun to be convened for the approval of the Loan Capitalisation and the transactions contemplated thereunder, eSun intends to obtain a written shareholder's approval from the controlling shareholder, LSD, which holds 1,113,260,072 shares in eSun as at the date of this joint announcement (representing approximately 74.62% of the total number of shares in issue of eSun), for approving the Loan Capitalisation and the transactions contemplated thereunder in lieu of holding the special general meeting of eSun, pursuant to Rule 14.44 of the Listing Rules.

3. *LSD*

MAGHL is an indirect non-wholly-owned subsidiary of eSun, which in turn is an indirect non-wholly-owned subsidiary of LSD. As the indirect shareholding held by LSD in MAGHL will be increased upon the completion of the Loan Capitalisation, the Loan Capitalisation constitutes an acquisition of assets for LSD under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Loan Capitalisation is more than 5% but less than 25%, the Loan Capitalisation and the transactions contemplated thereunder constitute a discloseable transaction of LSD 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.

4. *LSG*

MAGHL is an indirect non-wholly-owned subsidiary of eSun and LSD, which in turn is an indirect non-wholly-owned subsidiary of LSG. As the indirect shareholding held by LSG in MAGHL will be increased upon the completion of the Loan Capitalisation, the Loan Capitalisation constitutes an acquisition of assets for LSG under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Loan Capitalisation is more than 5% but less than 25%, the Loan Capitalisation and the transactions contemplated thereunder constitute a discloseable transaction of LSG 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.

Proposed Clawback Offer and Placing

1. *eSun*

As the shareholding in MAGHL held by eSun will be reduced upon the completion of the Clawback Offer and the Placing, the transactions contemplated under the Clawback Offer and the Placing constitute a disposal of assets in MAGHL for eSun under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Clawback Offer and the Placing on an aggregated basis is more than 5% but less than 25%, the Clawback Offer and the Placing constitute discloseable transactions of eSun and are therefore subject to the reporting and announcement requirements, but are exempt from the circular and shareholders' approval requirements, under Chapter 14 of the Listing Rules.

2. *LSD*

As the indirect shareholding held by LSD in MAGHL will be reduced upon the completion of the Clawback Offer and the Placing, the transactions contemplated under the Clawback Offer and the Placing constitute a disposal of assets in MAGHL for LSD under Chapter 14 of the Listing Rules. As all the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Clawback Offer and the Placing on an aggregated basis are less than 5%, the Clawback Offer and the Placing do not constitute a notifiable transaction for LSD under Chapter 14 of the Listing Rules.

3. *LSG*

As the indirect shareholding held by LSG in MAGHL will be reduced upon completion of the Clawback Offer and the Placing, the transactions contemplated under the Clawback Offer and the Placing constitute a disposal of assets in MAGHL for LSG under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio (as defined on the Listing Rules) in respect of the Clawback Offer and the Placing on an aggregated basis is more than 5% but less than 25%, the Clawback Offer and the Placing constitute disclosable transactions of LSG and are therefore subject to the reporting and announcement requirements, but are exempt from the circular and shareholders' approval requirements, under Chapter 14 of the Listing Rules.

Proposed Open Offer

1. *MAGHL*

In accordance with Rule 10.39 of the GEM Listing Rules, as the Offer Shares are not issued pursuant to the general mandate of MAGHL, the Open Offer must be made conditional on Independent Shareholders' approval at the SGM and, pursuant to Rule 10.39(1) of the GEM Listing Rules, any controlling shareholders and their associates, or where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of MAGHL and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Open Offer. As at the date of this joint announcement, eSun is interested in 1,443,156,837 Existing Shares, representing approximately 67.56% of the total number of the issued Shares and is the controlling shareholder of MAGHL, and shall abstain from voting in respect of the resolution relating to the Open Offer.

2. *eSun*

eSun is the controlling shareholder of MAGHL. Assuming that (i) none of the Open Offer Qualifying Shareholders accept the Open Offer; and (ii) eSun accepts all of the Unsubscribed Shares by way of excess application, as the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Open Offer if eSun accepts the maximum amount of excess application for the Unsubscribed Shares is more than 5% but less than 25%, the Open Offer 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.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Loan Capitalisation and the Open Offer if eSun accepts the maximum amount of excess application for Unsubscribed shares on an aggregated basis is more than 25% but less than 100%, the Loan Capitalisation and Open Offer constitute major transactions of eSun and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As no shareholder of eSun is required to abstain from voting at a special general meeting of eSun to be convened for the approval of the Loan Capitalisation, the Open Offer and the transactions contemplated thereunder, eSun intends to obtain a written shareholder's approval from the controlling shareholder, LSD, which holds 1,113,260,072 shares in eSun as at the date of this joint announcement (representing approximately 74.62% of the total number of shares in issue of eSun), for approving the Loan Capitalisation, Open Offer and the transactions contemplated thereunder in lieu of holding the special general meeting of eSun, pursuant to Rule 14.44 of the Listing Rules.

3. LSD

eSun is an indirect non-wholly-owned subsidiary of LSD. As all the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Open Offer if eSun accepts the maximum amount of the Unsubscribed Shares by way of excess application are less than 5%, the Open Offer does not constitute a notifiable transaction for LSD under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Loan Capitalisation and the Open Offer if eSun accepts the maximum amount of excess application for Unsubscribed shares on an aggregated basis is more than 5% but less than 25%, the Loan Capitalisation and Open Offer constitute discloseable transactions of LSD 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.

4. LSG

eSun is an indirect non-wholly-owned subsidiary of LSG. As all the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Open Offer if eSun accepts the maximum amount of the Unsubscribed Shares by way of excess application are less than 5%, the Open Offer does not constitute a notifiable transaction for LSG under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Loan Capitalisation and the Open Offer if eSun accepts the maximum amount of excess application for Unsubscribed shares on an aggregated basis is more than 5% but less than 25%, the Loan Capitalisation and Open Offer constitute discloseable transactions of LSG 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.

Potential Acquisition

The Potential Acquisition, should it proceed, will only take place after the completion of the Loan Capitalisation, and is expected to constitute a major transaction of MAGHL under Chapter 19 of the GEM Listing Rules, a major transaction of eSun, and discloseable transactions of LSD and LSG under Chapter 14 of the Listing Rules. If MAGHL proceeds with the Potential Acquisition, it will enter into legally binding agreement(s) with the Prospective Vendors. Further announcement(s) will be made by MAGHL, eSun, LSD and LSG in compliance with the GEM Listing Rules and the Listing Rules respectively as and when appropriate.

Potential Placing under a specific mandate

1. *MAGHL*

The Potential Placing, should it proceed, will only take place after the completion of the Loan Capitalisation and if the Potential Acquisition proceeds. If MAGHL proceeds with the Potential Placing, it will enter into legally binding agreement(s) with the Placing Agent.

As the Shares under the Potential Placing will be allotted and issued under the Specific Mandate to be obtained at a special general meeting to be convened, the Potential Placing is subject to the Shareholders' approval.

A special general meeting will be convened for the purpose of considering and, if thought fit, approving, among other things, the Potential Placing. To the best knowledge of the Directors, no Shareholder will be required to abstain from voting on the resolution(s) approving the aforesaid matters. A circular containing, among other things, (i) further details of the Potential Placing; and (ii) a notice convening a special general meeting, will be despatched to the Shareholders as and when appropriate in accordance with the GEM Listing Rules.

2. *eSun*

As the shareholding in MAGHL held by eSun will be reduced upon the completion of the Potential Placing, the Potential Placing should it proceed, will constitute a disposal of assets for eSun under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Potential Placing (assuming the placing of the maximum number of 625,000,000 Consolidated Shares at the placing price of HK\$0.16 per Consolidated Share) is more than 5% but less than 25%, the Potential Placing 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 the Chapter 14 of the Listing Rules.

3. *LSD*

As the indirect shareholding held by LSD in MAGHL will be reduced upon the completion of the Potential Placing, the Potential Placing, should it proceed, will constitute a disposal of assets for LSD under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Potential Placing (assuming the placing of the maximum number of 625,000,000 Consolidated Shares at the placing price of HK\$0.16 per Consolidated Share) is less than 5%, the Potential Placing does not constitute a notifiable transaction for LSD under Chapter 14 of the Listing Rules.

4. LSG

As the indirect shareholding held by LSG in MAGHL will be reduced upon the completion of the Potential Placing, the Potential Placing, should it proceed, will constitute a disposal of assets for LSG under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Potential Placing (assuming the placing of the maximum number of 625,000,000 Consolidated Shares at the placing price of HK\$0.16 per Consolidated Share) is less than 5%, the Potential Placing does not constitute a notifiable transaction for LSG under Chapter 14 of the Listing Rules.

Issue of Fee Shares under Specific Mandate to settle the Advisory Fee

As the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Advisory Fee are less than 5% and given that the Advisory Fee will be satisfied by the issue of the Fee Shares, the issue of the Fee Shares constitutes a share transaction on the part of MAGHL under Chapter 19 of the GEM Listing Rules, which is subject to the reporting and announcement requirements under the GEM Listing Rules.

GENERAL

An independent board committee comprising the independent non-executive Directors will be established to advise the Independent Shareholders (i) as to whether the terms of the proposed Loan Capitalisation and the proposed Open Offer are fair and reasonable and in the interest of the Shareholders as a whole; and (ii) as to voting, taking into account the recommendations of the independent financial adviser which will be appointed by MAGHL.

A circular containing, among others, (i) further details on the Recapitalisation Proposal and the issue of the Fee Shares; (ii) a letter from the independent board committee of MAGHL containing its advice and recommendations in respect of the Loan Capitalisation and the Open Offer; (iii) a letter from the independent financial adviser containing its advice and recommendations in respect of the Loan Capitalisation and the Open Offer; (iv) other information as required by the GEM Listing Rules; and (v) a notice convening the SGM, is expected to be despatched to the Shareholders on or before 30 November, 2020, as additional time is required to compile the information for inclusion in the circular.

In order to be eligible to attend and vote at the SGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 10 December, 2020.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, details of the Loan Capitalisation, shall be despatched to the shareholders of eSun within 15 business days after the publication of this joint announcement.

In respect of the Clawback Offer, if it is proceeded with, MAGHL and eSun will issue the Clawback Prospectus containing, among other matters, details of the Clawback Offer, to the Clawback Qualifying Shareholders. The Clawback Prospectus will be issued to the Non-Qualifying Shareholders for their information only but the Application Forms will not be sent to the Non-Qualifying Shareholders.

Subject to the approval of the relevant Shareholders being obtained at the SGM and the completion of the Loan Capitalisation (including the Clawback Offer and the Placing), MAGHL will despatch the Prospectus Documents containing, among other matters, details of the Open Offer, to the Open Offer Qualifying Shareholders. MAGHL will despatch the Prospectus to the Non-Qualifying Shareholders for their information only but MAGHL will not send the Application Forms and Excess Application Forms to the Non-Qualifying Shareholders.

WARNING STATEMENT

Shareholders and potential investors of the Lai Sun Listcos should note that each of the proposed Share Consolidation, the proposed Increase in Authorised Share Capital, the proposed Loan Capitalisation, the proposed Clawback Offer, the proposed Placing and the proposed Open Offer is subject to the fulfilment of a number of conditions precedent, and may or may not proceed.

The Directors also wish to emphasise that the Acquisition Term Sheet is not legally binding (other than the provisions relating to exclusivity, confidentiality and governing law). The terms of the Potential Acquisition are subject to further negotiations and execution of definitive agreement(s) between MAGHL and the Prospective Vendors, and no such definitive agreement(s) have been entered into as at the date of this joint announcement. Definitive agreement(s) in respect of the Potential Acquisition will only be entered into after completion of the Loan Capitalisation and will be conditional upon, among others, the completion of the Recapitalisation Proposal in full. As such, the Potential Acquisition may or may not proceed.

Respective shareholders of the Lai Sun Listcos, and potential investors are advised to exercise caution when dealing in the securities of the Lai Sun Listcos. The Lai Sun Listcos will make further announcement(s) with regard to the status of the abovementioned transactions as and when appropriate pursuant to the requirements under the Listing Rules and the GEM Listing Rules, as appropriate.

RESUMPTION OF DEALING IN THE SHARES OF eSUN AND MAGHL

At the request of eSun and MAGHL, trading in the shares of eSun and MAGHL on the Stock Exchange were halted from 9:00 a.m. on Tuesday, 3 November, 2020 pending the release of this joint announcement. An application has been made to the Stock Exchange for the resumption of trading in the shares of eSun and MAGHL with effect from 9:00 a.m. on Monday, 9 November, 2020.

INTRODUCTION

Following a strategic review of the business, financial condition and the potential expansion of its operations in media and entertainment with a particular emphasis on the management and development of branding and product commercialisation opportunities for the artistes which it manages, the Board has concluded that MAGHL should undertake a recapitalisation plan. This plan, if implemented in full, will result in the elimination of substantially all of the eSun Shareholder's Loans due to eSun, a substantial increase in MAGHL's equity capital base, an introduction of new investors and a raising of new funds to sustain its existing operations and proposed business plans for growth.

The principal elements of the Recapitalisation Proposal are as follows:

(a) Proposed Share Consolidation

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares will be consolidated into one (1) Consolidated Share. The Share Consolidation is conditional upon, among other things, the approval of an ordinary resolution by the Shareholders at the SGM.

(b) Proposed Change in Board Lot Size

The Board proposes that the board lot size of the Shares for trading on the Stock Exchange will be increased from 4,000 Existing Shares to 12,000 Consolidated Shares conditional upon the Share Consolidation becoming effective. Please refer to the section headed "PROPOSED CHANGE IN BOARD LOT SIZE" for details.

(c) Proposed Increase in Authorised Share Capital

Conditional upon the Share Consolidation becoming effective, the Board proposes the Increase in Authorised Share Capital from HK\$600,000,000 divided into 6,000,000,000 Consolidated Shares to HK\$1,000,000,000 divided into 10,000,000,000 Consolidated Shares by creating an additional 4,000,000,000 unissued Consolidated Shares, subject to the approval of the Shareholders by way of an ordinary resolution at the SGM. Please refer to the section headed "PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL" for details.

(d) Proposed Loan Capitalisation

MAGHL has been considering various options to recapitalise MAGHL and repay the eSun Shareholder's Loans in the aggregate outstanding principal amount of HK\$430 million as at 31 October, 2020. Pursuant to the Loan Capitalisation Agreement, MAGHL proposes to capitalise substantially all of the eSun Shareholder's Loans, in the aggregate principal amount of HK\$430 million, by allotting and issuing the Capitalisation Shares to eSun or at its direction to the Clawback Qualifying Shareholders under the Clawback Offer and the Places under the Placing. Please refer to the section headed "LOAN CAPITALISATION" for details.

(e) Proposed Clawback Offer by eSun

In order to provide the Clawback Qualifying Shareholders with an opportunity to reduce the dilutive impact of the Loan Capitalisation on their shareholdings in MAGHL and to continue to participate in and share the growth of the business of MAGHL, eSun will offer 207,869,997 Clawback Offer Shares, which constitute approximately 7.7% of the Capitalisation Shares, to the Clawback Qualifying Shareholders on a pro rata basis of three (3) Clawback Offer Shares for every one (1) Consolidated Share held by the Clawback Qualifying Shareholders as at the Clawback Record Time at HK\$0.16 per Clawback Offer Share, and so in proportion to any lesser or greater number of Shares held. The price at which the Clawback Offer Shares would be offered will be equal to the issue price of the Capitalisation Shares under the Loan Capitalisation Agreement. Please refer to the section headed “CLAWBACK OFFER BY eSUN” for details.

(f) Placing of Capitalisation Shares

In order to maintain a public float of not less than 25% of the issued Shares, it is proposed that in addition to the Clawback Offer, eSun will, pursuant to the Placing Agreement, direct a portion of the Capitalisation Shares, otherwise due to be issued to it or members of the eSun Group, instead to be placed, through the Placing Agent on a best effort basis, to at least six Placees, at the price of HK\$0.16 per Capitalisation Share (which is the same as the price per Capitalisation Share under the Loan Capitalisation and the Clawback Offer), payable to eSun. These persons will be persons, independent of and not connected with the MAGHL Group, the eSun Group, the Lai Sun Group or their respective associates, as defined in the GEM Listing Rules or the Listing Rules. As a result of the placement of a portion of the new Shares to be issued under the Loan Capitalisation, eSun will, upon the completion of the Loan Capitalisation (including the Clawback Offer and the Placing), directly and indirectly hold less than 75% of the issued share capital of MAGHL even if no Shareholder accepts any Shares under the Clawback Offer. Please refer to the section headed “PLACING OF CAPITALISATION SHARES” for details.

(g) Proposed Open Offer

After the completion of the Loan Capitalisation (including the Clawback Offer and the Placing), MAGHL proposes to raise up to approximately HK\$154.7 million before expense by way of an Open Offer of 967,035,227 Offer Shares at the Offer Price of HK\$0.16 per Offer Share on the basis of one (1) Offer Share for every three (3) Consolidated Shares held by the Open Offer Qualifying Shareholders as at the Open Offer Record Time and payable in full on acceptance.

The Recapitalisation Proposal will put MAGHL in a position to acquire synergistic and complementary businesses to increase the scale of its business and its growth potential. In this regard the Board has identified VS Media Group, which is engaged primarily in the social e-commerce, influencer marketing, short-form content sponsorship and licensing business, as a potential acquisition target. On 6 November, 2020 (after trading hours), MAGHL and VS Media entered into the Acquisition Term Sheet in relation to the Potential Acquisition. It should be noted that there is no certainty that a formal agreement will be negotiated successfully, and no agreement will be entered into unless the Loan Capitalisation has been completed. While no legally binding acquisition terms have been agreed, it is expected that the acquisition consideration will be in the form of new Consolidated Shares and that such an issue of Consolidated Shares will not result in any change in the controlling shareholder of MAGHL and eSun will continue to remain as the controlling Shareholder of MAGHL.

Further details regarding the background and terms of each of aforesaid elements of the Recapitalisation Proposal are set out in the following sections.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares will be consolidated into one (1) Consolidated Share.

Conditions precedent to the Share Consolidation

The implementation of the Share Consolidation is conditional upon the following conditions:

- (i) the passing by the Shareholders of an ordinary resolution at the SGM to approve the Share Consolidation; and
- (ii) the GEM Listing Committee granting approval for the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

The Share Consolidation will become effective on the next business day immediately after the conditions of the Share Consolidation above are fulfilled.

Effects of the Share Consolidation

As at the date of this joint announcement, the authorised share capital of MAGHL is HK\$600,000,000 divided into 60,000,000,000 Existing Shares, of which 2,136,056,825 Existing Shares have been allotted and issued as fully paid or credited as fully paid.

Assuming that no further Shares are issued or repurchased between the date of this joint announcement and up to and including the effective date of the Share Consolidation, immediately after the Share Consolidation, the authorised share capital of MAGHL shall become HK\$600,000,000 divided into 6,000,000,000 Consolidated Shares of par value of HK\$0.10 each, of which 213,605,682 Consolidated Shares will be in issue and fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of MAGHL or result in any change in the relative rights of the Shareholders, save for any fractional Consolidated Shares to which the Shareholders may be entitled.

Fractional Consolidated Shares will be disregarded and will not be issued by MAGHL to the Shareholders. Any fractional entitlement to the Consolidated Shares will be aggregated, sold and retained for the benefit of MAGHL.

Odd lot matching and parallel trading arrangements

In order to alleviate the difficulties arising from the existence of odd lots of the Shares as a result of the Share Consolidation, MAGHL has appointed Prudential Brokerage Limited as its agent to provide matching services, on a best effort basis, to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Monday, 4 January, 2021 to 4:10 p.m. on Friday, 22 January, 2021, both days inclusive. Holders of the Shares in odd lots represented by the Existing Share Certificates who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board lot may directly or through their broker contact Mr. Sam Ng of Prudential Brokerage Limited at 9/F, World-wide House, 19 Des Voeux Road C, Central, Hong Kong (telephone number (852) 2143 3999) during 9:00 a.m. to 4:10 p.m. within such period.

Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

Exchange of New Share Certificates

In respect of the Share Consolidation, the Shareholders may submit their Existing Share Certificates to the Share Registrar at Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in exchange for the New Share Certificates free of charge during the business hours (i.e. 9:00 a.m. to 4:30 p.m.) from Thursday, 17 December, 2020 to Tuesday, 26 January, 2021 (both dates inclusive). It is expected that New Share Certificates will be available for collection from the Share Registrar by the Shareholders within 10 business days after delivery of the Existing Share Certificates to the Share Registrar for exchange purpose.

After Tuesday, 26 January, 2021, exchange of Existing Share Certificates for New Share Certificates can only be made at a cost of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each Existing Share Certificate cancelled or each New Share Certificate issued, whichever number of share certificates involved is higher. All Existing Share Certificates will continue to be good evidence of legal title to such Shares and may be exchanged for New Share Certificates at any time but will not be accepted for delivery, trading and settlement purposes. The colour of the New Share Certificates for the Consolidated Shares will be announced by MAGHL in due course.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this joint announcement, the Shares are traded in board lots of 4,000 Shares. The Board further proposes to change the board lot size for trading on the Stock Exchange from 4,000 Existing Shares to 12,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.019 per Existing Share (equivalent to the theoretical closing price of HK\$0.190 per Consolidated Share) as at the Last Trading Day, (i) the value of each existing board lot of 4,000 Existing Shares is HK\$76; (ii) the value of each board lot of 400 Consolidated Shares would be HK\$76 assuming the Share Consolidation becoming effective; and (iii) the estimated market value per board lot of 12,000 Consolidated Shares would be HK\$2,280 assuming that the Change in Board Lot Size had also been effective.

The Change in Board Lot Size will not result in any change in the relative rights of the Shareholders.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this joint announcement, the authorised share capital of MAGHL is HK\$600,000,000 divided into 60,000,000,000 Shares of HK\$0.01 each, of which 2,136,056,825 Shares have been allotted and issued as fully paid or credited as fully paid. Assuming that no further Shares are issued or repurchased between the date of this joint announcement and up to and including the effective date of the Share Consolidation, immediately after the Share Consolidation, the authorised share capital of MAGHL shall become HK\$600,000,000 divided into 6,000,000,000 Consolidated Shares of par value of HK\$0.10 each, of which 213,605,682 Consolidated Shares will be in issue and fully paid or credited as fully paid.

Conditional upon the Share Consolidation becoming effective, the Board further proposes the Increase in Authorised Share Capital from HK\$600,000,000 divided into 6,000,000,000 Consolidated Shares to HK\$1,000,000,000 divided into 10,000,000,000 Consolidated Shares by creating an additional 4,000,000,000 unissued Consolidated Shares, subject to the approval of the Shareholders by way of an ordinary resolution at the SGM.

EXPECTED TIMETABLE FOR SHARE CONSOLIDATION, CHANGE IN BOARD LOT SIZE AND INCREASE IN AUTHORISED SHARE CAPITAL

An indicative timetable for the Share Consolidation, Change in Board Lot Size and Increase in Authorised Share Capital is set out below. The indicative timetable is subject to change, and any such change will be announced in a separate announcement by MAGHL as and when appropriate.

Events	Hong Kong date and time
Despatch of the circular with notice of the SGM and proxy form for the SGM.....	Monday, 30 November, 2020
Latest date and time for lodging transfer documents	4:30 p.m. on Thursday, 10 December, 2020
Latest date and time for lodging the proxy forms for the SGM.....	10:00 a.m. on Sunday, 13 December, 2020
Expected date and time of the SGM.....	10:00 a.m. on Tuesday, 15 December, 2020
Announcement of the poll results of the SGM.....	Tuesday, 15 December, 2020
Effective date of the Share Consolidation and Increase in Authorised Share Capital.....	Thursday, 17 December, 2020
First date of free exchange of Existing Share Certificates into New Share Certificates for the Consolidated Shares.....	Thursday, 17 December, 2020
Commencement of dealings in the Consolidated Shares.....	9:00 a.m. on Thursday, 17 December, 2020
Original counter for trading in the Shares (in board lots of 4,000 Existing Shares) closes	9:00 a.m. on Thursday, 17 December, 2020
Temporary counter for trading in board lots of 400 Consolidated Shares (in the form of existing share certificates) opens.....	9:00 a.m. on Thursday, 17 December, 2020
Original counter for trading in the Consolidated Shares (in board lots of 12,000 Consolidated Shares in the form of new share certificates for the Consolidated Shares) re-opens.....	9:00 a.m. on Monday, 4 January 2021

Events	Hong Kong date and time
Parallel trading in the Consolidated Shares (in the form of new and existing share certificates) commences	9:00 a.m. on Monday, 4 January 2021
Designated broker starts to stand in the market to provide matching services for sale and purchase of odd lot of Shares.....	9:00 a.m. on Monday, 4 January 2021
Temporary counter for trading in Consolidated Shares in board lots of 400 Consolidated Shares (in form of existing share certificates) closes	4:10 p.m. on Friday, 22 January, 2021
Parallel trading in the Consolidated Shares (in the form of new and existing share certificates) ends	4:10 p.m. on Friday, 22 January, 2021
Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lot of Shares	4:10 p.m. on Friday, 22 January, 2021
Last day for free exchange of Existing Share Certificates for New Share Certificates	Tuesday, 26 January, 2021

LOAN CAPITALISATION

Background

As at the date of this joint announcement, eSun has extended loans in an aggregate principal amount of HK\$430 million to MAGHL, the terms of which are summarised below.

On 1 November, 2019, MAGHL, as borrower, entered into a loan agreement with eSun, as lender, in relation to the eSun 1st Shareholder's Loan, pursuant to which eSun provided MAGHL an unsecured loan in the principal amount of HK\$50,000,000, which is interest-bearing at a rate of 3-month HIBOR plus 2.8% per annum and repayable on 31 October, 2022, to fund its ongoing working capital requirements.

On 11 June, 2020, MAGHL, as borrower, entered into a loan agreement with eSun, as lender, in relation to the eSun 2nd Shareholder's Loan, pursuant to which eSun provided MAGHL an unsecured loan in the principal amount of HK\$300,000,000, which is interest-bearing at a rate of 3-month HIBOR plus 2.8% per annum and repayable on 10 June, 2023. This was used to repay MAGHL's existing shareholder's loans in the principal amounts of HK\$100,000,000 and HK\$200,000,000 due to eSun and Hibright, respectively.

On 20 October, 2020, MAGHL, as borrower, entered into a loan agreement with eSun, as lender, in relation to the eSun 3rd Shareholder's Loan, pursuant to which eSun provided MAGHL an unsecured loan in the principal amount of HK\$80,000,000, which is interest-bearing at a rate of 3-month HIBOR plus 2.8% per annum and repayable on 19 October, 2023 to finance the general working capital of the MAGHL Group.

Following a review of the audited financial results of MAGHL, which recorded a loss attributable to owners of MAGHL of approximately HK\$178 million for the year ended 31 July, 2020, with the cash and cash balance of approximately HK\$318 million as at 31 July, 2020, and equity attributable to owners of MAGHL decreasing from approximately HK\$898 million as at 31 July, 2015 to HK\$40 million as at 31 July, 2020, the Board has been considering various options to recapitalise MAGHL and repay the Loan Capitalisation Amount.

On 6 November, 2020 (after trading hours), MAGHL and eSun entered into the Loan Capitalisation Agreement, pursuant to which MAGHL has conditionally agreed to allot and issue the Capitalisation Shares to eSun, or any persons as it may direct, at the Capitalisation Price of HK\$0.16 per Capitalisation Share in consideration of the cancellation by way of setting-off against the Loan Capitalisation Amount. Interest accruing under the eSun Shareholder's Loans up to and including the date of the completion of the Loan Capitalisation shall be separately paid by MAGHL to eSun upon the completion of the Loan Capitalisation. For reference purpose, the total outstanding interest accrued under the eSun Shareholder's Loans as at 31 October, 2020 was approximately HK\$0.1 million.

Principal terms of the Loan Capitalisation Agreement

The principal terms of the Loan Capitalisation Agreement are as follows:

Date: 6 November, 2020 (after trading hours)

Parties: (i) MAGHL; and
(ii) eSun

Capitalisation Shares: 2,687,500,000 new Consolidated Shares, which MAGHL has conditionally agreed to allot and issue, and eSun conditionally agreed to subscribe for, at the Capitalisation Price for the capitalisation of the eSun Shareholder's Loans. The aggregate consideration for the allotment and issue of the Capitalisation Shares will be settled by setting-off against the Loan Capitalisation Amount. Upon the allotment and issue of the Capitalisation Shares and payment of the outstanding accrued interest in respect of the eSun Shareholder's Loans in full at completion, the liabilities and obligations of MAGHL under the eSun Shareholder's Loans will be discharged.

Assuming that there will be no change in the issued share capital of MAGHL between the date of this joint announcement and completion of the Loan Capitalisation, the Capitalisation Shares represent:

- (i) approximately 1,258.2% of the existing issued share capital of MAGHL as the date of this joint announcement; and
- (ii) approximately 92.6% of the issued share capital of MAGHL as enlarged by the allotment and issue of the Capitalisation Shares.

**Arrangements for
Clawback Offer
and Placing:**

A portion of the Capitalisation Shares may be directed by eSun to be allotted and issued to the Clawback Qualifying Shareholders and the Placees pursuant to the Clawback Offer and the Placing Agreement, respectively. The Clawback Offer and the Placing are described in the respective sections below.

Capitalisation Price:

The Capitalisation Price of HK\$0.16 per Capitalisation Share represents:

- (i) a discount of approximately 15.8% to the theoretical closing price of HK\$0.190 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.019 per Existing Share as quoted on the Stock Exchange on 30 October, 2020, being the last trading day prior to the date of board meetings of MAGHL and eSun approving the Loan Capitalisation (including the Clawback Offer and the Placing);
- (ii) a discount of approximately 15.8% to the theoretical closing price of HK\$0.190 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.019 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 17.5% to the theoretical average closing price of HK\$0.194 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing prices of the Existing Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iv) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 16.2% of the theoretical diluted price of approximately HK\$0.163 per Consolidated Share (after taking into account the effect of the Share Consolidation) to the benchmarked price of HK\$0.194 per Consolidated Share (after taking into account the effect of the Share Consolidation) (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.019 per Existing Share and the average closing prices of the Existing Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day).

The Capitalisation Shares have an aggregate nominal value of HK\$268,750,000.

The Capitalisation Price was arrived at after arm's length negotiations between MAGHL and eSun with reference to the prevailing market price of the Shares, the MAGHL Group's historical performance and present financial position as well as current market conditions. The Directors (other than the independent non-executive Directors, whose view will be set out in the letter from the independent board committee of MAGHL to be included in the circular) and the directors of eSun, LSD and LSG, taking into account of the above, MAGHL's financial position and its ability to repay the Loan Capitalisation Amount and the factors set out in the section "REASONS FOR THE RECAPITALISATION PROPOSAL AND THE POTENTIAL ACQUISITION — Proposed Loan Capitalisation, Clawback Offer and the Placing", consider that the Capitalisation Price and the terms of the Loan Capitalisation Agreement are fair and reasonable and are in the interests of MAGHL, eSun, LSD and LSG and their respective shareholders as a whole.

Conditions precedent:

The completion of the Loan Capitalisation is conditional upon fulfilment of the following conditions precedent:

- (i) the Share Consolidation and the Increase in Authorised Share Capital of MAGHL being approved at the SGM and become effective;
- (ii) the passing by the Independent Shareholders of the necessary resolution(s) at the SGM to approve the Loan Capitalisation;
- (iii) the passing by the shareholders of eSun (other than those who are required to abstain from voting according to the Listing Rules or other applicable laws and regulations, if any), of the necessary resolution(s) to approve the Loan Capitalisation;
- (iv) the grant by the GEM Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the Capitalisation Shares;
- (v) notification from the Placing Agent that, irrespective of the outcome of the Clawback Offer, it has procured or can procure Placees for all or a sufficient number of the Capitalisation Shares on terms that immediately after the completion of the Loan Capitalisation, not less than 25% of the issued share capital of MAGHL (as enlarged by the Loan Capitalisation) will be held by the public as required by the GEM Listing Rules; and

- (vi) the passing by the Independent Shareholders of a resolution at the SGM to approve the Open Offer.

Save for condition (vi) which can be waived by MAGHL, none of the above conditions can be waived. If the above conditions are not fulfilled (or, as applicable, waived) by 5 May 2021 or such other date as MAGHL and eSun may agree, the Loan Capitalisation Agreement will terminate and all rights and obligations under the Loan Capitalisation Agreement will cease, save for any rights and obligations accrued before the termination. The Clawback Offer, the Placing and the Open Offer will also not proceed if the Loan Capitalisation Agreement is terminated.

Completion:

The completion of the Loan Capitalisation shall take place within five (5) business days after the fulfilment (or waiver, as the case may be) of the conditions precedent (or such other date to be agreed by the parties), and is expected to be on the same day of the completion of the Clawback Offer and the Placing.

Ranking:

The Capitalisation Shares when allotted and issued shall rank pari passu in all respects with the Shares in issue on the date of their allotment and issue, including as to the rights to receive all dividends and distributions which may be declared made or paid after the completion date of the Loan Capitalisation Agreement and will be issued free and clear of all liens, encumbrances, equities or other third party rights.

Specific Mandate

The 2,687,500,000 Capitalisation Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought from the Independent Shareholders at the SGM.

Application for listing

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

CLAWBACK OFFER BY eSUN

In order to provide the Clawback Qualifying Shareholders with an opportunity to reduce the dilutive impact of the Loan Capitalisation on their shareholdings in MAGHL and to continue to participate in and share the growth in the business of MAGHL alongside eSun under the Loan Capitalisation, eSun will conditionally offer 207,869,997 Clawback Offer Shares, which constitute approximately 7.7% of the Capitalisation Shares, to the Clawback Qualifying Shareholders on a pro rata basis of three (3) Clawback Offer Shares for every one (1) Consolidated Share held by the Clawback Qualifying Shareholders as at the Clawback Record Time at HK\$0.16 per Clawback Offer Share, and so in proportion to any lesser or greater number of Shares held. The price at which the Clawback Offer Shares would be offered will be equal to the issue price of the Capitalisation Shares under the Loan Capitalisation Agreement.

Assuming there will be no change in the issued share capital of MAGHL and the Shares held by eSun and its associates between the date of this joint announcement and completion of the Clawback Offer, save for the Share Consolidation becoming effective and the allotment and issue of the Capitalisation Shares, the 207,869,997 Clawback Offer Shares represent approximately 7.2% of the issued share capital of MAGHL as enlarged by the issue of the Capitalisation Shares.

As the Clawback Offer is conditional upon Loan Capitalisation becoming unconditional in all respects, the Clawback Offer may or may not proceed. Shareholders should exercise caution when dealing in the Shares.

Principal terms of the Clawback Offer:

Number of Clawback Offer Shares:	207,869,997 Consolidated Shares (based on the number of Existing Shares in issue as at the date of this joint announcement and adjusted for the effect of the Share Consolidation, and assuming no change in the number of Shares in issue from the date of this joint announcement up to and including the Clawback Record Time, other than the issue of the Capitalisation Shares, and which may be adjusted upwards for any increase in the number of Shares held by the Clawback Qualifying Shareholders up to the Clawback Record Time based on the Clawback Offer ratio as set out in the paragraph headed “Clawback Assured Entitlement” below).
Clawback Offer Price:	HK\$0.16 per Clawback Offer Share which is equal to the issue price of the Capitalisation Shares pursuant to the Loan Capitalisation Agreement, excluding applicable fees, levies and buyer’s ad valorem stamp duty at a rate of 0.1% payable by the Clawback Qualifying Shareholders.

Clawback Assured Entitlement:	Clawback Qualifying Shareholders will be entitled to apply on the basis of three (3) Clawback Offer Shares for every one (1) Consolidated Share held by the Clawback Qualifying Shareholders as at the Clawback Record Time and so in proportion to any lesser or greater number of Shares held at that time.
Transferability:	The Clawback Assured Entitlements of the Clawback Qualifying Shareholders to the Clawback Offer Shares are not transferable or capable of renunciation and there will be no trading in nil-paid entitlements on the Stock Exchange.
Status of the Clawback Offer Shares:	The Clawback Offer Shares directed by eSun to be allotted and issued to the Clawback Qualifying Shareholders under the Clawback Offer shall be fully-paid and rank pari passu in all respects with the existing Shares, free from all liens, charges, encumbrances, pre-emptive rights and any other third party rights of any nature and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date of the issuance of the Clawback Offer Shares. Holders of the Clawback Offer Shares who are Open Offer Qualifying Shareholders will be eligible to participate in the Open Offer.
Excess Application:	There will be no right for the Clawback Qualifying Shareholders to apply for excess Clawback Offer Shares under the Clawback Offer.
Clawback Qualifying Shareholders:	All Independent Shareholders whose names appear on the register of members of MAGHL as at the Clawback Record Time, other than the Overseas Shareholders whom the directors of MAGHL and eSun, after making relevant enquiries, consider it necessary or expedient to exclude from the Clawback Offer on account either of the legal restrictions under the laws of the relevant place or any requirements of the relevant regulatory body or stock exchange in that place.

Conditions precedent: The Clawback Offer is conditional upon the Loan Capitalisation becoming unconditional in all respects. If the conditions to the Loan Capitalisation are not fulfilled (or waived, as the case may be) on or before 5 May, 2021 or such other date as MAGHL and eSun may agree, the Clawback Offer will lapse and any applications made by the Clawback Qualifying Shareholders for the Clawback Offer Shares pursuant to the Clawback Offer will be rejected and any application money received from accepting the Clawback Qualifying Shareholders will be refunded to them.

Completion: Completion of the Clawback Offer is expected to take place on the same day of the completion of the Loan Capitalisation and the completion of the Placing.

Under the Clawback Offer, assuming it is accepted in full, eSun will receive an aggregate of approximately HK\$33.3 million from the Clawback Qualifying Shareholders. The directors of eSun and LSG consider that the Clawback Offer Price and the terms of the Clawback Offer are fair and reasonable and are in the interests of the shareholders of eSun and LSG and their respective shareholders as a whole.

After the completion of the Clawback Offer, MAGHL will continue to be a subsidiary of eSun, LSD and LSG, and will continue to be accounted for and consolidated in the consolidated accounts of eSun, LSD and LSG.

Clawback Offer Arrangement

Given the Clawback Offer involves the offer of the Clawback Offer Shares to the Clawback Qualifying Shareholders on a pro rata basis to provide the Clawback Qualifying Shareholders with an opportunity to reduce the dilutive impact of the Loan Capitalisation on their shareholdings in MAGHL and to participate in and share the growth of the business of MAGHL, the Clawback Prospectus will be issued by MAGHL and eSun jointly. MAGHL will provide the administrative assistance as necessary and expedient for implementing the Clawback Offer, such as the determination of the Clawback Assured Entitlements of the Clawback Qualifying Shareholders, and the despatch of the Clawback Prospectus and the application forms through the Share Registrar. The costs and expenses arising from the implementation of the Clawback Offer will be borne by eSun. eSun will be primarily responsible for the preparation of the Clawback Prospectus and other documentations in relation to the Clawback Offer, and MAGHL will provide reasonable assistance to eSun to ensure the accuracy and sufficiency of information contained in the Clawback Prospectus and other documentations in relation to the Clawback Offer.

Under the Clawback Offer, the Clawback Qualifying Shareholders are able to tailor their responses to the offering so that following the completion of the Clawback Offer, their shareholdings will be 12,000 Consolidated Shares or multiples thereof and, accordingly, capable of being traded on the Stock Exchange at the bid price shown.

Qualifying for the Clawback Assured Entitlements in relation to the Clawback Offer

In order to qualify for the Clawback Assured Entitlements, all transfers of Shares, accompanied by the relevant share certificates must be lodged with the Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 22 December, 2020.

Expected timetable

An indicative timetable for the Clawback Offer is set out below. The indicative timetable is subject to change, and any such change will be announced in a separate announcement jointly by MAGHL and eSun as and when appropriate.

Events	Hong Kong date and time
Date of the SGM and the announcement of the SGM poll results.....	Tuesday, 15 December, 2020
Last day for trading in Shares with the Clawback Assured Entitlements.....	Friday, 18 December, 2020
First day for trading in Shares without the Clawback Assured Entitlements.....	Monday, 21 December, 2020
Latest time to lodge completed transfer forms and the relevant share certificates in order to qualify for the Clawback Assured Entitlements	4:30 p.m. on Tuesday, 22 December, 2020
Clawback Record Time	4:30 p.m. on, Tuesday, 22 December, 2020
Despatch of the Clawback Prospectus and forms of acceptance	Thursday, 31 December, 2020
Clawback Offer period.....	From Thursday, 31 December, 2020 to Wednesday, 6 January, 2021 (both dates inclusive)
Latest time for lodging applications and payments for the Clawback Offer Shares.....	4:00 p.m. on Wednesday, 6 January, 2021
Announcement of the results of the Clawback Offer	Friday, 8 January, 2021
Despatch share certificates of the Clawback Offer Shares	Friday, 15 January, 2021
Dealings in the Clawback Offer Shares commence	9:00 a.m. on Monday, 18 January, 2021

PLACING OF CAPITALISATION SHARES

In order to ensure that the public float requirements under the GEM Listing Rules will be complied with even in the scenario where the Clawback Offer is not accepted by any Clawback Qualifying Shareholder, pursuant to the Placing Agreement described below, eSun intends to place, through the Placing Agent, on a best effort basis, up to a total of 937,500,000 Capitalisation Shares, representing approximately 34.9% of the Capitalisation Shares otherwise to be allotted and issued to eSun under the Loan Capitalisation, to at least six Placees at the price of HK\$0.16 per Capitalisation Share.

Placees who are Open Offer Qualifying Shareholders will also be eligible to participate in the Open Offer.

The principal terms of the Placing Agreement are summarised below:

Date: 6 November, 2020 (after trading hours)

Parties:

- (i) MAGHL;
- (ii) eSun; and
- (iii) the Placing Agent

To the best knowledge, information and belief of the Directors and the directors of eSun, respectively, each having made all reasonable enquiries, as at the date of this joint announcement, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Purpose: On a best efforts basis, the Placing Agent will seek to place up to an aggregate of 937,500,000 Capitalisation Shares to at least six (6) Placees.

Conditions precedent: Completion is conditional upon the Loan Capitalisation Agreement becoming or being declared unconditional in all respects and not otherwise being terminated. If the above condition is not fulfilled by 5 May, 2021 or such other date as MAGHL, eSun and the Placing Agent may agree, the Placing Agreement will terminate and all rights and obligations under the Placing Agreement will cease, save for any rights and obligations accrued before the termination.

Placing price: HK\$0.16 per Capitalisation Share to be placed

Placing commission: eSun shall pay to the Placing Agent a placing commission of 2.5% of the amount which is equal to the placing price multiplied by the number of the Capitalisation Shares subscribed for by the Placees.

The terms of the Placing Agreement, including the placing commission, were determined after arm's length negotiations among the Placing Agent, MAGHL and eSun with reference to the prevailing market practices and each of LSG, eSun and MAGHL considers the terms to be normal commercial terms. The directors of LSG, eSun and MAGHL are of the view that the terms of the Placing Agreement are fair and reasonable and in the interests of LSG, eSun and MAGHL and their respective shareholders as a whole.

Effects of the Loan Capitalisation, Clawback Offer and Placing on eSun

After the completion of the Loan Capitalisation, Clawback Offer and Placing, eSun will continue to exercise control in MAGHL, and MAGHL will continue to be a subsidiary of eSun, LSD and LSG. Therefore, MAGHL will continue to be consolidated into the consolidated accounts of eSun, LSD and LSG.

Assuming that the Clawback Offer is fully accepted by the Clawback Qualifying Shareholders and the relevant Capitalisation Shares are placed out in full by the Placing Agent, upon the completion of the Loan Capitalisation, the Clawback Offer and the Placing, eSun will receive approximately HK\$183.3 million under the Clawback Offer and the Placing, and its shareholding in MAGHL will decrease from approximately 67.6% as at the date of this joint announcement to approximately 58.1%.

Assuming that the Clawback Offer is not accepted by any Clawback Qualifying Shareholder and the relevant Capitalisation Shares are subscribed by the Placees in full, upon the completion of the Loan Capitalisation, the Clawback Offer and the Placing, eSun will receive approximately HK\$150 million under the Placing, and its shareholding in MAGHL will decrease from 67.6% as at the date of this joint announcement to approximately 65.3%.

PROPOSED OPEN OFFER

The Open Offer is proposed to raise gross proceeds of approximately HK\$154.7 million to provide the MAGHL Group with working capital and will take place only after the proposed Share Consolidation, the proposed Change in Board Lot Size, the Increase in Authorised Share Capital, the Loan Capitalisation, the Clawback Offer and the Placing have been completed.

The Open Offer is fully underwritten. Details of the Open Offer are as follows:

- Basis of the Open Offer** : one (1) Offer Share for every three (3) Consolidated Shares held by the Open Offer Qualifying Shareholders as at the Open Offer Record Time
- Offer Price** : HK\$0.16 per Offer Share

Number of Existing Shares in issue as at the date of this joint announcement	:	2,136,056,825 Existing Shares
Number of Consolidated Shares in issue upon the Share Consolidation becoming effective	:	213,605,682 Consolidated Shares (based on the number of Existing Shares in issue as at the date of this joint announcement and adjusted for the effect of the Share Consolidation, assuming that no further Shares are issued or repurchased between the date of this joint announcement and up to and including the effective date of the Share Consolidation)
Number of Consolidated Shares in issue immediately prior to the Open Offer Record Time	:	2,901,105,682 Consolidated Shares (based on the number of Existing Shares in issue as at the date of this joint announcement and adjusted for the effect of the Share Consolidation, assuming that no further Shares are issued or repurchased between the date of this joint announcement and up to and including the effective date of the Share Consolidation, other than the issue of the Capitalisation Shares)
Number of Offer Shares to be issued under the Open Offer	:	967,035,227 Offer Shares (based on the number of Existing Shares in issue as at the date of this joint announcement and adjusted for the effect of the Share Consolidation, and assuming no change in the number of Shares in issue from the date of this joint announcement up to and including the Open Offer Record Time, other than the issue of the Capitalisation Shares)
Aggregate nominal value of the Offer Shares	:	HK\$96,703,523
Number of Shares in issue immediately following the completion of the Open Offer	:	3,868,140,909 Consolidated Shares (assuming no change in the number of Shares in issue from the date of this joint announcement up to and including the Open Offer Record Time, other than the issue of the Capitalisation Shares)
Number of Underwritten Shares	:	404,886,665 Offer Shares (assuming no change in the number of Shares in issue from the date of this joint announcement up to and including the Open Offer Record Time, other than the issue of the Capitalisation Shares), being the total number of the Offer Shares less 562,148,562 Offer Shares subject to the Irrevocable Undertaking (assuming all Clawback Offer Shares had been taken up by the Clawback Qualifying Shareholders)

Underwriter : Get Nice Securities Limited

As at the date of this joint announcement, MAGHL has no outstanding options, convertible securities or warrants which confer rights to subscribe for the Shares.

Conditions of the Open Offer

The Open Offer is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. Please refer to the section headed “The underwriting arrangement for the proposed Open Offer — Conditions of the Underwriting Agreement” below for details.

If the conditions of the Underwriting Agreement are not satisfied (or waived, as the case may be) at or prior to the Latest Time for Termination, or such other date as MAGHL and the Underwriter may agree, the Open Offer will not proceed.

Open Offer Qualifying Shareholders

The Open Offer is only available to the Open Offer Qualifying Shareholders and will not be available to the Non-Qualifying Shareholders. MAGHL will send the Prospectus Documents to the Open Offer Qualifying Shareholders only. For the Non-Qualifying Shareholders, MAGHL will send copies of the Prospectus to them for their information only, and no Application Forms or Excess Application Forms will be sent to the Non-Qualifying Shareholders.

To qualify for the Open Offer, a Shareholder:

- (i) must be registered as a member of MAGHL as at the Open Offer Record Time; and
- (ii) is not a Non-Qualifying Shareholder.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of MAGHL. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Open Offer Record Time.

In order to be registered as members of MAGHL as at the Open Offer Record Time, any transfer of Shares (together with the relevant share certificates) must be lodged with the Share Registrar for registration by 4:30 p.m. on Wednesday, 20 January, 2021. The address of the Share Registrar, Computershare Hong Kong Investor Services Limited, is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

Non-Qualifying Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than Hong Kong (to the extent required under the applicable law).

The Directors will make enquiries as to the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange in respect of the issue of the Offer Shares to Overseas Shareholders whose address on the register of members of MAGHL is in a place outside Hong Kong as at the Open Offer Record Time. If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant jurisdiction or any requirement of the relevant regulatory body or stock exchange in that jurisdiction, not to offer the Offer Shares to such Overseas Shareholders, the Open Offer will not be available to such Overseas Shareholders.

The results of the enquiries and the basis of exclusion of the Overseas Shareholders will be included in the Prospectus.

Overseas Shareholders should note that they may or may not be entitled to the Open Offer, subject to the results of enquiries made by the Directors. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Rights of Overseas Shareholders

The Prospectus Documents to be issued in connection with the Open Offer will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Open Offer as explained above.

Application for excess Offer Shares

Open Offer Qualifying Shareholders may apply by way of excess application for Unsubscribed Shares. Applications for excess Offer Shares may be made by completing the EAF and lodging the same with a separate remittance for the excess Offer Shares being applied for. The Directors will allocate the excess Offer Shares (if any) in excess of assured entitlement at their discretion, but on a fair and equitable basis, to the Open Offer Qualifying Shareholders who have applied for excess Offer Shares. In determining the basis on which excess Offer Shares will be allocated, consideration will be given to the number of excess Offer Shares applied for compared to the number of Shares held as at the Open Offer Record Time so that the basis of allocation will not favour large applications from Shareholders with smaller holdings to the disadvantage of Shareholders with large shareholdings. Further, multiple applications from the same Shareholder or where there is evidence that the shareholding has been split as at or shortly before the Open Offer Record Time will be rejected. No preference will be given to topping-up odd lots to whole board lots.

Persons holding their Shares through a nominee company should note that the Board will regard a nominee company as a single Shareholder according to the register of members of MAGHL under the allocation of excess Offer Shares. Persons holding their Shares through a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Open Offer Record Time. Excess application from the Open Offer Qualifying Shareholders (including registered nominee company) will be accepted by MAGHL even if their assured entitlement of the Offer Shares is not subscribed for in full.

Offer Price

The Offer Price of the Offer Shares is HK\$0.16 per Offer Share, payable in full upon application of the relevant assured entitlement of the Offer Shares.

The Offer Price is the same as the price per Consolidated Share for the Loan Capitalisation, the Clawback Offer and the Placing, and represents:

- (i) a discount of approximately 15.8% to the theoretical closing price of HK\$0.19 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.019 per Existing Share as quoted on the Stock Exchange on 30 October, 2020, being the trading date prior to the date of board meetings of MAGHL and eSun approving the Open Offer;
- (ii) a discount of approximately 15.8% to the theoretical closing price of HK\$0.19 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.019 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 17.5% to the theoretical average closing price of approximately HK\$0.194 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing prices of the Existing Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 26.9% to the theoretical average closing price of approximately HK\$0.219 per Share (after taking into account the effect of the Share Consolidation) based on the average closing prices of the Existing Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 12.3% to the theoretical ex-entitlement price of approximately HK\$0.183 per Share (after taking into account the effect of the Share Consolidation and completion of the Loan Capitalisation) based on the closing price of HK\$0.019 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;

- (vi) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 16.6% of the theoretical diluted price of approximately HK\$0.162 per Consolidated Share (after taking into account the effects of the Share Consolidation and Loan Capitalisation) to the benchmarked price of HK\$0.194 per Consolidated Share (after taking into account the effect of the Share Consolidation and Loan Capitalisation) (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.019 per Existing Share and the average closing prices of the Existing Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day); and
- (vii) a discount of approximately 15.1% to the theoretical audited consolidated net asset value per Share of approximately HK\$0.188 (after taking into account the effect of the Share Consolidation) based on the latest published consolidated net asset value of the MAGHL Group attributable to the Shareholders of approximately HK\$40.2 million and 2,136,056,825 Existing Shares in issue on the Last Trading Day.

The Offer Price was arrived at by the Directors after arm's length negotiations between MAGHL and the Underwriter with reference to, among other things, the prevailing market price of the Shares, the financial market conditions and the financial position of the MAGHL Group and having considered the reasons as detailed under the section headed "REASONS FOR THE RECAPITALISATION PROPOSAL AND THE POTENTIAL ACQUISITION — Proposed Open Offer" in this joint announcement. The Directors (excluding the independent non-executive Directors whose view will be set out in the letter from the independent board committee of MAGHL to be included in the circular) consider that the Offer Price and the terms of the Open Offer are fair and reasonable and in the interest of MAGHL and the Shareholders as a whole.

After deducting all relevant expenses relating to the Open Offer, the net proceeds from the Open Offer will be approximately HK\$150.7 million.

Effect of the Open Offer on eSun

Assuming that (i) the Clawback Offer is accepted in full by the Clawback Qualifying Shareholders; (ii) the relevant Capitalisation Shares are subscribed in full by the Placees; and (iii) the Open Offer is accepted by the Open Offer Qualifying Shareholders in full on a pro rata basis, eSun will, pursuant to the Irrevocable Undertaking, subscribe for 562,148,562 Offer Shares (representing approximately 14.5% of MAGHL's total issued Shares as enlarged by the issue of the Offer Shares) for an aggregate consideration of HK\$89.9 million.

The directors of eSun, LSD and LSG consider that the Offer Price and the terms of the Open Offer are fair and reasonable and are in the interests of MAGHL, eSun, LSD and LSG and their respective shareholders as a whole.

Status of the Offer Shares

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

Fractional entitlements of the Offer Shares

Entitlement to Offer Shares will be rounded down to the nearest whole number. Fractional entitlements to the Offer Shares will not be issued, but will be aggregated and taken up by the Underwriter pursuant to the Underwriting Agreement.

Certificates of the Offer Shares and refund cheques for the Open Offer

Subject to fulfilment of the conditions of the Open Offer, certificates for the fully-paid Offer Shares are expected to be despatched on or before Thursday, 25 February, 2021 to those entitled thereto by ordinary post at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Shares (if any) or in the case if the Open Offer is terminated are also expected to be posted on or about Thursday, 25 February, 2021 by ordinary post at the own risk of the Shareholders.

The Irrevocable Undertaking

As at the date of this joint announcement, eSun is beneficially interested in 1,443,156,837 Existing Shares, representing approximately 67.56% of the existing issued share capital of MAGHL.

Pursuant to the Irrevocable Undertaking, eSun has irrevocably undertaken to MAGHL that it (i) shall remain as the beneficial owner of the Shares held by it upon the completion of the Loan Capitalisation through to the Latest Time for Acceptance; (ii) shall take up or procure to take up such number of the Offer Shares to be provisionally allotted to it under the Open Offer to which it will be entitled, being up to a maximum of 631,438,561 Offer Shares (based on the number of Shares held by it as at the date of the Irrevocable Undertaking and its potential maximum shareholding upon the completion of the Loan Capitalisation), pursuant to the terms of the Open Offer; and (iii) shall procure that its application in respect of all its Offer Shares will be lodged with the Share Registrar, or MAGHL, with payment in full thereof, by no later than the Latest Time for Acceptance.

Save as disclosed above, MAGHL has not received any other irrevocable commitments to accept or reject the Open Offer as at the date of this joint announcement.

Application for listing

MAGHL will apply to the GEM Listing Committee for the listing of, and permission to deal in, the Offer Shares. The Offer Shares are expected to have the same board lot size as the Consolidated Shares, i.e. 12,000 Consolidated Shares in one board lot.

Offer Shares will be eligible for admission into CCASS

Subject to the grant of listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Offer Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy and other applicable fees and charges in Hong Kong.

The underwriting arrangement for the proposed Open Offer

The principal terms of the Underwriting Agreement are summarised below:

Date: 6 November, 2020 (after trading hours)

Parties: (i) MAGHL; and
(ii) Get Nice Securities Limited, being the Underwriter to the proposed Open Offer.

The Underwriter is a corporation licensed or registered to conduct, among other things, Type 1 (dealing in securities) regulated activities under the SFO and its ordinary course of business includes underwriting of securities. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Underwriter and its ultimate beneficial owner(s) are Independent Third Parties.

Number of Underwritten Shares: 404,886,665 Consolidated Shares (assuming there will be no change in the number of Shares in issue from the date of this joint announcement up to and including the Open Offer Record Time, other than the issue of the Capitalisation Shares), being the total number of the Offer Shares less 562,148,562 Offer Shares that are the subject of the Irrevocable Undertaking (assuming all Clawback Offer Shares had been taken up by the Clawback Qualifying Shareholders).

Commission: 2.5% of the aggregate Offer Price of the Underwritten Shares

Conditions of the Underwriting Agreement

The Underwriting Agreement is conditional upon the fulfilment or waiver, where permitted, of the following conditions:

- (i) the passing of the necessary resolution(s) by the Shareholders (other than those who are required to abstain from voting according to the GEM Listing Rules or other applicable laws and regulations) at the SGM to approve the Open Offer and the Underwriting Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Offer Shares);
- (ii) the completion of the Share Consolidation, the Change in Board Lot Size, the Increase in Authorised Share Capital, the Loan Capitalisation, the Clawback Offer, and the Placing;
- (iii) the delivery to the Stock Exchange for authorisation and the registration by and filing with the Registrar of Companies in Hong Kong of the Prospectus Documents (and all other documents required to be attached thereto) in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Posting Date;
- (iv) the posting of copies of the Prospectus Documents to the Open Offer Qualifying Shareholders and the Prospectus and a letter in the agreed form to the Non-Qualifying Shareholders (if any) for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer, in each case, on or before the Posting Date;
- (v) the GEM Listing Committee granting or agreeing to grant (subject to allotment) the listing of, and permission to deal in, the Offer Shares and such listing and permission to deal not being withdrawn or revoked by no later than the first day of their dealings;
- (vi) the Shares remaining listed on GEM at all times prior to the Latest Time for Termination and the listing of the Shares not having been withdrawn or the trading for the Shares not having been suspended for a consecutive period of more than five (5) trading days;
- (vii) the Bermuda Monetary Authority granting its consent (if required) to the issue of the Offer Shares on or before the Latest Time for Termination or such other time as the Underwriter may agree with MAGHL in writing;
- (viii) the compliance with and performance of all the undertaking and obligations of MAGHL under the terms of the Underwriting Agreement;

- (ix) the issue of the Offer Shares and the obligations of the Underwriter to underwrite under the Underwriting Agreement not being prohibited by any statute, order, rule, directive or regulation promulgated after the date of the Underwriting Agreement by any legislative, executive or regulatory body or authority of Hong Kong and, or Bermuda;
- (x) the Underwriting Agreement not being terminated or rescinded by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination;
- (xi) the warranties given by MAGHL under the Underwriting Agreement remaining true and accurate in all material respects; and
- (xii) the compliance with and performance of all undertakings and obligations of eSun under the Irrevocable Undertaking.

MAGHL shall use its reasonable endeavours to procure the fulfilment of the conditions above (other than the conditions in (ix), (x) and (xii)). The Underwriter shall use its reasonable endeavours to procure the fulfilment of the condition in (x) above. Other than the conditions set out in (vi), (viii) and (xi) which may be waived by the Underwriter and the condition set out in (xii) which may be waived by MAGHL, none of the conditions set out above are capable of being waived by any party. If the conditions above are not duly fulfilled (or waived, as the case may be) by the Latest Time for Termination, all liabilities of the parties under the Underwriting Agreement will cease and no party shall have any further obligations, or any claim against the other for costs, damages, compensation or otherwise, save in respect of any antecedent breach of the Underwriting Agreement.

Expected timetable

An indicative timetable for the Open Offer is set out below. The indicative timetable is subject to change, and any such change will be announced in a separate announcement by MAGHL as and when appropriate.

Event	Hong Kong date and time
Expected despatch date of the Circular, proxy form and notice of SGM	Monday, 30 November, 2020
Latest time for lodging transfers of Shares in order to qualify for attendance and voting at the SGM.....	4:30 p.m. on Thursday, 10 December, 2020
Latest time for lodging proxy forms for the SGM.....	10:00 a.m. on Sunday 13 December, 2020

Event	Hong Kong date and time
Expected time and date of the SGM.....	10:00 a.m. on Tuesday, 15 December, 2020
Announcement of poll results of the SGM.....	Tuesday, 15 December, 2020
Last day of dealings in Shares on cum-entitlements basis.....	Monday, 18 January, 2021
First day of dealings in Shares on an ex-entitlement basis.....	Tuesday, 19 January, 2021
Latest time for lodging transfers of Shares in order to qualify for the Open Offer	4:30 p.m. on Wednesday, 20 January, 2021
Open Offer Record Time for determining entitlements to the Open Offer.....	4:30 p.m. on Wednesday, 20 January, 2021
Despatch of Prospectus Documents (in the case of the Non-Qualifying Shareholders, the Prospectus only)	Monday, 1 February, 2021
Latest Time for Acceptance of and payment for the Offer Shares and excess Offer Shares.....	4:00 p.m. on Wednesday, 17 February, 2021
Latest Time for Termination and for the Open Offer to become unconditional	4:00 p.m. on Thursday, 18 February, 2021
Announcement of the results of the Open Offer (including results of the placing of Unsubscribed Shares).....	Wednesday, 24 February, 2021
Despatch of certificates for fully-paid Offer Shares.....	Thursday, 25 February, 2021
Despatch of refund cheques in respect of wholly or partially unsuccessful application for excess Offer Shares (if any), or if the Open Offer is terminated	Thursday, 25 February, 2021
Commencement of dealings in fully-paid Offer Shares	9:00 a.m. on Friday, 26 February, 2021

Dates or deadlines specified above are indicative only and may be varied by agreement between MAGHL and the Underwriter. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

POTENTIAL ACQUISITION

On 6 November, 2020 (after trading hours), MAGHL and VS Media entered into the Acquisition Term Sheet in relation to the Potential Acquisition. The Acquisition Term Sheet reflects terms agreed in principle between MAGHL and VS Media which, in the latter case, represent terms which VS Media will present to the Prospective Vendors as a basis for negotiating a definitive binding agreement between MAGHL and the Prospective Vendors in respect of the Potential Acquisition. The Potential Acquisition will only proceed if the Recapitalisation Proposal can be implemented in full. Definitive agreement(s) in respect of the Potential Acquisition, should it proceed, will only be entered into after the completion of the Loan Capitalisation.

Principal terms of the Acquisition Term Sheet

Date:	6 November, 2020 (after trading hours)
Parties:	(i) MAGHL; and (ii) VS Media
Prospective Vendors:	<p>The Prospective Vendors comprise the owners of VS Media, currently 14 shareholders some being management and employees of the VS Media Group (led by Ms. Ivy Wong, founder of the VS Media Group) and others being strategic or professional investors.</p> <p>To the best knowledge, information, and belief of the Directors, having made all reasonable enquiries, the Prospective Vendors and their respective ultimate beneficial owner(s) are Independent Third Parties.</p>
Target company:	VS Media, the private holding company of the VS Media Group.
Consideration:	Anticipated to be in the order of HK\$280 million for 100% of the equity interest in VS Media Group (subject to such net debt and working capital adjustments as the parties shall agree, but on the provisional expectation that MAGHL would acquire shareholder's loans of approximately HK\$20 million, factored in as part of the consideration referenced above).

Immediately prior to closing, approximately 63% of the equity interest in VS Media will be held by non-management shareholders, who would expect to receive the entire consideration due to them on closing, in the form of new Shares, to be issued at a price of HK\$0.16 per Consolidated Share, which Consolidated Shares will not be entitled to participate in the Open Offer and will not be issued before the Open Offer Record Time.

The balance of the equity interest in VS Media would be held by its management shareholders. Of the consideration due to these management shareholders, it is proposed that they should receive:

- (i) 65% of that consideration on closing, also in the form of new Consolidated Shares, to be issued at a price of HK\$0.16 per Consolidated Share; and
- (ii) 35% of that consideration, subject to an upward or downward adjustment, in the form of an earn-out that will depend upon the performance of the VS Media Group measured by reference to certain revenue and earnings before interest, taxes, depreciation, and amortisation (“**EBITDA**”) measures to be agreed between the parties, over a two-year time frame but, for guidance purposes, not expected to result in an aggregate overall consideration for 100% of the equity interest in VS Media in excess of approximately HK\$300 million (subject to net debt and working capital adjustment).

It is envisaged that the earn-out consideration will be settled by way of cash and, or allotment and issue of new Shares (at the applicable market price of the Shares at the time of finalising the earn-out), the proportions of which shall be at the absolute discretion of MAGHL.

For guidance purposes only, assuming that the management shareholders of VS Media were to be paid the maximum amount of the earn-out consideration, all in the form of new Shares issued at a price of HK\$0.16 per Consolidated Share, the Prospective Vendors would be issued with Consolidated Shares in aggregate equivalent to (i) approximately 45.8% of MAGHL’s issued share capital after completion of the Recapitalisation Proposal, including for these purposes, the allotment of the Fee Shares; and (ii) approximately 31.4% of MAGHL’s issued share capital as further enlarged by the issue of such new Consolidated Shares to the Prospective Vendors themselves.

Lock up:

The new Shares to be issued to the non-management shareholders of VS Media as consideration will be subject to a 12-month moratorium on sale, transfer or disposal, commencing with effect from closing (subject to the right of MAGHL to waive the same on such terms or conditions prescribed by MAGHL).

Conditions precedent:

Closing of the Potential Acquisition would be subject to, inter alia, the execution of definitive agreement by MAGHL and the Prospective Vendors which will only be executed after the completion of the Loan Capitalisation and is expected to contain the following conditions precedent:

- (i) completion of all legal, business, technical, tax and financial due diligence on the VS Media Group to the satisfaction of MAGHL;
- (ii) MAGHL having obtained a business valuation from an independent expert supporting the valuation of VS Media for the purpose of the Potential Acquisition, in form and content satisfactory to MAGHL;
- (iii) MAGHL having obtained all relevant Shareholders' and regulatory approvals for the Potential Acquisition;
- (iv) MAGHL having completed the Recapitalisation Proposal;
- (v) the Prospective Vendors agreeing to waive or forego any and all rights of redemption, pre-emption, rights of first offer, or refusal, co-sale rights etc. or similar concerning their respective shares in VS Media and, or providing all necessary waivers, approvals, confirmations and, or consents, and, or termination of any existing agreements between VS Media and the Prospective Vendors, to give effect to the Potential Acquisition, in each case to the satisfaction of MAGHL; and
- (vi) no material adverse changes in the business, financial condition, assets and debt and cash balances of MAGHL except those required in the normal course of business and agreed to by the parties in the definitive agreement.

MAGHL may waive any of the conditions set out above (other than the condition set out in (iii) above).

- Key Management** : It is proposed that Ms. Ivy Wong will remain as chief executive officer of VS Media Group, which would, after closing, be managed and operated as a business division of MAGHL, on terms to be agreed.
- Exclusivity Period** : VS Media has agreed to grant to MAGHL an exclusivity period starting from the date of the Acquisition Term Sheet until the earlier of (i) the end of a period of 90 days from the date of the Acquisition Term Sheet and (ii) notice of termination of negotiations with respect to the Potential Acquisition delivered by MAGHL to VS Media, during which, they will not engage in discussion or negotiation with or provide any information to any third party regarding any equity or debt funding to or sale of VS Media without the prior written consent of MAGHL.
- Non-binding Nature** : The Acquisition Term Sheet:
- (i) only constitutes an indication of interest regarding the Potential Acquisition; and
 - (ii) does not create a binding obligation, fiduciary relationship, or joint venture between the parties, other than with respect to the obligations regarding the exclusivity period, confidentiality, fees and expenses, and governing laws.

The terms and conditions of the Potential Acquisition are subject to negotiations between MAGHL and the Prospective Vendors, and no assurance is given that the parties will be able to negotiate or enter into a legally binding acquisition agreement in relation to the Potential Acquisition.

POTENTIAL PLACING UNDER SPECIFIC MANDATE

In the event that the Loan Capitalisation is approved and implemented and the Potential Acquisition proceeds, the Directors wish to have the flexibility to place further Shares to new investors under the Potential Placing, at the same price as the Shares to be issued under the Loan Capitalisation and the Open Offer. Accordingly, a resolution will be proposed at a special general meeting to grant a specific mandate to the Directors to issue up to 625,000,000 Consolidated Shares at an issue price of HK\$0.16 per Consolidated Share, which Shares will not be entitled to participate in the Open Offer and will not be issued before the Open Offer Record Time.

The issue price of HK\$0.16 per Consolidated Share under the Potential Placing represents:

- (i) a discount of approximately 15.8% to the theoretical closing price of HK\$0.19 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.019 per Existing Share as quoted on the Stock Exchange on 30 October, 2020, being the last trading date prior to the date of board meeting of MAGHL approving the Potential Placing;
- (ii) a discount of approximately 15.8% to the theoretical closing price of HK\$0.19 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.019 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 17.5% to the theoretical average closing price of HK\$0.194 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing price of approximately HK\$0.019 per Existing Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iv) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 16.7% of the theoretical diluted price of HK\$0.162 per Consolidated Share (after taking into account the effects of the Share Consolidation, the Loan Capitalisation and the Open Offer) to the benchmarked price of approximately HK\$0.194 per Consolidated Share (after taking into account the effect of the Share Consolidation, the Loan Capitalisation and the Open Offer) (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$0.019 per Existing Share and the average closing prices of the Existing Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day).

The specific mandate sought will be for a period that will expire three months after the date of a special general meeting to be convened.

The proceeds deriving from the Potential Placing, in the gross amount of approximately HK\$100 million assuming the mandate is used to its fullest extent, and based upon the minimum issue price of HK\$0.16 per Consolidated Share, will be used for funding the new film and television projects development, other new business development and opportunities, and general working capital of MAGHL.

As at the date of this joint announcement, no arrangements have been made to issue Shares under the specific mandate being sought and no placing agreement in this regard has been entered into by MAGHL. In the event that arrangements are made to place further Shares under the specific mandate being sought, the Board and the board of eSun will make further announcements, as and when necessary, in compliance with the GEM Listing Rules, the Listing Rules and applicable laws.

THE ISSUE OF SHARES UNDER SPECIFIC MANDATE IN RELATION TO ADVISORY SERVICE OF FINANCIAL ADVISER

MAGHL has appointed the Financial Adviser to advise on and assist in formulating and overseeing the Potential Transactions. On 24 September, 2020, MAGHL entered into an engagement letter with the Financial Adviser, pursuant to which the Advisory Fee of HK\$400,000, being a portion of the total advisory fee payable to the Financial Adviser, upon election by the Financial Adviser, shall be settled, if the Open Offer is proceeded with, by the allotment and issue of the Fee Shares at the same price as the Offer Shares. Should the Financial Adviser make such election, it is expected that the Fee Shares would be allotted and issued to the Financial Adviser around the time of the despatch of a circular to the Shareholders in connection with the Potential Acquisition. Based on the issue price per Fee Share of HK\$0.16 per Consolidated Share, the amount of 2,500,000 Fee Shares will be allotted and issued. The Board is of the view that the appointment of the Financial Adviser as the MAGHL's financial adviser can facilitate the formulation and execution of the Potential Transactions.

The Advisory Fee was determined after arm's length negotiations between MAGHL and the Financial Adviser on normal commercial terms taking into account the complexity and duration of the Potential Transactions. Considering the share price performance of MAGHL, financial position of MAGHL, the issue price of the Fee Shares and the Offer Price, the Directors consider that allotment and issue of the Fee Shares to settle the Advisory Fee are fair and reasonable and in the interests of MAGHL and the Shareholders as a whole.

As at the date of this joint announcement, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Financial Adviser and its ultimate beneficial owner(s) are third parties independent of MAGHL and its connected persons. As at the date of this joint announcement, the Financial Adviser does not hold any Shares and has not made any decisions regarding the payment method of the Advisory Fee.

Fee Shares

Subject to the approval of the Shareholders in the SGM and the Stock Exchange granting the listing of, and permission to deal in, the Fee Shares, in the event that the Financial Adviser elects to accept Fee Shares as settlement of the Advisory Fee, the Fee Shares will be allotted and issued by MAGHL to the Financial Adviser around the time of the despatch of a circular to the Shareholders in connection with the Potential Acquisition. Based on an issue price per Fee Share of HK\$0.16 per Consolidated Share, 2,500,000 Fee Shares will be allotted and issued. Assuming there is no other change in the issued share capital of MAGHL save for the allotment and issue of the Capitalisation Shares and the Offer Shares, the 2,500,000 Fee Shares represent:

- (i) approximately 1.2% of the existing issued share capital of MAGHL as at the date of this joint announcement; and
- (ii) approximately 0.1% of the issued share capital of MAGHL as enlarged by the allotment and issue of the Capitalisation Shares, the Offer Shares and the Fee Shares.

The issue price of the Fee Shares at HK\$0.16 per Fee Share represents:

- (i) a discount of approximately 15.8% to the theoretical closing price of HK\$0.19 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.019 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 17.5% to the theoretical average closing price of HK\$0.194 per Share (after taking into account the effect of the Share Consolidation) based on the closing price of approximately HK\$0.019 per Existing Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 15.1% to the theoretical audited consolidated net asset value per Share of approximately HK\$0.188 (after taking into account the effect of the Share Consolidation) based on the latest published consolidated net asset value of the MAGHL Group attributable to the Shareholders of approximately HK\$40.2 million and 2,136,056,825 Existing Shares in issue on the Last Trading Day.

The Fee Shares will rank *pari passu* in all respects with the Shares then in issue as at the date of the issuance. An application will be made by MAGHL to the GEM Listing Committee for the listing of, and permission to deal in, the Fee Shares. The Fee Shares will be allotted and issued under a specific mandate proposed to be sought from the Shareholders at the SGM.

INFORMATION ABOUT THE LAI SUN LISTCOS

LSG

LSG is a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board. LSG and its subsidiaries are principally engaged in property investment, property development, investment in and operation of hotels and restaurants, media and entertainment, music production and distribution, films, video format products and television programmes production and distribution, cinema operation, cultural, leisure, entertainment and related facilities and investment holding. As at the date of this joint announcement, LSG owns approximately 56.13% of the total issued shares of LSD.

LSD

LSD is a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board. LSD and its subsidiaries are principally engaged in property investment, property development, investment in and operation of hotels and restaurants, media and entertainment, music production and distribution, films, video format products and television programmes production and distribution, cinema operation, cultural, leisure, entertainment and related facilities and investment holding. As at the date of this joint announcement, LSD owns approximately 74.62% of the total issued shares of eSun.

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 principle 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 programmes, films and video format products and cinema operation. As at the date of this joint announcement, eSun owns approximately 67.56% of the total issued Shares.

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 results of MAGHL for the two years ended 31 July, 2019 and 2020 as extracted from the annual result announcement 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 result announcement of MAGHL for the year ended 31 July, 2020 was approximately HK\$40,237,000.

INFORMATION ABOUT VS MEDIA

VS Media is a digital media network company producing authentic short-form content and empowering independent creative talents. It creates content by and for millennials. It has a unique combination of relationships with creative talents; brands seeking exposure to new consumers and digital platforms. VS Media has three core growing businesses in social e-commerce, influencer marketing, short-form content sponsorship and licensing.

INFORMATION ABOUT THE PROSPECTIVE VENDORS

Further information relating to the Prospective Vendors will be disclosed in due course, in the context of the signing and announcement of any legally-binding agreement concerning the Potential Acquisition.

EFFECT ON SHAREHOLDING STRUCTURE

- (i) Set out below is the shareholding structure of MAGHL immediately before and after the completion of the Share Consolidation:

Name of Shareholder	As at the date of this joint announcement		Immediately upon the Share Consolidation become effective but before the completion of the Loan Capitalisation	
	No. of Shares	%	No. of Shares	%
	eSun	1,443,156,837	67.6%	144,315,683
Placees	—	0.0%	—	0.0%
Other public Shareholders	692,899,988	32.4%	69,289,999	32.4%
Total	2,136,056,825	100.0%	213,605,682	100.0%

- (ii) Set out below is the shareholding structure of MAGHL immediately before and after the completion of the Loan Capitalisation, the Clawback Offer and the Placing:

Name of Shareholder	Scenario 1		Scenario 2	
	Upon the completion of the Loan Capitalisation, Clawback Offer (assuming all Clawback Qualifying Shareholders take up the Clawback Offer Shares) and the Placing		Upon the completion of the Loan Capitalisation, Clawback Offer (assuming no Clawback Qualifying Shareholders take up the Clawback Offer Shares) and the Placing	
	No. of Shares	%	No. of Shares	%
eSun	1,686,445,686	58.1%	1,894,315,683	65.3%
Placees	937,500,000	32.3%	937,500,000	32.3%
Other public Shareholders	277,159,996	9.6%	69,289,999	2.4%
Total	2,901,105,682	100.0%	2,901,105,682	100.0%

Note: (1) A portion of the Capitalisation Shares is intended to be directed by eSun to be allotted and issued to the Clawback Qualifying Shareholders and the Placees pursuant to the Clawback Offer and the Placing Agreement, respectively. One of the conditions to the completion of the Loan Capitalisation is the notification from the Placing Agent that irrespective of the outcome of the Clawback Offer, it has procured or can procure Placees for all or a sufficient number of the Capitalisation Shares on terms that immediately after the completion of the Loan Capitalisation, not less than 25% of the issued share capital of MAGHL (as enlarged by the Loan Capitalisation) will be held by the public as required by the GEM Listing Rules. Accordingly, the Directors will seek to ensure that the public float requirements under Rule 11.23 of the GEM Listing Rules will be complied with, and in the event that such condition cannot be fulfilled in accordance with the Loan Capitalisation Agreement, the Loan Capitalisation will not proceed.

- (2) The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

(iii) Set out below are the possible changes in the shareholding structure of MAGHL immediately before and after the close of the Open Offer under the scenarios where (a) all Clawback Qualifying Shareholders take up the Clawback Offer Shares; and (b) no Clawback Qualifying Shareholders take up the Clawback Offer Shares, for illustrative purpose only:

(a) all Clawback Qualifying Shareholders take up the Clawback Offer Shares (Scenario 1):

Name of Shareholder	Upon the close of the Open Offer					
	Upon the completion of Loan Capitalisation, Clawback Offer (assuming all Clawback Qualifying Shareholders take up the Clawback Offer Shares) and the Placing and immediately prior to the close of the Open Offer		Immediately upon the Open Offer Completion (assuming full acceptance by the Open Offer Qualifying Shareholders under the Open Offer)		Immediately upon the Open Offer Completion (assuming no acceptance by the Open Offer Qualifying Shareholders (other than eSun) under the Open Offer)	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
eSun	1,686,445,686	58.1%	2,248,594,248	58.1%	2,248,594,248	58.1%
Placees	937,500,000	32.3%	1,250,000,000	32.3%	937,500,000	24.2%
Other public Shareholders	277,159,996	9.6%	369,546,661	9.6%	277,159,996	7.2%
Underwriter	—	0.0%	—	0.0%	404,886,665	10.5%
Total	<u>2,901,105,682</u>	<u>100.0%</u>	<u>3,868,140,909</u>	<u>100.0%</u>	<u>3,868,140,909</u>	<u>100.0%</u>

- (b) no Clawback Qualifying Shareholders take up the Clawback Offer Shares (Scenario 2):

Name of Shareholder	Upon the close of the Open Offer					
	Upon the completion of the Loan Capitalisation including the Clawback Offer (assuming no Clawback Qualifying Shareholders take up the Clawback Offer Shares) and the Placing and immediately prior to the close of the Open Offer		Immediately upon the Open Offer Completion (assuming full acceptance by the Open Offer Qualifying Shareholders under the Open Offer)		Immediately upon the Open Offer Completion (assuming no acceptance by the Open Offer Qualifying Shareholders (other than eSun) under the Open Offer)	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
eSun	1,894,315,683	65.3%	2,525,754,244	65.3%	2,525,754,244	65.3%
Placees	937,500,000	32.3%	1,250,000,000	32.3%	937,500,000	24.2%
Other public Shareholders	69,289,999	2.4%	92,386,665	2.4%	69,289,999	1.8%
Underwriter	—	0.0%	—	0.0%	335,596,666	8.7%
Total	2,901,105,682	100.0%	3,868,140,909	100.0%	3,868,140,909	100.0%

REASONS FOR THE RECAPITALISATION PROPOSAL AND THE POTENTIAL ACQUISITION

Proposed Share Consolidation, Increase in Authorised Share Capital and Change in Board Lot Size

Under Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities.

The proposed Increase in Authorised Share Capital is necessary for the implementation of the proposed Loan Capitalisation and the Open Offer.

In respect of the proposed Change in Board Lot Size, according to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November, 2008 and updated on 30 August, 2019 (the “**Guideline**”), the expected board lot value should be greater than HK\$2,000 per board lot taking into account the minimum transaction costs for a securities trade. As at the date of this joint announcement, the closing price of each Existing Share is HK\$0.019, and with a board lot size of 4,000 Existing Shares, the Existing Shares are trading at under HK\$2,000 per board lot.

The Existing Shares have been constantly traded below HK\$1.00 for the past few years. In order to reduce transaction and registration costs incurred by the Shareholders and investors of MAGHL, the Board proposes to implement the Share Consolidation. It is expected that the Share Consolidation, together with the Change in Board Lot Size, will increase the value of each board lot of the Consolidated Shares to more than HK\$2,000.

Accordingly, the Board has considered different possible basis of share consolidation and sizes of new board lot and concluded that the Share Consolidation and Change in Board Lot Size will (i) provide MAGHL with greater flexibility to raise funds via the Open Offer, so as to minimise the odd lot of Shares for those Open Offer Qualifying Shareholders taking up the Offer Shares; and (ii) facilitate the convenience of trading of the Shares in the future, as it is an integral multiple of the existing board lot. The Board is of the opinion that the proposed Share Consolidation and the Change in Board Lot Size are in the interests of MAGHL and the Shareholders as a whole.

Proposed Loan Capitalisation, Clawback Offer and the Placing

Following a strategic review of the business, financial condition and the potential expansion of its operations in media and entertainment with a particular emphasis on the management and development of branding and product commercialisation opportunities of the artistes which it manages, the Board has concluded that it will be in the best interests of MAGHL and the Shareholders to pursue and implement the proposed Loan Capitalisation.

First, the eSun Shareholder's Loans amounting as at 31 October, 2020 to HK\$430 million, will be capitalised by the issue of new Shares, thereby eliminating substantially all the indebtedness of MAGHL to eSun. This will substantially increase the equity capital base of MAGHL which will place it in a much stronger position to borrow from commercial banks at competitive rates of interest and to expand its business through strategic acquisitions, which MAGHL believes will have a positive impact on the revenues, cash flows and profits of MAGHL. From eSun's perspective, eSun will be able to get repayment of the eSun Shareholder's Loans, in the form of the Capitalisation Shares to be issued to it, and the cash to be received by it under the Clawback Offer and the Placing.

The Placing alongside the Loan Capitalisation will enable MAGHL to maintain a minimum public float of 25% of its issued Shares. The Placees will be independent from, and not connected with, the MAGHL Group, the eSun Group, the Lai Sun Group and any of their respective associates, as defined in the GEM Listing Rules and the Listing Rules.

In order that the Shareholders will not be disadvantaged by the Loan Capitalisation, it is proposed to make the Clawback Offer so that the public Shareholders will be able to increase their investment interest in MAGHL by effectively acquiring Shares at the same price as they will be allotted and issued to eSun, or any persons as it may direct (pursuant to the Loan Capitalisation) and to the Placees (pursuant to the Placing).

Proposed Open Offer

The Open Offer would raise gross proceeds of HK\$154.7 million to provide the MAGHL Group with working capital to be applied towards its existing operations and to fund prospective new activities, such as the further development of the VS Media Group, should the parties agree to move forward with the Potential Acquisition.

Potential Acquisition

As stated above, MAGHL intends to expand its media and entertainment business and, in particular the business of branding and commercialisation of products promoted by its stable of artistes. In seeking to develop this part of its business, the Board has identified VS Media Group as a potential acquisition target. As a digital media company focused in the Greater China and southeast Asia region, its principal business is primarily producing authentic short-form content and empowering independent creative talents.

As VS Media has three core growing businesses in social e-commerce, influencer marketing, short-form content sponsorship and licensing, with the extensive content library and celebrities' resources from MAGHL, the Potential Acquisition will accelerate VS Media to become a true content driven social commerce company targeting millennials globally. The business of VS Media complements and extends the management services that MAGHL provides for the artistes it manages, and through the Potential Acquisition, MAGHL believes that it can lead a new retail business model for creative talents, celebrities and brands, or suppliers, which MAGHL expects to be a key driver of economic growth in the long term.

For this reason, preliminary negotiations have taken place with VS Media with a view to negotiating an acquisition agreement with the Prospective Vendors. MAGHL has also indicated that, were the acquisition to proceed, the consideration would exclusively or predominantly take the form of an issue of its Shares, on the basis that eSun and members of the eSun Group will maintain statutory control of MAGHL. It should be emphasised that there is no certainty that the Potential Acquisition will materialise. Moreover, it is not intended that any definitive agreement concerning the Potential Acquisition will be entered into until the Loan Capitalisation can be completed.

USE OF PROCEEDS OF THE RECAPITALISATION PROPOSAL

eSun

As at the date of this joint announcement, MAGHL is an indirect non-wholly-owned subsidiary of eSun. Upon the completion of the Clawback Offer and the Placing, eSun will hold approximately 58.1% of the equity interests in MAGHL, and MAGHL will remain as a subsidiary of eSun. Accordingly, no expected gain or loss will be recognised in the consolidated financial statements of eSun as a result of the Clawback Offer and the Placing, and the financial results of the MAGHL Group (including earnings, assets and liabilities) will continue to be consolidated into and reflected in the financial statements of eSun.

The board of directors of eSun estimates that the proceeds from the Clawback Offer and the Placing will be in the range of approximately HK\$150 million (assuming no acceptance by the Clawback Qualifying Shareholders) to HK\$183.3 million (assuming full acceptance by the Clawback Qualifying Shareholders), and intends to use such amount for general working capital purpose.

MAGHL

It is estimated that MAGHL will raise gross proceeds of approximately HK\$154.7 million from the Open Offer and the relevant expenses would be approximately HK\$4.0 million, which include underwriting commission (assuming none of the Offer Shares are taken up save for those subject to Irrevocable Undertaking) and professional fees payable to financial advisers, legal advisers, financial printer and other parties involved in the proposed Open Offer.

The estimated net proceeds from the proposed Open Offer will accordingly be approximately HK\$150.7 million (equivalent to a net price of approximately HK\$0.156 per Offer Share). In line with the aforesaid business objectives stated in the section headed “REASONS FOR THE RECAPITALISATION PROPOSAL AND THE POTENTIAL ACQUISITION — Proposed Open Offer”, MAGHL intends to utilise the net proceeds from the Open Offer as follows:

- (i) approximately HK\$99.5 million (or approximately 66.0% of the total net proceeds) for funding the film projects under development by MAGHL; and
- (ii) approximately HK\$51.2 million (or approximately 34.0% of the total net proceeds) for funding new prospective activities and investment opportunities (e.g. the further development of the VS Media Group should the Potential Acquisition proceed).

FUND RAISING EXERCISES OF MAGHL IN THE PAST 12 MONTHS

MAGHL has not conducted any fund-raising activities in the past twelve months immediately preceding the date of this joint announcement.

LISTING RULES IMPLICATIONS

Proposed Loan Capitalisation

1. *MAGHL*

LSG, LSD and eSun are holding companies of MAGHL, and hence connected persons of MAGHL under the GEM Listing Rules. Accordingly, the Loan Capitalisation between MAGHL and eSun constitutes a connected transaction of MAGHL under Chapter 20 of the GEM Listing Rules, and is subject to the reporting, announcement, and Independent Shareholders’ approval requirements under the GEM Listing Rules.

Given that eSun has a material interest in the Loan Capitalisation, eSun is therefore required to abstain from voting on the relevant resolution(s) to be proposed at the SGM to approve the Loan Capitalisation. Dr. Peter Lam has abstained from voting on the Board resolution(s) for approving the Loan Capitalisation and the transactions contemplated thereunder. Save as disclosed above, no other Director has a material interest in the Loan Capitalisation Agreement and the transactions contemplated thereunder or is required to abstain from voting on the Board resolution(s) in relation to the aforesaid matters.

MAGHL will establish an independent board committee to advise the Independent Shareholders, and an independent financial adviser will be appointed to advise the independent board committee and the Independent Shareholders in respect of the Loan Capitalisation and the transactions contemplated thereunder.

2. *eSun*

MAGHL is an indirect non-wholly-owned subsidiary of eSun. As the shareholding in MAGHL held by eSun will be increased upon the completion of Loan Capitalisation, the Loan Capitalisation constitutes an acquisition of assets for eSun under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Loan Capitalisation is more than 25% but less than 100%, the Loan Capitalisation and the transactions contemplated thereunder constitute a major transaction of eSun and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As no shareholder of eSun is required to abstain from voting at a special general meeting of eSun to be convened for the approval of the Loan Capitalisation and the transactions contemplated thereunder, eSun intends to obtain a written shareholder's approval from the controlling shareholder, LSD, which holds 1,113,260,072 shares in eSun as at the date of this joint announcement (representing approximately 74.62% of the total number of shares in issue of eSun), for approving the Loan Capitalisation and the transactions contemplated thereunder in lieu of holding the special general meeting of eSun, pursuant to Rule 14.44 of the Listing Rules.

3. *LSD*

MAGHL is an indirect non-wholly-owned subsidiary of eSun, which in turn is an indirect non-wholly-owned subsidiary of LSD. As the indirect shareholding held by LSD in MAGHL will be increased upon the completion of the Loan Capitalisation, the Loan Capitalisation constitutes an acquisition of assets for LSD under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Loan Capitalisation is more than 5% but less than 25%, the Loan Capitalisation and the transactions contemplated thereunder constitute a discloseable transaction of LSD 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.

4. LSG

MAGHL is an indirect non-wholly-owned subsidiary of eSun and LSD, which in turn is an indirect non-wholly-owned subsidiary of LSG. As the indirect shareholding held by LSG in MAGHL will be increased upon the completion of the Loan Capitalisation, the Loan Capitalisation constitutes an acquisition of assets for LSG under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Loan Capitalisation is more than 5% but less than 25%, the Loan Capitalisation and the transactions contemplated thereunder constitute a discloseable transaction of LSG 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.

Proposed Clawback Offer and Placing

1. eSun

As the shareholding in MAGHL held by eSun will be reduced upon the completion of the Clawback Offer and the Placing, the transactions contemplated under the Clawback Offer and the Placing constitute a disposal of assets in MAGHL for eSun under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Clawback Offer and the Placing is more than 5% but less than 25%, the Clawback Offer and the Placing constitute discloseable transactions of eSun and are 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.

2. LSD

As the indirect shareholding held by LSD in MAGHL will be reduced upon the completion of the Clawback Offer and the Placing, the transactions contemplated under the Clawback Offer and the Placing constitute a disposal of assets in MAGHL for LSD under Chapter 14 of the Listing Rules. As all the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Clawback Offer and the Placing on an aggregated basis are less than 5%, the Clawback Offer and the Placing do not constitute a notifiable transaction for LSD under Chapter 14 of the Listing Rules.

3. LSG

As the indirect shareholding held by LSG in MAGHL will be reduced upon completion of the Clawback Offer and the Placing, the transactions contemplated under the Clawback Offer and the Placing constitute a disposal of assets in MAGHL for LSG under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Clawback Offer and the Placing on an aggregated basis is more than 5% but less than 25%, the Clawback Offer and the Placing constitute disclosable transactions of LSG and are therefore subject to the reporting and announcement requirements, but are exempt from the circular and shareholders' approval requirements, under Chapter 14 of the Listing Rules.

Proposed Open Offer

1. *MAGHL*

In accordance with Rule 10.39 of the GEM Listing Rules, as the Offer Shares are not issued pursuant to the general mandate of MAGHL, the Open Offer must be made conditional on Independent Shareholders' approval at the SGM and, pursuant to Rule 10.39(1) of the GEM Listing Rules, any controlling shareholders and their associates, or where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of MAGHL and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Open Offer. As at the date of this joint announcement, eSun is interested in 1,443,156,837 Existing Shares, representing approximately 67.56% of the total number of the issued Shares and is a controlling shareholder of MAGHL, and shall abstain from voting in respect of the resolution relating to the Open Offer.

2. *eSun*

eSun is the controlling shareholder of MAGHL. Assuming that (i) none of the Open Offer Qualifying Shareholders accept the Open Offer; and (ii) eSun accepts all of the Unsubscribed Shares by way of excess application, as the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Open Offer if eSun accepts the maximum amount of excess application for the Unsubscribed Shares is more than 5% but less than 25%, the Open Offer 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.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Loan Capitalisation and the Open Offer if eSun accepts the maximum amount of excess application for Unsubscribed shares on an aggregated basis is more than 25% but less than 100%, the Loan Capitalisation and Open Offer constitute major transactions of eSun and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As no shareholder of eSun is required to abstain from voting at a special general meeting of eSun to be convened for the approval of the Loan Capitalisation, the Open Offer and the transactions contemplated thereunder, eSun intends to obtain a written shareholder's approval from the controlling shareholder, LSD, which holds 1,113,260,072 shares in eSun as at the date of this joint announcement (representing approximately 74.62% of the total number of shares in issue of eSun), for approving the Loan Capitalisation, Open Offer and the transactions contemplated thereunder in lieu of holding the special general meeting of eSun, pursuant to Rule 14.44 of the Listing Rules.

3. LSD

eSun is an indirect non-wholly-owned subsidiary of LSD. As all the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Open Offer if eSun accepts the maximum amount of the Unsubscribed Shares by way of excess application are less than 5%, the Open Offer does not constitute a notifiable transaction for LSD under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Loan Capitalisation and the Open Offer if eSun accepts the maximum amount of excess application for Unsubscribed shares on an aggregated basis is more than 5% but less than 25%, the Loan Capitalisation and Open Offer constitute discloseable transactions of LSD 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.

4. LSG

eSun is an indirect non-wholly-owned subsidiary of LSG. As all the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Open Offer if eSun accepts the maximum amount of the Unsubscribed Shares by way of excess application are less than 5%, the Open Offer does not constitute a notifiable transaction for LSG under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Loan Capitalisation and the Open Offer if eSun accepts the maximum amount of excess application for Unsubscribed shares on an aggregated basis is more than 5% but less than 25%, the Loan Capitalisation and Open Offer constitute discloseable transactions of LSG 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.

Potential Acquisition

The Potential Acquisition, should it proceed, will only take place after the completion of the Loan Capitalisation, and is expected to constitute a major transaction of MAGHL under Chapter 19 of the GEM Listing Rules, a major transaction of eSun and discloseable transactions of LSD and LSG under Chapter 14 of the Listing Rules. If MAGHL proceeds with the Potential Acquisition, it will enter into legally binding agreement(s) with the Prospective Vendors. Further announcement(s) will be made by MAGHL, eSun, LSD and LSG in compliance with the GEM Listing Rules and the Listing Rules respectively as and when appropriate.

Potential Placing under a specific mandate

1. *MAGHL*

The Potential Placing, should it proceed, will only take place after the completion of the Loan Capitalisation and if the Potential Acquisition proceeds. If MAGHL proceeds with the Potential Placing, it will enter into legally binding agreement(s) with the Placing Agent.

As the Shares under the Potential Placing will be allotted and issued under the Specific Mandate to be obtained at a special general meeting to be convened, the Potential Placing is subject to the Shareholders' approval.

A special general meeting will be convened for the purpose of considering and, if thought fit, approving, among other things, the Potential Placing. To the best knowledge of the Directors, no Shareholder will be required to abstain from voting on the resolution(s) approving the aforesaid matters. A circular containing, among other things, (i) further details of the Potential Placing; and (ii) a notice convening a special general meeting, will be despatched to the Shareholders as and when appropriate in accordance with the GEM Listing Rules.

2. *eSun*

As the shareholding in MAGHL held by eSun will be reduced upon the completion of the Potential Placing, the Potential Placing, should it proceed, will constitute a disposal of assets for eSun under Chapter 14 of the Listing Rules. As the highest applicable percentage ratios (as defined in the Listing Rules) in respect of the Potential Placing (assuming the placing of the maximum number of 625,000,000 Consolidated Shares at the placing price of HK\$0.16 per Consolidated Share) is more than 5% but less than 25%, the Potential Placing 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 the Chapter 14 of Listing Rules.

3. *LSD*

As the indirect shareholding held by LSD in MAGHL will be reduced upon the completion of the Potential Placing, the Potential Placing, should it proceed, will constitute a disposal of assets for LSD under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Potential Placing (assuming the placing of the maximum number of 625,000,000 Consolidated Shares at the placing price of HK\$0.16 per Consolidated Share) is less than 5%, the Potential Placing does not constitute a notifiable transaction for LSD under Chapter 14 of the Listing Rules.

4. LSG

As the indirect shareholding held by LSG in MAGHL will be reduced upon the completion of the Potential Placing, the Potential Placing, should it proceed, will constitute a disposal of assets for LSG under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Potential Placing (assuming the placing of the maximum number of 625,000,000 Consolidated Shares at the placing price of HK\$0.16 per Consolidated Share) is less than 5%, the Potential Placing does not constitute a notifiable transaction for LSG under Chapter 14 of the Listing Rules.

Issue of Fee Shares under Specific Mandate to settle the Advisory Fee

As the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Advisory Fee are less than 5% and given that the Advisory Fee will be satisfied by the issue of the Fee Shares, the issue of the Fee Shares constitutes a share transaction on the part of MAGHL under Chapter 19 of the GEM Listing Rules, which is subject to the reporting and announcement requirements under the GEM Listing Rules.

GENERAL

An independent board committee comprising the independent non-executive Directors will be established to advise the Independent Shareholders (i) as to whether the terms of the proposed Loan Capitalisation and the proposed Open Offer are fair and reasonable and in the interest of the Shareholders as a whole; and (ii) as to voting, taking into account the recommendations of the independent financial adviser which will be appointed by MAGHL.

A circular containing, among others, (i) further details on the proposed Recapitalisation Proposal and the issue of the Fee Shares; (ii) a letter from the independent board committee of MAGHL containing its advice and recommendations in respect of the Loan Capitalisation and the Open Offer; (iii) a letter from the independent financial adviser containing its advice and recommendations in respect of the Loan Capitalisation and the Open Offer; (iv) other information as required by the GEM Listing Rules; and (v) a notice convening the SGM, is expected to be despatched to the Shareholders on or before 30 November, 2020, as additional time is required to compile the information for inclusion in the circular.

In order to be eligible to attend and vote at the SGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 10 December, 2020.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, details of the Loan Capitalisation, shall be despatched to the shareholders of eSun within 15 business days after the publication of this joint announcement.

In respect of the Clawback Offer, if it is proceeded with, MAGHL and eSun will issue the Clawback Prospectus containing, among other matters, details of the Clawback Offer, to the Clawback Qualifying Shareholders. The Clawback Prospectus will be issued to the Non-Qualifying Shareholders for their information only but the application forms will not be sent to the Non-Qualifying Shareholders.

Subject to the approval of the relevant Shareholders being obtained at the SGM and the completion of the Loan Capitalisation (including the Clawback Offer and the Placing), MAGHL will despatch the Prospectus Documents containing, among other matters, details of the Open Offer, to the Open Offer Qualifying Shareholders. MAGHL will despatch the Prospectus to the Non-Qualifying Shareholders for their information only but MAGHL will not send the Application Forms and Excess Application Forms to the Non-Qualifying Shareholders.

WARNING STATEMENT

Shareholders and potential investors of the Lai Sun Listcos should note that each of the proposed Share Consolidation, the proposed Increase in Authorised Share Capital, the proposed Loan Capitalisation, the proposed Clawback Offer, the proposed Placing and the proposed Open Offer is subject to the fulfilment of a number of conditions precedent, and may or may not proceed.

The Directors also wish to emphasise that the Acquisition Term Sheet is not legally binding (other than provisions relating to exclusivity, confidentiality and governing law). The terms of the Potential Acquisition are subject to further negotiations and execution of definitive agreement(s) between MAGHL and the Prospective Vendors, and no such definitive agreement(s) have been entered into as at the date of this joint announcement. Definitive agreement(s) in respect of the Potential Acquisition will only be entered into after completion of the Loan Capitalisation and will be conditional upon, among others, the completion of the Recapitalisation Proposal in full. As such, the Potential Acquisition may or may not proceed.

Respective shareholders of the Lai Sun Listcos, and potential investors are advised to exercise caution when dealing in the securities of the Lai Sun Listcos. The Lai Sun Listcos will make further announcement(s) with regard to the status of the abovementioned transactions as and when appropriate pursuant to the requirements under the Listing Rules and the GEM Listing Rules, as appropriate.

RESUMPTION OF DEALING IN THE SHARES OF eSUN AND MAGHL

At the request of eSun and MAGHL, trading in the shares of eSun and MAGHL on the Stock Exchange were halted from 9:00 a.m. on Tuesday, 3 November, 2020 pending the release of this joint announcement. An application has been made to the Stock Exchange for the resumption of trading in the shares of eSun and MAGHL with effect from 9:00 a.m. on Monday, 9 November, 2020.

DEFINITIONS

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

“Acquisition Term Sheet”	the non-legally binding term sheet dated 6 November, 2020 entered into between MAGHL and VS Media in relation to the Potential Acquisition
“Advisory Fee”	the advisory fee of HK\$400,000 to be paid by MAGHL to the Financial Adviser, being a portion of the total advisory fee in relation to the advisory service provided by the Financial Adviser, which was agreed to be settled by the allotment and issue of Fee Shares to the Financial Adviser at the election of the Financial Adviser
“Application Form(s)”	the form(s) of application for the Offer Shares in such usual form
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules and the Listing Rules
“Board”	the board of Directors
“business day(s)”	means any weekday(s) (other than (i) a Saturday; (ii) a Sunday; (iii) a public holiday; and (iv) a day on which a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which licensed banks are generally open for business in Hong Kong
“Capitalisation Price”	HK\$0.16 per Capitalisation Share
“Capitalisation Shares”	a maximum of 2,687,500,000 new Consolidated Shares in aggregate to be allotted and issued by MAGHL at the Capitalisation Price to eSun (or to any member of the eSun Group or such other person(s) as eSun may direct in writing) pursuant to the Loan Capitalisation Agreement
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operations and functions of CCASS, as from time to time in force

“Change in Board Lot Size”	the change in board lot size of the Shares for trading on the Stock Exchange from 4,000 Existing Shares to 12,000 Consolidated Shares
“Circular”	the circular to be despatched to the Shareholders by MAGHL, relating to, among other things, the Recapitalisation Proposal and the issue of Fee Shares
“Clawback Assured Entitlement(s)”	the entitlement(s) of the Clawback Qualifying Shareholder(s) to apply for the Clawback Offer Shares under the Clawback Offer on the basis described in this joint announcement
“Clawback Offer”	the offer to the Clawback Qualifying Shareholders to purchase the Clawback Offer Shares on and subject to the terms and conditions set out in the Clawback Prospectus and the application form(s) to be despatched
“Clawback Offer Price”	HK\$0.16 per Clawback Offer Share
“Clawback Offer Share(s)”	initially not more than 207,869,997 Consolidated Shares (assuming that there will be no change in the issued share capital of MAGHL from the date of this joint announcement to and including the Clawback Record Time) offered pursuant to the Clawback Offer subject to adjustment as set out in the section headed “CLAWBACK OFFER BY eSUN” in this joint announcement
“Clawback Prospectus”	the prospectus to be issued by MAGHL and eSun in relation to the Clawback Offer
“Clawback Qualifying Shareholder(s)”	Independent Shareholder(s) whose name(s) appear on the register of members of MAGHL as at the Clawback Record Time, other than certain Overseas Shareholders and other person(s) whom the Directors and the directors of eSun, after making relevant enquiries, consider it necessary or expedient to exclude from the Clawback Offer on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Clawback Record Time”	4:30 p.m. on Tuesday, 22 December, 2020, or such later time as eSun and MAGHL may announce, the record time for ascertaining the Clawback Assured Entitlements
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules and the Listing Rules

“Consolidated Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of MAGHL immediately following the Share Consolidation becoming effective
“controlling shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules and the Listing Rules
“Director(s)”	the director(s) of MAGHL
“Dr. Peter Lam”	Dr. Lam Kin Ngok, Peter, the ultimate controlling shareholder of LSG, LSD and eSun, the deputy chairman and an executive director of LSG, the chairman and an executive director of LSD, and the chairman and an executive director of MAGHL
“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 Group”	eSun and its subsidiaries (excluding, for the avoidance of doubt, the MAGHL Group)
“eSun 1st Shareholder’s Loan”	the loan agreement dated 1 November, 2019, entered into between MAGHL and eSun pursuant to which eSun as lender has made a term loan facility available to MAGHL as borrower in the principal amount of HK\$50,000,000 at the interest rate of 3-month HIBOR plus 2.8% per annum repayable on 31 October, 2022
“eSun 2nd Shareholder’s Loan”	the loan agreement dated 11 June, 2020, entered into between MAGHL and eSun pursuant to which eSun as lender has made a term loan facility available to MAGHL as borrower in the principal amount of HK\$300,000,000 at the interest rate of 3-month HIBOR plus 2.8% per annum repayable on 10 June, 2023
“eSun 3rd Shareholder’s Loan”	the loan agreement dated 20 October, 2020, entered into between MAGHL and eSun pursuant to which eSun as lender has made a term loan facility available to MAGHL as borrower in the principal amount of HK\$80,000,000 at the interest rate of 3-month HIBOR plus 2.8% per annum repayable on 19 October, 2023

“eSun Shareholder’s Loans”	collectively, the eSun 1st Shareholder’s Loan, the eSun 2nd Shareholder’s Loan and the eSun 3rd Shareholder’s Loan
“Excess Application Form(s) or “EAF”	the form(s) of application for excess Offer Shares in such usual form
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of MAGHL prior to the Share Consolidation having become effective
“Existing Share Certificate(s)”	certificate(s) of Existing Shares in board lot(s) of 4,000 Existing Shares
“Fee Shares”	2,500,000 newly issued and fully paid-up Consolidated Shares which may be allotted and issued by MAGHL to the Financial Adviser in settlement of the Advisory Fee
“Financial Adviser”	Anglo Chinese Corporate Finance, Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, as the financial adviser to MAGHL in relation to the Potential Transactions
“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 Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended, or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“HIBOR”	Hong Kong Interbank Offered Rate
“Hibright”	Hibright Limited (希耀有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of LSD
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of MAGHL from HK\$600,000,000 divided into 6,000,000,000 Consolidated Shares to HK\$1,000,000,000 divided into 10,000,000,000 Consolidated Shares by creating an additional 4,000,000,000 unissued Consolidated Shares
“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 the MAGHL Group, the eSun Group or any other member of the Lai Sun Group or any of their respective associates
“Irrevocable Undertaking”	the irrevocable undertaking in the agreed form given by eSun in its capacity as a Shareholder in favour of MAGHL whereby it undertakes, inter alia, to subscribe for its full entitlement to the Offer Shares under the Open Offer
“Lai Sun Group”	LSG, LSD, eSun and MAGHL and their respective subsidiaries
“Lai Sun Listco(s)”	LSG, LSD, eSun and MAGHL, being the listed members of the Lai Sun Group
“Last Trading Day”	2 November, 2020, being the last trading day immediately before the date of this joint announcement
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 17 February, 2021, being the latest time for acceptance of and payment for the Offer Shares and excess Offer Shares, or such other time or date as MAGHL and the Underwriter may agree in writing
“Latest Time for Termination”	the latest time for terminating the Underwriting Agreement at 4:00 p.m., on Thursday, 18 February, 2021, being the first Business Day after the Latest Time for Acceptance or such other time or date as may be agreed between MAGHL and the Underwriter
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board

“Loan Capitalisation”	the proposed allotment and issue of the Capitalisation Shares at the Capitalisation Price by capitalising the loans in the principal amount of HK\$430 million upon the terms and conditions of the Loan Capitalisation Agreement
“Loan Capitalisation Agreement”	the loan capitalisation agreement dated 6 November, 2020 entered into between MAGHL and eSun in relation to the capitalisation of the Loan Capitalisation Amount
“Loan Capitalisation Amount”	the outstanding principal amount of HK\$430 million under the eSun Shareholder’s Loans which is to be capitalised and cancelled under the Loan Capitalisation
“LSD”	Lai Sun Development Company Limited (麗新發展有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board (Stock Code: 488)
“LSD Group”	LSD and its subsidiaries (excluding, for the avoidance of doubt, eSun Group and MAGHL Group)
“LSG”	Lai Sun Garment (International) Limited (麗新製衣國際有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board (Stock Code: 191)
“LSG Group”	LSG and its subsidiaries (excluding, for the avoidance of doubt, the LSD Group, eSun Group and MAGHL Group)
“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 Group”	MAGHL and its subsidiaries
“Main Board”	the Main Board of the Stock Exchange
“New Share Certificate(s)”	certificate(s) of Shares in board lot(s) of 12,000 Consolidated Shares

“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) to whom the Directors, based on advice provided by the legal advisers to MAGHL, are of the opinion that it would be necessary or expedient not to offer the Offer Shares or the Clawback Offer Shares (as the case may be) on account either of the legal restrictions under the laws of the relevant place or any requirements of the relevant regulatory body or stock exchange in that place
“Offer Price”	HK\$0.16 per Offer Share
“Offer Share(s)”	new Consolidated Share(s) proposed to be offered to the Open Offer Qualifying Shareholders pursuant to the Open Offer
“Open Offer”	the proposed issue by MAGHL, by way of Open Offer, of one (1) Offer Share for every three (3) Consolidated Shares held as at the Open Offer Record Time at the Offer Price, payable in full on acceptance
“Open Offer Qualifying Shareholder(s)”	the Shareholder(s), whose name(s) appear on the register of members of MAGHL as at the Open Offer Record Time, other than the Non-Qualifying Shareholder(s), whom the Directors, after making relevant enquiries, consider the exclusion of that/those Overseas Shareholder(s) is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or any requirements of the relevant regulatory body or stock exchange in that place
“Open Offer Record Time”	4:30 p.m. on Wednesday, 20 January, 2021, being the record time to determine entitlements to the Open Offer
“Overseas Shareholder(s)”	the Shareholder(s) whose registered address(es) as shown on the register of members of MAGHL as at the Open Offer Record Time, or the Clawback Offer Record Time (as the case may be), is or are in any place other than Hong Kong
“Placee(s)”	the Placee(s) procured by the Placing Agent to purchase the relevant Capitalisation Shares pursuant to the Placing Agreement
“Placing”	the placing of up to 937,500,000 Capitalisation Shares (being a portion of the Capitalisation Shares which would otherwise be allotted and issued to eSun under the Loan Capitalisation Agreement)

“Placing Agent”	Get Nice Securities Limited, a corporation licensed to carry on business in Type 1 regulated activity (dealing in securities), Type 4 regulated activity (advising on securities), Type 6 regulated activity (advising on corporate finance) and Type 9 regulated activity (asset management) under the SFO
“Placing Agreement”	the placing agreement dated 6 November, 2020 entered into among MAGHL, eSun and the Placing Agent in relation to the Placing
“Posting Date”	the date on which the Prospectus Documents are proposed to be sent to the Open Offer Qualifying Shareholders or the Prospectus to the Non-Qualifying Shareholders (as the case may be), being Monday, 1 February, 2021, or such other date as may be agreed between MAGHL and eSun
“Potential Acquisition”	the potential acquisition by MAGHL of the entire issued share capital of VS Media
“Potential Placing”	the possible placing of the new Shares by a placing agent to Independent Third Party(ies)
“Potential Transactions”	the Recapitalisation Proposal, the Potential Acquisition and the Potential Placing
“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
“Prospective Vendors”	the parties who together own the entire issued share capital of VS Media
“Prospectus”	the Open Offer prospectus to be despatched to the Open Offer Qualifying Shareholders and, for information only, to the Non-Qualifying Shareholders
“Prospectus Documents”	the Prospectus, the Application Form(s) and the Excess Application Form(s)

“Recapitalisation Proposal”	the proposed recapitalisation of MAGHL to be implemented by means of (i) Share Consolidation; (ii) Change in Board Lot Size; (iii) Increase in Authorised Share Capital; (iv) the Loan Capitalisation, including the Clawback Offer and the Placing; and (v) the Open Offer
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of MAGHL to be convened and held at which resolution(s) will be proposed to consider, and, if thought fit, to approve, among other things, the proposed Share Consolidation, the Increase in Authorised Share Capital, the Loan Capitalisation, the Open Offer and the proposed issue of the Fee Shares
“Share Consolidation”	the consolidation of every ten (10) issued and unissued Existing Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.1 each
“Share(s)”	the Existing Share(s) and, or, the Consolidated Share(s), as the case may be
“Share Registrar”	Computershare Hong Kong Investor Services Limited, MAGHL’s branch share registrar and transfer office in Hong Kong
“Shareholder(s)”	the duly registered holder(s) of Shares
“Specific Mandates”	the specific mandates proposed to be granted to the Directors at the SGM for the allotment and issue of the Capitalisation Shares, the Offer Shares, and the Fee Shares, each a “Specific Mandate”
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the SFC

“Underwriter”	Get Nice Securities Limited, a corporation licensed to carry on business in Type 1 regulated activity (dealing in securities), Type 4 regulated activity (advising on securities), Type 6 regulated activity (advising on corporate finance) and Type 9 regulated activity (asset management) under the SFO
“Underwriting Agreement”	the underwriting agreement dated 6 November, 2020 entered into between MAGHL and the Underwriter in relation to the Open Offer
“Underwritten Shares”	404,886,665 Offer Shares underwritten by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement, excluding 562,148,562 Offer Shares that are subject to the Irrevocable Undertaking
“Unsubscribed Shares”	Offer Shares that are allotted to but not subscribed by the Open Offer Qualifying Shareholders, aggregated fractional Offer Shares, and Offer Shares which would otherwise have been allotted to the Non-Qualifying Shareholders (as the case may be)
“VS Media”	VSM Holdings Limited, a private company incorporated in the British Virgin Islands
“VS Media Group”	VS Media and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Lai Sun Garment (International) Limited
Chew Fook Aun
Executive Director and Deputy Chairman

By order of the Board
Lai Sun Development Company Limited
Chew Fook Aun
Executive Director and Deputy Chairman

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

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

Hong Kong, 6 November, 2020

As at the date of this joint announcement,

- (a) the board of directors of LSG comprises six executive directors, namely Dr. Lam Kin Ming (Chairman), Dr. Lam Kin Ngok, Peter (Deputy Chairman), Mr. Chew Fook Aun (Deputy Chairman), Madam U Po Chu, Mr. Lam Kin Hong, Matthew and Mr. Lam Hau Yin, Lester (also alternate to Madam U Po Chu); and three independent non-executive directors, namely Messrs. Leung Shu Yin, William, Lam Bing Kwan and Chow Bing Chiu;*
- (b) the board of directors of LSD comprises five executive directors, namely Dr. Lam Kin Ngok, Peter (Chairman) and Messrs. Chew Fook Aun (Deputy Chairman), Lau Shu Yan, Julius (Chief Executive Officer), Lam Hau Yin, Lester (also alternate to Madam U Po Chu) and Tham Seng Yum, Ronald; two non-executive directors, namely Dr. Lam Kin Ming and Madam U Po Chu; and four independent non-executive directors, namely Messrs. Lam Bing Kwan, Leung Shu Yin, William, Ip Shu Kwan, Stephen and Leung Wang Ching, Clarence;*
- (c) the board of directors of eSun 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, Alfred Donald Yap and Dr. Ng Lai Man, Carmen; and*
- (d) the 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 Directors collectively and individually accept full responsibility of the information contained in this joint announcement (other than information relating to the LSG Group, the LSD Group and 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 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 LSG Group, the LSD Group and 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.