eSun Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 571)

Announcement of Final Results for the Year Ended 31 July 2025

RESULTS

The board of directors ("**Board**" and "**Directors**", respectively) of eSun Holdings Limited ("**Company**") announces the consolidated results of the Company and its subsidiaries ("**Group**") for the year ended 31 July 2025 together with the comparative figures for the previous financial year as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31 July 2025

	Notes	2025 HK$'000	2024 HK$'000
TURNOVER	4	**779,608**	1,167,538
Cost of sales		**(401,854)**	(716,414)
Gross profit		**377,754**	451,124
Other revenue		**34,498**	42,171
Selling and marketing expenses		**(8,522)**	(52,237)
Administrative expenses		**(223,121)**	(234,045)
Other operating gains		**144,345**	73,957
Other operating expenses		**(288,973)**	(715,757)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES		**35,981**	(434,787)
Finance costs	5	**(42,651)**	(45,035)
Share of profits and losses of joint ventures		**(6,408)**	(44,526)
LOSS BEFORE TAX	6	**(13,078)**	(524,348)
Tax	7	**(1,432)**	(1,381)
LOSS FOR THE YEAR		**(14,510)**	(525,729)
Attributable to:			
Owners of the Company		**(12,800)**	(510,882)
Non-controlling interests		**(1,710)**	(14,847)
		(14,510)	(525,729)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	8		
Basic and diluted		**(HK$0.007)**	(HK$0.291)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 July 2025

	2025	2024
	HK$'000	*HK$'000*
LOSS FOR THE YEAR	**(14,510)**	(525,729)
OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX		
Items that may be subsequently reclassified to the income statement:		
Exchange realignment on translation of foreign operations	**(1,216)**	(293)
Share of other comprehensive income/(loss) of joint ventures	**26**	(32)
Release of exchange reserve upon deregistration of subsidiaries	**2,719**	(5,090)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	**1,529**	(5,415)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(12,981)**	(531,144)
Attributable to:		
Owners of the Company	**(11,221)**	(516,639)
Non-controlling interests	**(1,760)**	(14,505)
	(12,981)	(531,144)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 July 2025

	Notes	2025 HK$'000	2024 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**106,188**	107,323
Right-of-use assets		**169,552**	280,157
Film rights		**19,144**	22,092
Film and TV program products		**60,784**	61,431
Music catalogs		**—**	—
Investments in joint ventures		**67,318**	56,189
Financial assets at fair value through profit or loss		**29,113**	96,048
Deposits, prepayments, other receivables and other assets		**83,486**	123,425
Deferred tax assets		**241**	246
Total non-current assets		**535,826**	746,911
CURRENT ASSETS			
Films and TV programs under production and film investments		**344,024**	277,468
Inventories		**3,389**	7,720
Debtors	*9*	**97,207**	191,195
Financial assets at fair value through profit or loss		**65,399**	40,215
Deposits, prepayments, other receivables and other assets		**103,228**	218,522
Prepaid tax		**21**	—
Cash and cash equivalents		**482,525**	354,272
Total current assets		**1,095,793**	1,089,392
CURRENT LIABILITIES			
Creditors and accruals	*10*	**526,683**	565,746
Deposits received and contract liabilities	*11*	**184,406**	149,651
Lease liabilities		**154,753**	197,717
Other borrowings		**245,829**	—
Loan from a fellow subsidiary		**30,000**	—
Tax payable		**9,766**	9,781
Total current liabilities		**1,151,437**	922,895
NET CURRENT ASSETS/(LIABILITIES)		**(55,644)**	166,497
TOTAL ASSETS LESS CURRENT LIABILITIES		**480,182**	913,408

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*
31 July 2025

	Notes	**2025** **HK$'000**	2024 *HK$'000*
NON-CURRENT LIABILITIES			
Creditors and accruals	*10*	**8,291**	8,877
Lease liabilities		**436,779**	616,742
Other borrowings		**—**	239,695
Deferred tax liabilities		**15**	16
Total non-current liabilities		**445,085**	865,330
Net assets		**35,097**	48,078
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**877,938**	877,938
Reserves		**(810,537)**	(759,465)
		67,401	118,473
Non-controlling interests		**(32,304)**	(70,395)
Total equity		**35,097**	48,078

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 July 2025

1. BASIS OF PREPARATION

The financial information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial assets which have been measured at fair value. The financial information is presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

For the year ended 31 July 2025, the Group recorded a net loss of HK$14,510,000, and as at 31 July 2025, the current liabilities of the Group exceeded its current assets by HK$55,644,000. As at 31 July 2025, the Group's current liabilities of HK$1,151,437,000 included other borrowings of HK$245,829,000, a loan from a fellow subsidiary of HK$30,000,000 and other current liabilities of HK$875,608,000; while its cash and cash equivalents amounted to HK$482,525,000.

In view of the above circumstances, the Directors have given careful consideration to the Group's future liquidity requirements, operating performance and available sources of financing in assessing the Group's ability to continue operating as a going concern. The following plans and measures are formulated to manage the working capital and improve the financial position of the Group:

(a) the Group will continue to implement cost-saving measures and negotiate with landlords for rent relief or rent restructuring;

(b) the Group plans to dispose of certain non-core assets of the Group;

(c) the Group will streamline/enhance existing operations to reduce operating costs and take active measures to control administrative costs; and

(d) the Group will continue to maintain containment of capital expenditures.

In addition, the Group's outstanding other borrowings (a principal amount of HK$112,938,000 and all accrued interests due or to be due) are repayable on demand as at 31 July 2025. Subsequent to the reporting date, the Group has obtained a legal opinion from an external solicitor that there is unlikely any demand for repayment of the other borrowings for the period up to 31 October 2026.

The Directors have reviewed the Group's cash flow forecast, covering a period of at least 12 months from the reporting date, prepared by the management. They are of the opinion that, taking into account of the above-mentioned plans and measures, and the legal opinion from the external solicitor, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within the next 12 months from 31 July 2025. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements for the year ended 31 July 2025 on a going concern basis.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The adoption of the above revised standards has had no significant financial effect on these financial statements.

3. OPERATING SEGMENT INFORMATION

Segment revenue/results:

	Media and entertainment		Film and TV program		Cinema operation		Corporate and others		Consolidated	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:										
Sales to external customers	**287,897**	387,082	**46,566**	340,950	**445,145**	439,506	**—**	—	**779,608**	1,167,538
Intersegment sales	**—**	—	**21,241**	14,697	**5,135**	4,209	**1,692**	1,961	**28,068**	20,867
Other revenue	**2,023**	10,841	**1,989**	1,476	**22,109**	19,574	**3,201**	4,021	**29,322**	35,912
Total	**289,920**	397,923	**69,796**	357,123	**472,389**	463,289	**4,893**	5,982	**836,998**	1,224,317
Elimination of intersegment sales									**(28,068)**	(20,867)
Total revenue									**808,930**	1,203,450
Segment results	**43,172**	35,075	**(51,998)**	(21,913)	**116,966**	(351,491)	**(77,335)**	(102,717)	**30,805**	(441,046)
Unallocated interest income									**5,176**	6,259
Profit/(loss) from operating activities									**35,981**	(434,787)
Finance costs									**(42,651)**	(45,035)
Share of profits and losses of joint ventures	**1,854**	229	**—**	(69)	**(8,262)**	(44,686)	**—**	—	**(6,408)**	(44,526)
Loss before tax									**(13,078)**	(524,348)
Tax									**(1,432)**	(1,381)
Loss for the year									**(14,510)**	(525,729)

3. OPERATING SEGMENT INFORMATION *(continued)*

Segment assets/liabilities:

	Media and entertainment		Film and TV program		Cinema operation		Corporate and others		Consolidated	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**193,620**	217,033	**708,360**	779,993	**399,604**	579,990	**262,455**	202,852	**1,564,039**	1,779,868
Investments in joint ventures	**37,094**	22,458	**—**	37	**22,060**	26,862	**8,164**	6,832	**67,318**	56,189
Unallocated assets									**262**	246
Total assets									**1,631,619**	1,836,303
Segment liabilities	**113,895**	121,024	**438,026**	442,967	**668,197**	907,453	**90,794**	67,289	**1,310,912**	1,538,733
Unallocated liabilities									**285,610**	249,492
Total liabilities									**1,596,522**	1,788,225

3. OPERATING SEGMENT INFORMATION *(continued)*

Other segment information:

	Media and entertainment		Film and TV program		Cinema operation		Corporate and others		Consolidated	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Depreciation of property, plant and equipment	**194**	323	**3**	6	**17,272**	45,413	**3,763**	244	**21,232**	45,986
Depreciation of right-of-use assets	**800**	698	**873**	978	**58,095**	113,584	**2,453**	4,385	**62,221**	119,645
Impairment of property, plant and equipment	**1,031**	318	**12**	48	**4,692**	87,179	**4,375**	386	**10,110**	87,931
Reversal of impairment of property, plant and equipment	**—**	—	**—**	—	**(23,847)**	—	**—**	—	**(23,847)**	—
Impairment of right-of-use assets	**1,260**	1,352	**2,199**	2,700	**20,634**	190,673	**4,131**	5,826	**28,224**	200,551
Reversal of impairment of right-of-use assets	**—**	—	**—**	—	**(45,998)**	—	**—**	—	**(45,998)**	—
Impairment of films and TV programs under production	**—**	—	**27,785**	9,956	**—**	—	**—**	—	**27,785**	9,956
Amortisation of film rights	**—**	—	**2,948**	2,274	**—**	—	**—**	—	**2,948**	2,274
Amortisation of film and TV program products	**—**	—	**5,553**	68,522	**—**	—	**—**	—	**5,553**	68,522
Impairment of advances and other receivables	**4,896**	10,284	**1,980**	5,621	**4,379**	—	**—**	—	**11,255**	15,905
Write-back of impairment of advances and other receivables	**(616)**	(4,040)	**(56)**	—	**—**	—	**—**	—	**(672)**	(4,040)
Impairment of amounts due from joint ventures	**1,277**	793	**—**	—	**1,116**	—	**—**	—	**2,393**	793
Write-back of impairment of amounts due from joint ventures	**(4,156)**	(15,259)	**—**	—	**—**	—	**—**	—	**(4,156)**	(15,259)
Gain on modification of leases	**—**	—	**—**	—	**(75,978)**	(28,959)	**—**	—	**(75,978)**	(28,959)
Gain on termination of leases	**(71)**	—	**(2,229)**	—	**—**	(8,606)	**(535)**	(3,550)	**(2,835)**	(12,156)
Impairment of inventories	**—**	13,769	**—**	—	**—**	—	**—**	—	**—**	13,769
Fair value losses/(gains) on financial assets at fair value through profit or loss	**—**	—	**(4)**	(5)	**—**	—	**(2,935)**	29,117	**(2,939)**	29,112
Gain on disposal of financial assets at fair value through profit or loss	**—**	—	**—**	—	**—**	—	**(3,175)**	(140)	**(3,175)**	(140)
Additions of property, plant and equipment	**1,214**	449	**15**	58	**237**	74,840	**4,838**	90	**6,304**	75,437
Additions of films and TV programs under production and film investments, net	**—**	—	**120,779**	234,557	**—**	—	**—**	—	**120,779**	234,557
Additions of right-of-use assets	**2,089**	—	**1,701**	—	**—**	—	**5,326**	318	**9,116**	318

3. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information:

	Hong Kong		Chinese Mainland and Macau		Others		Consolidated	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue:								
Sales to external customers	**593,900**	769,348	**157,621**	343,743	**28,087**	54,447	**779,608**	1,167,538
Non-current assets:								
Segment assets	**374,775**	527,320	**9,940**	13,665	**—**	—	**384,715**	540,985
Financial instruments							**150,870**	205,680
Unallocated assets							**241**	246
Total							**535,826**	746,911

The revenue information above is based on the locations of the customers. The non-current segment asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers:

No customer of the Group has individually accounted for over 10% of the Group's total revenue during the year ended 31 July 2025. Revenue from one customer which accounted for revenue exceeding 10% of the Group's total revenue amounted to approximately HK$179,032,000 for the year ended 31 July 2024.

4. TURNOVER

An analysis of the Group's turnover is as follows:

	2025	2024
	HK$'000	*HK$'000*
Turnover from contracts with customers		
Entertainment event income	**182,259**	255,119
Distribution commission income, licence income from and sales of film and TV program products and film rights	**41,411**	334,023
Album sales, licence income and distribution commission income from music publishing and licensing	**60,355**	59,346
Box-office takings, concessionary income and related income from cinemas	**445,145**	439,506
Artiste management fee income	**9,010**	17,024
Advertising income	**5,155**	6,927
Sale of game products	**36,273**	55,593
Total	**779,608**	1,167,538
Timing of revenue recognition		
At a point in time	**755,528**	1,142,672
Over time	**24,080**	24,866
Total turnover from contracts with customers	**779,608**	1,167,538

5. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	2025	2024
	HK$'000	*HK$'000*
Interest on:		
Lease liabilities	**34,980**	36,955
Other borrowings	**6,134**	6,642
Loan from a fellow subsidiary	**179**	—
Other finance costs	**1,358**	1,438
Total finance costs	**42,651**	45,035

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2025 HK$'000	2024 HK$'000
Cost of film rights, licence rights and film and TV program products	**59,997**	257,461
Cost of artiste management services and services for entertainment events provided	**146,397**	230,139
Cost of theatrical releasing and concessionary sales	**159,760**	161,028
Cost of inventories sold	**35,700**	67,786
Total cost of sales	**401,854**	716,414
Depreciation of property, plant and equipment^	**21,232**	45,986
Depreciation of right-of-use assets^	**62,221**	119,645
Amortisation of film rights#	**2,948**	2,274
Amortisation of film and TV program products#	**5,553**	68,522
Impairment of films and TV programs under production#	**27,785**	9,956
Impairment of property, plant and equipment*	**5,418**	87,931
Reversal of impairment of property, plant and equipment, net@ **	**(19,155)**	—
Write-off of items of property, plant and equipment*	**23**	2,422
Impairment of right-of-use assets*	**7,590**	200,551
Reversal of impairment of right-of-use assets, net@ &	**(25,364)**	—
Impairment of advances and other receivables*	**11,255**	15,905
Write-back of impairment of advances and other receivables@	**(672)**	(4,040)
Impairment of amounts due from joint ventures*	**2,393**	793
Write-back of impairment of amounts due from joint ventures@	**(4,156)**	(15,259)
Loss/(gain) on deregistration of subsidiaries*/@	**2,719**	(3,835)
Fair value changes from film investments*	**1,258**	2,568
Fair value changes from entertainment events organised by co-investors@	**(6,227)**	(8,314)
Fair value losses/(gains) on financial assets at fair value through profit or loss*/@	**(2,939)**	29,112
Gain on disposal of financial assets at fair value through profit or loss@	**(3,175)**	(140)
Gain on modification of leases@	**(75,978)**	(28,959)
Gain on termination of leases@	**(2,835)**	(12,156)
Impairment of inventories#	**—**	13,769
Foreign exchange differences, net@/*	**(2,398)**	2,590

^ Depreciation charge of HK$75,367,000 (2024: HK$158,997,000) related to cinema operation is included in "Other operating expenses" on the face of the consolidated income statement.

These items are included in "Cost of sales" on the face of the consolidated income statement.

* These items are included in "Other operating expenses" on the face of the consolidated income statement.

@ These items are included in "Other operating gains" on the face of the consolidated income statement.

** The item includes reversal of impairment of HK$23,847,000 net of impairment losses of HK$4,692,000 related to cinema operation.

& The item includes reversal of impairment of HK$45,998,000 net of impairment losses of HK$20,634,000 related to cinema operation.

7. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2025	2024
	HK$'000	*HK$'000*
Current		
— Hong Kong		
Charge for the year	**8**	55
Overprovision in prior years	**(1)**	(9)
	7	46
— Chinese Mainland		
Charge for the year	**1,421**	1,531
Subtotal	**1,428**	1,577
Deferred tax	**4**	(196)
Total	**1,432**	1,381

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the year attributable to owners of the Company and the weighted average number of ordinary shares of 1,755,876,866 (2024: 1,755,876,866) outstanding during the year.

No adjustment had been made to the basic loss per share amounts presented for the years ended 31 July 2025 and 2024 in respect of a dilution as the impact of share options of the Company had an anti-dilutive effect on the basic loss per share amounts presented.

9. DEBTORS

	2025	2024
	HK$'000	*HK$'000*
Trade debtors	**127,861**	222,020
Impairment	**(30,654)**	(30,825)
Net carrying amount	**97,207**	191,195

The trading terms of the Group with its customers are mainly on credit. Invoices are normally payable within 30 to 90 days of issuance, except for certain well-established customers, where the terms are extended to 120 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise its credit risk. Overdue balances are regularly reviewed by senior management. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's debtors are widely dispersed in different sectors and industries. The Group's debtors are non-interest-bearing.

The Group does not hold any collateral or other credit enhancements over these balances.

An ageing analysis of the trade debtors, net of loss allowance, based on the payment due date, as at the end of the reporting period, is as follows:

	2025	2024
	HK$'000	*HK$'000*
Trade debtors:		
Unbilled or neither past due nor impaired	**49,180**	68,510
1 to 90 days past due	**36,480**	100,938
Over 90 days past due	**11,547**	21,747
Total	**97,207**	191,195

10. CREDITORS AND ACCRUALS

An ageing analysis of the trade creditors, prepared based on the date of receipt of the goods and services purchased, as at the end of the reporting period, is as follows:

	2025	2024
	HK$'000	*HK$'000*
Trade creditors:		
Less than 30 days	**76,387**	47,083
31 to 60 days	**6,587**	5,554
61 to 90 days	**983**	6,440
Over 90 days	**3,039**	2,889
Subtotal	**86,996**	61,966
Other creditors and accruals	**447,978**	512,657
Total	**534,974**	574,623
Less: Portion classified as current	**(526,683)**	(565,746)
Non-current portion	**8,291**	8,877

11. DEPOSITS RECEIVED AND CONTRACT LIABILITIES

An analysis of the deposits received and contract liabilities is as follows:

	2025	2024
	HK$'000	*HK$'000*
Deposits received	**4,480**	7,145
Contract liabilities	**179,926**	142,506
Total	**184,406**	149,651

12. FINAL DIVIDEND

The Board does not recommend the payment of dividend for the year ended 31 July 2025 (2024: Nil).

13. COMPARATIVE AMOUNTS

Certain comparative amounts in the operating segment information have been re-presented to conform with the current year's presentation. In the opinion of the Directors, this presentation would better reflect the financial performance of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

During the year under review, the business landscape in Hong Kong continued to face significant headwinds. The retail sector encountered continuous challenges precipitated by a marked shift in consumer behaviours. These include a growing preference for northbound shopping and constrained domestic consumption. Although tourist arrivals increased in the first half of 2025 compared to the same period in 2024, both residents and visitors restrained from high-value expenditures.

The Hong Kong box office is navigating a complex landscape. The challenges encompass a significant shift in consumer habits, driven by the rise of streaming platforms and other digital entertainment, which has led to declining cinema attendance affecting theatre revenues. Moreover, the industry still contends with high rental and operational costs, and a lack of local and foreign blockbusters titles affects the theatre attendance. Although the record-breaking success of two local productions in 2024, "*The Last Dance*" and "*Twilight of the Warriors: Walled In*" - the highest-grossing domestic films ever - provided a much-needed stimulus, these challenging conditions persist and continue to impact the performance of cinema operations in Hong Kong.

Amidst the prevailing market conditions and economic uncertainties, a notable number of cinemas ceased operations in Hong Kong during the financial year, including the Group's MCL Cinemas Plus+ Plaza Hollywood and Grand Kornhill Cinema. In response, the Hong Kong government has introduced supportive initiatives such as "Cinema Day" and the "1st October Movie Fiesta" to boost box-office receipts, alongside the Film Development Fund, which aims to enhance the quality and quantity of local productions. The Group has consolidated its resources and leverage its brand to strengthen its competencies for cinema operation. Despite the challenging environment, the Group managed to achieve a slight revenue increase in its cinema operation with relatively good attendance, and remains committed to closely monitoring market conditions and improving overall operating efficiency. The Group will actively engage in cost optimisation measures and adopt a prudent approach in evaluating future opportunities for cinema operation.

Media Asia Group Holdings Limited (an indirect wholly-owned subsidiary of the Company), being the media and entertainment arm of the Group, will continue to produce high-quality and commercially viable products. Our recent releases, the crime thriller "*Octopus with Broken Arms*" and the mystery-comedy "*Detective Chinatown 1900*", both produced by Chen Sicheng, one of the Chinese Mainland's most consistently successful writers-directors-producers, have achieved commendable box office performance and critical acclaim. The Group will continue to be prudent in investing in original productions of quality films.

The Group continues to produce quality TV drama series in response to the ongoing strong demand for quality programs from TV stations and online video platforms in the Chinese Mainland. The Group is in discussion with various Chinese partners for new project development in TV drama production. It is expected that a new TV drama to be released around early 2026.

The distribution licence for music products with Tencent Music Entertainment (Shenzhen) Co., Ltd. and Warner Music continues to provide stable income to the Group. Recent concerts, including "*You & Mi Sammi Cheng Live in Macau 2025*", "*STEP by STEPHY Live in Hong Kong 2025*", and "*the SOUNDTRACK of my LIFE Jay Fung Concert 2024*", earned good reputation and public praises. The Group will continue to work with prominent local and Asian artistes for concert promotion, with upcoming events including concerts of Grasshopper, Ekin Cheng, and Big Four.

Looking ahead, we believe that the Group's integrated media platform, comprising movies, TV programs, music, artiste management, and live entertainment, puts it in a strong position to capture opportunities in the entertainment market through a balanced and synergetic approach. The Group will continue to explore cooperation and investment opportunities to enrich its portfolio, broaden its income stream, and maximise value for its shareholders.

Other Business Updates

As at 31 July 2025, the Group's consolidated cash and bank deposits amounted to HK$482.5 million (31 July 2024: HK$354.3 million). After netting off total borrowings of HK$275.8 million as at 31 July 2025 (31 July 2024: HK$239.7 million), the Group had net cash of HK$206.7 million as at 31 July 2025 (31 July 2024: net cash of HK$114.6 million). The Group is in net cash position, therefore gearing ratio of the Group, being the net borrowings (total borrowings minus cash and bank deposits) to net assets attributable to the owners of the Company, is not applicable. The Group will continue its prudent and flexible approach in managing its financial position.

OVERVIEW OF ANNUAL RESULTS

The Group's operations include the production and distribution of films and TV programs, music production and publishing, management and production of concerts, artiste management and cinema operation.

For the year ended 31 July 2025, the Group recorded a turnover of HK$779.6 million (2024: HK$1,167.5 million), representing a decrease in revenue of approximately 33.2%. The decrease was primarily driven by the reduction in revenue from film and TV programs, as well as from the media and entertainment, while being slightly offset by the growth in income from cinema operation during the year under review as compared to last financial year.

Revenue from film and TV programs experienced a significant decrease of approximately 86.3% as compared to last financial year. This decline was mainly attributed to the decrease in income from distribution commission, licence fee, sale of film and TV program products and film rights during the year under review. In particular, no TV program was released by the Group during the year under review. Furthermore, revenue from overall media and entertainment business decreased by approximately 25.6% compared to last financial year. The reduction was primarily driven by the fewer organisation and scales in concerts featuring our local and Asian renowned artistes by the Group during the year under review.

Revenue from cinema operation slightly increased by approximately 1.3% as compared to last financial year, which was primarily due to the blockbuster titles "*The Last Dance*" and "*Ne Zha 2*", which demonstrated clout and helped the cinemas to charter their course through these rough waters. Nonetheless, unfavourable conditions such as significant shift in consumer habits driven by the rise of streaming platforms, high rental and operational costs, and lack of blockbusters titles generally remained a pressure to cinema operation. The Group is actively engaging in cost optimisation measures for the cinema operation.

The gross profit of the Group decreased by approximately 16.2% to HK$377.8 million for the year ended 31 July 2025 (2024: HK$451.1 million). The decline was primarily driven by a reduction in contribution from film and TV program segment, because no TV program was released by the Group during the year under review. The net loss attributable to owners of the Company for the year ended 31 July 2025 significantly improved to approximately HK$12.8 million (2024: net loss of HK$510.9 million). The significant reduction in consolidated loss for the year was primarily attributed to (i) reversal of impairment of right-of-use assets and property, plant and equipment during the year under review whereas significant impairment losses have been provided to these assets in previous financial year; (ii) decrease in depreciation of right-of-use assets and property, plant and equipment as a result of the impairment losses provided for these assets in previous financial year; and (iii) increase in gain on modification of leases upon successful negotiation with landlords for rent concessions and rent restructuring. Net loss per share attributable to owners of the Company was HK$0.007 (2024: net loss of HK$0.291 per share).

Equity attributable to owners of the Company as at 31 July 2025 amounted to HK$67.4 million (31 July 2024: HK$118.5 million). Net asset value per share attributable to owners of the Company as at 31 July 2025 was HK$0.038 per share (31 July 2024: HK$0.067 per share).

Cinema Operation

For the year ended 31 July 2025, this segment recorded a turnover of HK$445.1 million (2024: HK$439.5 million) and segment results of a profit of HK$117.0 million (2024: a loss of HK$351.5 million). As at the date of this results announcement, the Group operates fourteen cinemas in Hong Kong and one cinema in Chinese Mainland. Details on the number of screens and seats of each existing cinema are disclosed in below table. Besides, the Group has extended its cinema network through two 50% joint ventures with Emperor Cinemas Group, namely Emperor Cinemas Plus+ (The Wai) (opened in July 2023) and Emperor Cinemas Plus+ (The Southside) (opened in June 2024), which are managed by Emperor Cinemas Group.

Cinema (managed by the Group)		No. of screens	No. of Seats
Chinese Mainland			
Suzhou Grand Cinema City		10	1,440
	Subtotal	**10**	**1,440**
Hong Kong			
K11 Art House		12	1,708
Movie Town (including MX4D theatre)		7	1,702
Festival Grand Cinema		8	1,196
MCL AIRSIDE Cinema		7	944
MCL The ONE Cinema		6	831
MCL Cyberport Cinema		4	818
MCL Telford Cinema (including MX4D theatre)		6	789
MCL Metro City Cinema		6	690
MCL Citygate Cinema		4	673
STAR Cinema		6	622
MCL Amoy Cinema		3	603
MCL Cheung Sha Wan Cinema		4	418
MCL Green Code Cinema		3	285
Grand Windsor Cinema		3	246
	Subtotal	**79**	**11,525**
	Total	**89**	**12,965**

Media and Entertainment

For the year ended 31 July 2025, this segment recorded a turnover of HK$287.9 million (2024: HK$387.1 million) and segment results of an increased profit to HK$43.2 million from that of HK$35.1 million last financial year.

Events Management

During the year under review, the Group organised and invested in 45 (2024: 77) shows by popular local and Asian renowned artistes, including Sammi Cheng, Raymond Lam, Grasshopper, Ekin Cheng, Jay Fung, Mayday, Stephy Tang, Cloud Wan, Jace Chan, Dear Jane, Tsai Chin, ILUB, YEAHS and Zhao Chuan.

Music Production, Distribution and Publishing

During the year under review, the Group released 19 (2024: 14) albums, including titles by Anita Mui, Leslie Cheung, Eason Chan, Ekin Cheng, Sammi Cheng, Miriam Yeung, Jay Fung, On Chan, Stephy Tang, Cloud Wan, Ansonbean and YEAHS. The Group expects to continue to increase its music licensing revenue from the exploitation of the music library through new media distribution.

Artiste Management

The Group has a strong artiste management team and a sizeable number of talents and will continue to expand its profile and in tandem with our growing TV drama production and film production businesses. The Group currently has 13 artistes under its management.

Film and TV Program Production and Distribution

For the year ended 31 July 2025, this segment recorded a turnover of HK$46.6 million (2024: HK$341.0 million) and segment results of an increased loss to HK$52.0 million (2024: loss of HK$21.9 million).

During the year under review, a total of 7 (2024: 3) films and nil (2024: 3) TV program produced/invested by the Group were theatrically released, namely "*Octopus with Broken Arms*", "*Detective Chinatown 1900*", "*An Abandoned Team*", "*The Grey Men 2*", "*Decoded*", "*The Volunteers: The Battle of Life and Death*" and "*The Way Out*". The Group also distributed 46 (2024: 42) films with high profile titles including "*The Last Dance*", "*Gladiator II*", "*Transformers One*" and "*Ne Zha 2*".

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

Cash and Bank Balances

As at 31 July 2025, cash and bank balances held by the Group amounted to HK$482.5 million (2024: HK$354.3 million) of which around 83.1% was denominated in Hong Kong dollars ("**HKD**") and around 12.2% was denominated in Renminbi ("**RMB**"). The conversion of RMB denominated cash and bank balances into foreign currencies and the remittance of such foreign currencies denominated balances out of Chinese Mainland are subject to the relevant rules and regulations of foreign exchange control promulgated by the government authorities concerned. The Group does not have any derivative financial instruments or hedging instruments outstanding.

Borrowings

As at 31 July 2025, the Group had outstanding consolidated total borrowings in the amount of HK$275.8 million. The borrowings of the Group are as follows:

The Group had unsecured other borrowings due to the late Mr. Lim Por Yen in the principal amount of HK$113.0 million which is interest-bearing at the HSBC prime rate per annum. The Group's recorded interest accruals were HK$132.8 million for the said unsecured other borrowings as at 31 July 2025. As at 31 July 2025, the other borrowings of the Group were denominated in HKD and repayable on demand.

Apart from the other borrowings, the Group had an unsecured loan of HK$30.0 million from a fellow subsidiary, which is a wholly-owned subsidiary of Lai Sun Development Company Limited. The loan is on floating rate basis, denominated in HKD and repayable within one year. The Group had an undrawn facility of HK$20.0 million as at 31 July 2025.

Gearing

After netting off total borrowings, the Group had net cash of HK$206.7 million as at 31 July 2025. The Group is in net cash position, therefore gearing ratio of the Group, being the net borrowings (total borrowings minus cash and bank deposits) to net assets attributable to the owners of the Company, is not applicable.

Taking into account the amount of cash being held as at the end of the reporting period, the available facilities to the Group and the recurring cash flows from the Group's operating activities, the Group believes that it would have sufficient liquidity for its present requirements to finance its existing operations and projects underway.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 July 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed the Company's listed securities (including sale of treasury shares, if any).

CORPORATE GOVERNANCE

The Company is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures for compliance with the principles and code provisions set out from time to time in the Corporate Governance Code ("**CG Code**") contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company has complied with all applicable code provisions set out in the CG Code for the year ended 31 July 2025.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 July 2025, the Group employed a total of around 390 (2024: 470) employees. The Group recognises the importance of maintaining a stable staff force in its continued success. Under the Group's existing policies, employee pay rates are maintained at competitive levels whilst promotion and salary increments are assessed on a performance-related basis. Discretionary bonuses are granted to employees based on their merit and in accordance with industry practice. Other benefits including share option scheme, mandatory provident fund scheme, free hospitalisation insurance plan, subsidised medical care and sponsorship for external education and training programs are offered to eligible employees.

INVESTOR RELATIONS

To ensure our investors have a better understanding of the Company, our management engages in a proactive investor relations program. Our Executive Directors and Investor Relations Department communicate with research analysts and institutional investors regularly.

The Group maintains proactive interactions with the investment community and provides them with updates on the Group's operations, financial performance and outlook. During the year under review, the Company has been communicating with a range of stakeholders via physical/online meetings and conference calls.

The Company is keen on promoting investor relations and enhancing communication with its shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public who may contact the Investor Relations Department by phone on (852) 2853 6106, by fax at (852) 2853 6651 or by e-mail at ir@esun.com.

REVIEW OF ANNUAL RESULTS

The audit committee of the Company ("**Audit Committee**") currently comprises three Independent Non-executive Directors, namely Dr. Ng Lai Man, Carmen (Chairwoman), Mr. Low Chee Keong and Mr. Alfred Donald Yap. The Audit Committee has reviewed the consolidated financial statements of the Company for the year ended 31 July 2025 including the accounting principles and practices adopted by the Company as well as the risk management, internal control and financial reporting matters.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 July 2025 as set out in the preliminary results announcement have been agreed by the Company's auditor, Ernst & Young, Certified Public Accountants ("**Ernst & Young**") to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance has been expressed by Ernst & Young on the preliminary results announcement.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be held on Friday, 19 December 2025 ("**2025 AGM**"). Notice of the 2025 AGM together with the Company's Annual Report for the year ended 31 July 2025 will be published on the respective websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company at www.esun.com and the printed copies will be despatched to shareholders of the Company in mid-November 2025.

RECORD DATE FOR ATTENDING AND VOTING AT 2025 AGM

To ascertain the entitlements to attend, speak and vote at the 2025 AGM, all relevant transfer document(s) and share certificate(s) must be lodged with the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, 15 December 2025 for registration. The record date for attending, speaking and voting at the 2025 AGM is Monday, 15 December 2025.

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

Hong Kong, 21 October 2025

As at the date of this announcement, the Board comprises three Executive Directors, namely Messrs. Yang Yiu Chong, Ronald Jeffrey (Chief Executive Officer), Cheung Sum, Sam (Group Chief Financial Officer) and Lam Hau Yin, Lester (also alternate to Madam U Po Chu); 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.