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eSun Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 571)

WAIVER APPLICATION IN RESPECT OF PUBLIC FLOAT OF THE eSUN SHARES

Reference is made to (i) the joint announcement dated 27 May 2018 published by Lai Sun Garment (International) Limited, Lai Sun Development Company Limited (“**LSD**”), Transtrend Holdings Limited (the “**Offeror**”), eSun Holdings Limited (“**eSun**”) and Lai Fung Holdings Limited (“**Lai Fung**”) in respect of, among others, (1) the then conditional voluntary general cash offer to be made by The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) on behalf of the Offeror, a wholly-owned subsidiary of LSD, to acquire all of the issued shares of eSun (other than those already owned or agreed to be acquired by LSD, the Offeror or their respective subsidiaries) and to cancel all the outstanding share options of eSun (“**eSun Offers**”) and (2) the then possible unconditional mandatory general cash offer to be made by HSBC on behalf of the Offeror to acquire all of the issued shares of Lai Fung (other than those already owned or agreed to be acquired by LSD, the Offeror, eSun or their respective subsidiaries) and to cancel all the outstanding share options of Lai Fung; (ii) the composite offer and response document jointly issued by LSD, the Offeror and eSun dated 23 July 2018 in relation to the eSun Offers (“**eSun Composite Document**”); and (iii) the joint announcement issued by LSD, the Offeror and eSun dated 22 August 2018 in relation to, among others, the close of the eSun Offers and the results of the eSun Offers (“**Closing Announcement**”). Unless otherwise defined herein, capitalised terms used herein shall have the meanings ascribed to them in the eSun Composite Document.

As disclosed in the Closing Announcement, immediately following the close of the eSun Offers, subject to the due registration by the Registrar of the transfer of the eSun Shares in respect of which valid acceptances were received, 331,855,640 eSun Shares are held by the public (within the meaning of the Listing Rules), representing approximately 22.24% of the issued share capital of eSun as at the date of the Closing Announcement. Accordingly, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules is not satisfied.

eSun has been informed by the Offeror that, in order to restore the minimum percentage of eSun Shares held by the public as required under Rule 8.08(1)(a) of the Listing Rules, the Offeror will take appropriate steps to restore the public float, including to dispose on the open market (with the engagement of one or more placing agents) of a sufficient number of eSun Shares held by the Offeror to independent third party(ies) not connected with eSun or any of its core connected persons (“**Disposal**”). The Offeror expects the Disposal to be completed within three months from 25 October 2018, subject to market conditions, because (i) the Offeror intends to take a prudent approach and commence the process in relation to the Disposal after the proposed publication date of 25 October 2018 of the annual results for the year ended 31 July 2018 of both LSD and eSun (which was an associate of LSD as at 31 July 2018); and (ii) considering the scale of the Disposal (at least 2.76% of the eSun Shares in issue) which is considered to be material in respect of eSun (particularly in light of the low liquidity of eSun Shares of an average of approximately 1.1 million shares or 0.07% of the total issued share capital of eSun per day during the one-year period ended on and including the Last Trading Date), a period of three months from 25 October 2018 is necessary for the Offeror to carry out the Disposal.

Accordingly, eSun has applied to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules (“**Waiver**”) for the period commencing from 22 August 2018 to 25 January 2019 (“**Waiver Period**”). On 30 August 2018, the Stock Exchange has granted the Waiver to eSun for the Waiver Period, subject to the disclosure of this Waiver (including details and reasons) by way of an announcement. Further announcement(s) will be made by eSun regarding the restoration of public float as and when appropriate pursuant to the Listing Rules.

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

Hong Kong, 31 August 2018

As at the date of this announcement, the eSun 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.