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## **eSun Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 571)**

### **REVISION OF EXISTING ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS UNDER THE 2023 COMMERCIAL LETTING FRAMEWORK AGREEMENT**

#### **REVISION OF EXISTING ANNUAL CAPS BY ESUN FOR CONTINUING CONNECTED TRANSACTIONS UNDER THE 2023 COMMERCIAL LETTING FRAMEWORK AGREEMENT**

Reference is made to the joint announcement issued by the Lai Sun Listcos on 31 July 2023 in relation to, among other things, their respective continuing connected transactions as contemplated under the 2023 Commercial Letting Framework Agreement.

Taking into account the Relocation, the eSun Board anticipates that the Existing Annual Caps applicable to eSun Licensing and Other Fees Payments in respect of each of the three financial years ending 31 July 2024, 2025 and 2026 will not be sufficient. Therefore, the Existing Annual Caps for each of the three financial years ending 31 July 2024, 2025 and 2026 have been revised and increased to the Revised Annual Caps.

#### **LISTING RULES IMPLICATIONS**

LSG and LSD are holding companies of eSun and hence connected persons of eSun under the Listing Rules. Lai Fung is a subsidiary of each of LSG and LSD and thus a connected person of eSun. Accordingly, Transactions between the eSun Group and each of the LSG Group (excluding the LSD Group) and the LSD Group (including the Lai Fung Group) constitute continuing connected transactions of eSun. As such, the relevant Transactions by the eSun Group contemplated under the 2023 Commercial Letting Framework Agreement constitute continuing connected transactions for eSun under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if eSun intends to revise the annual caps for continuing connected transactions, it will be required to re-comply with relevant provisions of Chapter 14A of the Listing Rules in respect of the relevant continuing connected transactions.

As the highest of the applicable percentage ratio (as defined in the Listing Rules) of the maximum Revised Annual Caps for eSun in respect of the 2023 Commercial Letting Framework Agreement is more than 0.1% but less than 5%, the relevant Transactions by the eSun Group and the Revised Annual Caps thereunder are subject to reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under the connected transactions rules of the Listing Rules.

## BACKGROUND

Reference is made to the joint announcement (the “**Joint Announcement**”) issued by Lai Sun Garment (International) Limited (麗新製衣國際有限公司), Lai Sun Development Company Limited (麗新發展有限公司), eSun Holdings Limited (豐德麗控股有限公司) (“**eSun**”) and Lai Fung Holdings Limited (麗豐控股有限公司) on 31 July 2023 in relation to, among other things, certain continuing connected transactions among the Lai Sun Listcos for the letting and/or licensing of the respective premises of the LSG Group, the LSD Group and the Lai Fung Group to other members of the Lai Sun Group (including the eSun Group) from time to time, and which are to be governed by the 2023 Commercial Letting Framework Agreement. Details of the 2023 Commercial Letting Framework Agreement are more particularly set out in the Joint Announcement.

Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Joint Announcement.

As disclosed in the Joint Announcement, the continuing connected transactions as contemplated under the 2023 Commercial Letting Framework Agreement include (among other things) licensing fees and other fees other than fixed rental payments (such as the property management fees and variable lease payments) payable by the eSun Group under each of its applicable Transactions (“**eSun Licensing and Other Fees Payments**”).

After taking into account the actual and estimated transaction amounts incurred and to be incurred for each of the three financial years ending 31 July 2024, 2025 and 2026, the Board of eSun (the “**eSun Board**”) anticipates that the annual cap(s) applicable to eSun Licensing and Other Fees Payments payable by the eSun Group under the 2023 Commercial Letting Framework Agreement as set out in the Joint Announcement (the “**Existing Annual Caps**”) may not be sufficient to meet the needs of the eSun Group, mainly as a result of the Relocation (as further described in the paragraph headed “**HISTORICAL AMOUNTS AND BASIS FOR DETERMINING THE REVISED ANNUAL CAPS**” below). As such, the eSun Board has resolved to revise the annual caps applicable to eSun Licensing and Other Fees Payments for each of the three financial years ending 31 July 2024, 2025 and 2026 (the “**Revised Annual Caps**”).

## REVISION OF EXISTING ANNUAL CAPS BY ESUN FOR CONTINUING CONNECTED TRANSACTIONS UNDER THE 2023 COMMERCIAL LETTING FRAMEWORK AGREEMENT

The table below sets forth the Existing Annual Caps and the Revised Annual Caps applicable to eSun Licensing and Other Fees Payments for each of the three financial years ending 31 July 2024, 2025 and 2026:

	<b>Financial year ending 31 July 2024 <i>HK\$ million</i></b>	<b>Financial year ending 31 July 2025 <i>HK\$ million</i></b>	<b>Financial year ending 31 July 2026 <i>HK\$ million</i></b>
Existing Annual Cap	1.0	1.0	1.0
Revised Annual Cap	3.0	3.0	3.0

Save for the revision of the aforesaid Existing Annual Caps, all other terms and conditions as well as Caps of other Transactions under the 2023 Commercial Letting Framework Agreement (including those by other Lai Sun Listcos) remain unchanged. Please refer to the Joint Announcement for details.

## HISTORICAL AMOUNTS AND BASIS FOR DETERMINING THE REVISED ANNUAL CAPS

The Revised Annual Caps for each of the three financial years ending 31 July 2024, 2025 and 2026 are determined with reference to, among others:

- (a) the historical transaction amounts: from 1 August 2023 to 31 March 2024, the actual amounts paid by the eSun Group in respect of eSun Licensing and Other Fees Payments was approximately HK\$0.4 million, representing approximately 40% of the Existing Annual Cap for the financial year ending 31 July 2024; and
- (b) up until April 2024, the eSun Group has been leasing from the LSD Group a premise at Wyler Centre Phase II, 192-200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong (the “**Wyler Centre Premise**”) as its major office of the media and entertainment businesses. Reference is made to the disposal of a non-residential property and car parking spaces situated at Wyler Centre Phase II by International Development and Services Limited (洲立發展及管理有限公司) (a wholly-owned subsidiary of LSD) (the “**Disposal**”), further details of which are set out in the joint announcement of LSG and LSD dated 15 March 2024. As a result of the Disposal, from May 2024, the eSun Group will relocate (the “**Relocation**”) its major office of the media and entertainment businesses from the Wyler Centre Premise to other premises held by the LSD Group at Cheung Sha Wan Plaza and Lai Sun Commercial Centre (the “**New Premises**”), of which the LSD Group is the property manager of such premises. Accordingly, the eSun Board anticipates that the Existing Annual Caps applicable to eSun Licensing and Other Fees Payments may not be sufficient to meet the needs of the eSun Group taking into account of the expected increase in lease-related payments (including property management fees) as a result of the Relocation.

## **REASONS FOR AND BENEFITS OF THE REVISED ANNUAL CAPS**

The LSG Group, the LSD Group and the Lai Fung Group own, lease and manage premises. As a result of the Disposal by the LSD Group, from May 2024, the eSun Group has to relocate its major office of the media and entertainment businesses from the Wyler Centre Premise to the New Premises. The eSun Board is of the view that the revision of the Existing Annual Caps mainly as a result of the Relocation will benefit the eSun Group by (i) enabling the eSun Group to lease from other members of the Lai Sun Group, which maintains and/or increases the operational efficiency and the synergy for its benefit; and (ii) providing the eSun Group with stable and successive premises based on fair and reasonable terms for its business (including office space).

Each of Mr. Lam Hau Yin, Lester and Madam U Po Chu had abstained from voting on the relevant board resolutions of eSun. Save as aforesaid, none of the directors of eSun had abstained from voting on such board resolutions or is materially interested in the 2023 Commercial Letting Framework Agreement.

The directors (including the independent non-executive directors) of eSun considered that the 2023 Commercial Letting Framework Agreement has been entered into in the ordinary and usual course of business of eSun; and on normal commercial terms; and that the transactions contemplated thereunder (including the Revised Annual Caps) are on terms that are fair and reasonable, and in the interests of eSun and its shareholders as a whole.

## **INTERNAL CONTROL MEASURES**

In order to ensure that the pricing basis in the 2023 Commercial Letting Framework Agreement is adhered to, eSun will continue to adopt the internal control measures in respect of each relevant Transaction (including eSun Licensing and Other Fees Payments) as described in the Joint Announcement. By implementing such measures, the directors (including the independent non-executive directors) of eSun considered that eSun has appropriate internal control procedures to ensure that the relevant Transactions under the 2023 Commercial Letting Framework Agreement constituting continuing connected transactions of eSun will be conducted on normal commercial terms and in the interests of eSun and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

LSG and LSD are holding companies of eSun and hence connected persons of eSun under the Listing Rules. Lai Fung is a subsidiary of each of LSG and LSD and thus a connected person of eSun. Accordingly, Transactions between the eSun Group and each of the LSG Group (excluding the LSD Group) and the LSD Group (including the Lai Fung Group) constitute continuing connected transactions of eSun. As such, the relevant Transactions by the eSun Group contemplated under the 2023 Commercial Letting Framework Agreement constitute continuing connected transactions for eSun under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if eSun intends to revise the annual caps for continuing connected transactions, it will be required to re-comply with relevant provisions of Chapter 14A of the Listing Rules in respect of the relevant continuing connected transactions.

As the highest of the applicable percentage ratio (as defined in the Listing Rules) of the maximum Revised Annual Caps for eSun in respect of the 2023 Commercial Letting Framework Agreement is more than 0.1% but less than 5%, the relevant Transactions by the eSun Group and the Revised Annual Caps thereunder are subject to reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under the connected transactions rules of the Listing Rules.

eSun will comply with the requirements under the connected transactions rules of the Listing Rules if any Revised Annual Caps for eSun is exceeded, or when the 2023 Commercial Letting Framework Agreement is renewed or there are material changes to the provisions of the 2023 Commercial Letting Framework Agreement.

## **GENERAL**

eSun 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. eSun acts as an investment holding company and the principal activities of its subsidiaries include the production and distribution of films and TV programs, music production and publishing, management and production of concerts, artiste management and cinema operation.

By order of the Board  
**eSun Holdings Limited**  
**Low Chee Keong**  
*Chairman*

Hong Kong, 30 April 2024

*As at the date of this announcement, the eSun Board comprises four Executive Directors, namely Messrs. Yang Yiu Chong, Ronald Jeffrey (Chief Executive Officer), Cheung Sum, Sam, 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 five Independent Non-executive Directors, namely Messrs. Low Chee Keong (Chairman), Lo Kwok Kwei, David, Poon Kwok Hing, Albert and Alfred Donald Yap and Dr. Ng Lai Man, Carmen.*