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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 Group expects to record a consolidated loss attributable to the owners of the Company of not less than HK\$8,000 million for the year ending 31 July 2020, which is primarily due to the one-off loss on disposal of the Group's 50.99% equity interest in Lai Fung.

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 and cinema operation.

Based on the management information currently available to the Company and an assessment of the deteriorated market conditions and the business disruptions of the Group caused by the outbreak of the COVID-19, the board of directors of the Company ("**Board**") wishes to inform shareholders of the Company ("**Shareholders**") and potential investors that the Group expects to record a consolidated loss attributable to the owners of the Company of not less than HK\$8,000 million for the year ending 31 July 2020 ("**Year**"), as compared to the consolidated loss of HK\$78 million for the year ended 31 July 2019. The expected decline in the Group's results is primarily due to the one-off loss on disposal ("**LFH Disposal**") of the Group's 50.99% equity interest in Lai Fung Holdings Limited ("**Lai Fung**", and together with its subsidiaries, "**LFH Group**"). Upon completion of the LFH Disposal in May 2020, Lai Fung ceased to be an indirect non-wholly-owned subsidiary of the Company and the financial results of the LFH Group will no longer be consolidated into the financial statements of the Group. The estimated loss on the LFH Disposal is approximately HK\$8,000 million.

The information contained in this announcement represents a preliminary assessment based on information that is currently available to the Board and such information has not been reviewed or audited by the independent auditor of the Company (“**Independent Auditor**”). The Company has not yet begun to prepare its full year results which are subject to further review and assessment by the Company’s audit committee, the Board and the Independent Auditor. Therefore, the Group’s audited consolidated results for the Year may be different from the information set out in this announcement. Further details of the Group’s financial performance will be provided in the final results announcement that is expected to be published in late October 2020.

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, 21 July 2020

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 (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 and Alfred Donald Yap and Dr. Ng Lai Man, Carmen.