



LAI SUN DEVELOPMENT
Lai Sun Development Company Limited
(Incorporated in Hong Kong with limited liability)



eSun Holdings Limited
(Incorporated in Bermuda with limited liability)
Share Transaction

JOINT ANNOUNCEMENT
ACQUISITION OF 50% OF UNION HOLDING LIMITED
AND
POSSIBLE DECONSOLIDATION OF eSUN HOLDINGS LIMITED

On 9th February, 2001, eSun, through Autumn Gold, acquired from Mr. Chan 5 existing shares of UHL, representing 50% of the issued share capital of UHL, for a total consideration of HK\$7,600,005. The consideration was settled as to HK\$2,000,005 in cash, and as to the balance of HK\$5,600,000 by the allotment and issue of Consideration Shares at an issue price of HK\$1.00 per share. The allotment and issue of the Consideration Shares is conditional upon all necessary consents, authorisations and approvals being obtained from the Stock Exchange, other regulatory body or any other persons. If such condition is not satisfied or waived within three months from the date of the Agreement, the balance will be settled in cash. The Agreement was signed and completed on the same day.

The Acquisition constitutes a share transaction for eSun within the meaning of the Listing Rules.

LSD at present owns 285,512,791 of eSun's existing issued 565,584,927 shares, representing approximately 50.48% of its existing issued share capital. As a result of the allotment and issue of the Consideration Shares to Mr. Chan, if it happens, LSD's shareholding percentage in eSun will be reduced, by way of dilution, to 49.99%, and eSun will cease to be a subsidiary of LSD.

At the request of LSD and eSun, trading in shares of LSD and shares of eSun was suspended with effect from 10:00 a.m. on Monday, 12th February, 2001 pending the release of this announcement. Applications have been made to the Stock Exchange for resumption of trading in shares of LSD and shares of eSun with effect from 10:00 a.m. on Tuesday, 13th February, 2001.

A. DETAILS OF THE ACQUISITION

1. Terms of the Agreement

Date:

9th February, 2001

Parties:

Mr. Chan (vendor), Autumn Gold (purchaser) and UHL

Assets to be acquired:

5 shares of HK\$1.00 each, representing 50% of the issued share capital of UHL; the remaining 50% of the issued share capital of UHL will continue to be beneficially owned by Mr. Chan.

Consideration:

HK\$7,600,005, comprising (a) HK\$2,000,005 in cash, payable on completion; and (b) HK\$5,600,000 by the allotment and issue of the Consideration Shares.

Conditions:

The allotment and issue of the Consideration Shares is conditional upon all necessary consents, authorisations and approvals being obtained from the Stock Exchange, other regulatory authority and any other persons. If for any reason the condition is not satisfied or waived within three months from the date of the Agreement, the balance of the consideration will be settled in cash.

Completion:

The Agreement was signed and completed on 9th February, 2001.

Other Material Terms:

The Agreement provides that Mr. Chan and his associate will control the daily management of UHL. Autumn Gold will fund the working capital of UHL by way of interest bearing shareholder loans, and shall be entitled to certain repayment priority over dividend distribution. The Agreement also provides that Mr. Chan will exercise his best endeavours to persuade the artists managed by ACL (with certain exceptions named in the Agreement) to renew their agency contracts with UHL, and that Mr. Chan will not enter into any new contracts with the existing artists of ACL except through UHL. All new artists accessible by Mr. Chan and ACL will be signed by UHL.

The Agreement contains certain provisions that prohibit Mr. Chan and ACL from competing against the business of UHL, except that Mr. Chan (in his personal capacity or through ACL) is permitted to carry on similar business for a few specified artists for his own account.

2. Description of UHL and Mr. Chan

UHL is engaged in the provision of agency services for artists in the entertainment industry. It has also entered into agreement with ACL whereby UHL will be entitled to receive all commissions earned by ACL under various existing agency contracts (with certain exceptions), and will be responsible for ACL's costs and expenses. Autumn Gold and Mr. Chan will each be entitled to equal board representation and shareholder votes in UHL, and the chairman of UHL is not entitled to a second or casting vote. Accordingly, UHL has not become a subsidiary of eSun post completion of the Agreement.

3. Description of Autumn Gold

Autumn Gold is a wholly-owned subsidiary of eSun, established for the sole purpose of investing in UHL.

4. Description of ACL

ACL is a company wholly-owned by Mr. Chan. It is engaged in the provision of agency services for artists, property holding and other investments. Mr. Chan has over 20 years of experience in managing artists in the media and entertainment industry. He has represented over 50 artists in Asia.

5. Reasons for and Benefits of the Acquisition

By virtue of the Acquisition, eSun will have greater access and availability to media and entertainment talent for its future business development. At the same time, Autumn Gold will provide greater access for the UHL/ACL artists to perform or participate in all media and entertainment events, programs and activities that Autumn Gold and eSun has interest, ownership or control, thus creating more opportunities for the artists and revenue for Autumn Gold.

The Agreement was negotiated on an arm's length basis between eSun and Mr. Chan. The directors of eSun consider the terms and provisions of the Agreement fair and reasonable, and the transaction is in the interests of eSun. Mr. Chan is not related to the directors, chief executive and substantial shareholders of eSun or its subsidiaries or any of their respective associates.

B. DESCRIPTIONS OF CONSIDERATION SHARES

The Consideration Shares, when issued, will rank pari passu in all respects with the existing shares of eSun in issue.

The Consideration Shares represent approximately 0.99% and 0.98% of the existing and enlarged issued share capital of eSun respectively.

The issue price of the Consideration Shares represents a premium of approximately 20.50% over the closing price of HK\$0.83 of eSun as quoted on the Stock Exchange on 8th February, 2001, representing the latest trading price of eSun and a premium of approximately 19.90% over the average closing price for the last 10 trading days (being HK\$0.834). The Consideration Shares will be issued pursuant to the general mandate granted to the board of eSun at the special general meeting held on 29th December, 2000. Application will be made to the Stock Exchange for listing of and permission to deal in the Consideration Shares.

The Acquisition constitutes a share transaction for eSun within the meaning of the Listing Rules.

C. DECONSOLIDATION OF eSUN

LSD at present owns 285,512,791 of eSun's existing issued 565,584,927 shares, representing approximately 50.48% of its existing issued share capital. As a result of the allotment and issue of the Consideration Shares to Mr. Chan, if it happens, LSD's shareholding percentage in eSun will be reduced, by way of dilution, to 49.99%, and eSun will cease to be a subsidiary of LSD. The dilution and the consequential deconsolidation will not give rise to any loss in the accounts of LSD, nor will it have any adverse financial impact on LSD.

D. GENERAL

The principal businesses of eSun are the development and operation of, and investment in, telecommunications, media, entertainment and other related businesses, through Internet or other electronic means.

E. SUSPENSION AND RESUMPTION OF TRADING

At the request of LSD and eSun, trading in shares of LSD and shares of eSun was suspended with effect from 10:00 a.m. on Monday, 12th February, 2001 pending the release of this announcement. Applications have been made to the Stock Exchange for resumption of trading in shares of LSD and shares of eSun with effect from 10:00 a.m. on Tuesday, 13th February, 2001.

F. TERMS USED IN THIS ANNOUNCEMENT

"ACL"	The Artiste Campus Limited, a company incorporated in Hong Kong with limited liability and wholly-owned by Mr. Chan
"Acquisition"	the acquisition of 5 existing shares of HK\$1.00 each of UHL pursuant to the Agreement
"Agreement"	the conditional agreement dated 9th February, 2001 made between Mr. Chan Chee Kheong, Autumn Gold and UHL relating to the sale and purchase of 5 existing shares of HK\$1.00 each of UHL
"Autumn Gold"	Autumn Gold Limited, a wholly-owned subsidiary of eSun
"Consideration Shares"	a total of 5,600,000 new shares of HK\$0.50 each in the capital of eSun to be issued by eSun at HK\$1.00 per share, as consideration for the Acquisition, representing approximately 0.99% and 0.98% of the existing and enlarged issued share capital of eSun respectively
"eSun"	eSun Holdings Limited, an exempt company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"LSD"	Lai Sun Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
"Mr. Chan"	Mr. Chan Chee Kheong, an independent third party not related to the directors, chief executive and substantial shareholders of eSun or its subsidiaries or any of their respective associates
"PRC"	the People's Republic of China
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"UHL"	Union Holding Limited, a company incorporated in Hong Kong with limited liability, an independent third party which, save for the interest acquired by eSun pursuant to the Agreement, is not related to the directors, chief executive and substantial shareholders of eSun or its subsidiaries or any of their respective associates
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board
Lai Sun Development Company Limited
Yeung Kam Hoi
Company Secretary

By Order of the Board
eSun Holdings Limited
Yeung Kam Hoi
Company Secretary

Hong Kong, 12th February, 2001