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eSun Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 571)

DISCLOSEABLE TRANSACTION DISPOSAL OF PREFERRED SHARES IN PONY MEDIA HOLDINGS INC.

The Board is pleased to announce that on 21 March 2017 (after trading hours), Nice Sound (as selling shareholder) entered into the Share Purchase Agreement with the Purchaser and the Target Company in relation to the disposal of the Preferred Shares held by Nice Sound at the Purchase Price of US\$14,902,230.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

The Board is pleased to announce that on 21 March 2017 (after trading hours), Nice Sound (as selling shareholder) entered into the Share Purchase Agreement with the Purchaser and the Target Company, pursuant to which Nice Sound has agreed to effect the Disposal at the Purchase Price of US\$14,902,230 (subject to certain tax adjustments and deductions and a tax escrow arrangement).

Details of the main terms of the Share Purchase Agreement are summarised below:

THE SHARE PURCHASE AGREEMENT

Date: 21 March 2017 (after trading hours)

Parties: (i) Purchaser
(ii) Target Company
(iii) Nice Sound

Transaction: Purchaser purchases from Nice Sound its entire shareholding interest in the Target Company, being 1,480,994 Preferred Shares

Consideration: US\$14,902,230

Completion: within 5 business days of signing

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are the Independent Third Parties.

DISPOSAL OF THE PREFERRED SHARES

Pursuant to the Share Purchase Agreement, Nice Sound has agreed to sell its entire shareholding interest in the Target Company to the Purchaser at a gross cash consideration of US\$14,902,230 (equivalent to approximately HK\$115,746,000). The proceeds of the Disposal are subject to certain tax adjustments and deductions and a tax escrow arrangement.

Taking into account (i) the unaudited net carrying amount of available-for-sale investment in the Target Company as at 31 January 2017 of US\$596,400 (equivalent to approximately HK\$4,632,000); and (ii) the estimated tax adjustments and tax escrow arrangement of US\$1,659,156 (equivalent to approximately HK\$12,887,000), the Group expects to recognise in its consolidated income statement an estimated gain on the Disposal of US\$12,646,674 before other transaction costs (equivalent to approximately HK\$98,227,000).

The calculation of the above financial effects and the related accounting treatments is subject to the review of the independent auditors of the Company. Upon completion, the actual financial effects for accounting purposes will need to be recalculated based on the actual transaction costs incurred and are expected to be different from the amounts disclosed above.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors consider that the terms of the Disposal and the transactions contemplated thereunder are fair and reasonable and entered into on normal commercial terms after arm's length negotiations between the relevant parties, and are in the best interests of the Company and its shareholders as a whole.

The proceeds from the Disposal are intended to be applied for general working capital of the Company.

INFORMATION OF THE TARGET COMPANY

The Target Company is an investment holding company incorporated in the British Virgin Islands, and its principal business is that of operating an electronic ticketing and sales network in the PRC.

INFORMATION OF THE PURCHASER

The Purchaser is an investment holding company incorporated in the British Virgin Islands and a directly wholly-owned subsidiary of Alibaba Group Holding Limited, a company listed on the New York Stock Exchange.

INFORMATION ON NICE SOUND AND THE COMPANY

Nice Sound is an investment holding company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company.

The Company is an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange. The Company acted as an investment holding company and the principal activities of the Group 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, 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.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

The following terms have the following respective meanings in this announcement, unless the context otherwise requires:

“Board”	the board of Directors;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Company”	eSun Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 571);
“Directors”	the directors of the Company;
“Disposal”	sale of 1,480,994 Series C Preferred Shares of the Target Company owned by Nice Sound to the Purchaser;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Independent Third Parties”	third parties independent of the Company and its connected persons (as defined in the Listing Rules);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Nice Sound”	Nice Sound Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company;
“PRC”	the People’s Republic of China;
“Preferred Shares”	Series C preferred shares, par value US\$0.001 per share, in the share capital of the Target Company;
“Purchaser”	Alibaba Investment Limited, a company incorporated in British Virgin Islands with limited liability;
“Purchase Price”	the consideration to be paid by the Purchaser;
“Share Purchase Agreement”	a share purchase agreement entered into between Nice Sound, the Purchaser and the Target Company dated 21 March 2017 in respect of the Disposal;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning as ascribed to it under the Listing Rules;
“Target Company”	Pony Media Holdings Inc., a company incorporated in the British Virgin Islands with limited liability;
“US\$”	United States dollars, the lawful currency of the United States; and
“%”	per cent.

For the purpose of illustration only and unless otherwise stated, conversion of US\$ into HK\$ in this announcement is based on the exchange rate of US\$1 to HK\$7.767. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate(s).

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

Hong Kong, 21 March 2017

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.