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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 that the consolidated profit attributable to owners of the Company for the year ended 31 July 2016 is expected to record a significant decrease from last year. The expected decrease in consolidated profit attributable to owners of the Company for the Year is primarily due to (i) a lower revaluation gain arising from the revaluation of the investment properties of Lai Fung Group during the Year as compared to last year; and (ii) the decrease in results of MAGHL Group during the Year which is primarily attributable to (a) the decrease in both the turnover and the gross profit ratio due to the decrease in the number of large-scale films released and events held by MAGHL Group during the Year; and (b) the increase in other operating expenses of MAGHL Group which is mainly due to the exchange loss arising from the depreciation in Renminbi. Lai Fung and MAGHL are indirect non-wholly-owned subsidiaries of the Company. The revaluation gain of the Group's investment properties is a non-cash item and will not have a direct impact on the cash flow of the Group.

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 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, the sale of cosmetic products as well as property development for sale and property investment for rental purposes.

Based on the preliminary unaudited consolidated management accounts of the Group, 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 owners of the Company for the year ended 31 July 2016 (“**Year**”) is expected to record a significant decrease from that of approximately HK\$258 million for the year ended 31 July 2015.

The expected decrease in consolidated profit attributable to owners of the Company for the Year is primarily due to (i) a lower revaluation gain arising from the revaluation of the investment properties of Lai Fung Holdings Limited (“**Lai Fung**”) and its subsidiaries (collectively, “**Lai Fung Group**”) during the Year as compared to last year; and (ii) the decrease in results of Media Asia Group Holdings Limited (“**MAGHL**”) and its subsidiaries (collectively, “**MAGHL Group**”) during the Year which is primarily attributable to (a) the decrease in both the turnover and the gross profit ratio due to the decrease in the number of large-scale films released and events held by MAGHL Group during the Year; and (b) the increase in other operating expenses of MAGHL Group which is mainly due to the exchange loss arising from the depreciation in Renminbi. Lai Fung and MAGHL are indirect non-wholly-owned subsidiaries of the Company. The revaluation gain of the Group’s investment properties is a non-cash item and will not have a direct impact on the cash flow of the Group.

As the Group’s final results for the Year have not yet been finalised, the information contained in this announcement is only based on information that is currently available. The audited final results of the Group for the Year are expected to be published in late October 2016.

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, 13 October 2016

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.