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eSun Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 571)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform Shareholders and potential investors that the consolidated profit attributable to the owners of the Company for the year ended 31 July 2018 is expected to record a significant decrease from last year, which is primarily due to (a) a lower tax indemnity amount received by Lai Fung from LSD pursuant to the Tax Indemnity Deed; (b) a lower fair value gain arising on the cross currency swaps in relation to Lai Fung's RMB1.8 billion senior notes which matured in April 2018; (c) the absence of a gain on disposal of an available-for-sale investment; and (d) a consolidated loss from MAGHL owing to unsatisfactory performance of the films released by MAGHL Group during the year under review.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by eSun Holdings Limited ("**Company**", and together with its subsidiaries, "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**" and "**Stock Exchange**", respectively) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong) ("**SFO**").

The Company acts as an investment holding company and the principal activities of its subsidiaries include the development, operation of and investment in media and entertainment, music production and distribution, the investment in and production and distribution of television programmes, films and video format products, cinema operation, property development for sale and property investment for rental purposes as well as the development and operation of and investment in cultural, leisure, entertainment and related facilities.

Based on the preliminary unaudited consolidated management accounts of the Group for the year ended 31 July 2018 (“**Year**”), the board of directors of the Company (“**Board**”) wishes to inform shareholders of the Company (“**Shareholders**”) and potential investors that the consolidated profit attributable to the owners of the Company for the Year is expected to record a significant decrease from that of HK\$514.2 million for the year ended 31 July 2017.

The decrease in the consolidated profit attributable to the owners of the Company for the Year is primarily due to (a) a lower tax indemnity amount received by Lai Fung Holdings Limited (“**Lai Fung**”, a 50.60%-owned subsidiary of the Company) from Lai Sun Development Company Limited (“**LSD**”, the controlling shareholder of the Company as at 31 July 2018) pursuant to the tax indemnity deed in connection with the listing of Lai Fung on the Stock Exchange in 1997 (“**Tax Indemnity Deed**”); (b) a lower fair value gain arising on the cross currency swaps in relation to Lai Fung’s RMB1.8 billion senior notes which matured in April 2018; (c) the absence of a gain on disposal of an available-for-sale investment; and (d) a consolidated loss from Media Asia Group Holdings Limited (“**MAGHL**”, a 67.56%-owned subsidiary of the Company, and together with its subsidiaries, “**MAGHL Group**”) owing to unsatisfactory performance of the films released by MAGHL Group during the year under review.

The information contained in this announcement is only based on the preliminary assessment by the Group’s management according to the information that is currently available and the preliminary unaudited consolidated management accounts of the Group for the Year which have not yet been reviewed by the Company’s audit committee or audited by the Company’s independent auditor. The final results of the Group for the Year are expected to be published on 25 October 2018.

Shareholders and potential investors are, therefore, advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 19 October 2018

As at the date of this announcement, the Board comprises four Executive Directors, namely Messrs. Lui Siu Tsuen, Richard (Chief Executive Officer), Chew Fook Aun, Lam Hau Yin, Lester and Yip Chai Tuck; two Non-executive Directors, namely Madam U Po Chu and Mr. Andrew Y. Yan; and four Independent Non-executive Directors, namely Messrs. Low Chee Keong (Chairman), Lo Kwok Kwei, David and Alfred Donald Yap and Dr. Ng Lai Man, Carmen.