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eSun Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 571)

ANNOUNCEMENT

SUPPLEMENTAL MEMORANDUM OF COOPERATION RESIDENTIAL PROPERTY PROJECT IN COTAI, MACAU

The Company announces that subsequent to the Memorandum dated 15th November 2004, a Supplemental MOU has been entered into by the Company's wholly-owned subsidiary, the Project Leader with the Proposed Partner on 29th June 2005 to extend the time limit set out under the Memorandum in respect of the residential property development project in a plot within the Cotai Site. The Company will keep shareholders informed of the progress in the development of the Cotai Site in accordance with the Listing Rules.

The Directors of eSun Holdings Limited (the "Company") refer to the announcements of the Company dated 17th November 2004 and 30th May 2005 and announce that East Asia - Televisão por Satélite, Limitada ("Project Leader"), a wholly-owned subsidiary of the Company incorporated in Macau, has entered into a supplemental memorandum of cooperation (the "Supplemental Memorandum") with Lai Fung Holdings Limited ("Proposed Partner") on 29th June 2005 to extend the time limit set out under the Memorandum of Cooperation between the Project Leader and Proposed Partner dated 15th November 2004 (the "Memorandum").

The Memorandum set out the major terms of the proposed transaction (the "Proposed Transaction"), pursuant to which the Project Leader granted to the Proposed Partner a right to participate in the development and profit distribution of the proposed residential property development project (the "Project") that the Proposed Partner was obliged to contribute to and share 40% of the development costs and profit of the Project on the piece of land with an area of approximately 20,000 square metres situated within the site in Cotai City more particularly described as Zona de Aterro entre Taipa e Coloane, Lotes G300, G310 e G400, Estrada Flor de Lotus, Taipa, Macau SAR which has an area of approximately 141,000 square metres (the "Cotai Site"). The Proposed Transaction constituted a discloseable transaction under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "the Listing Rules") and have been disclosed in the announcement of the Company dated 17th November 2004 and the circular of the Company dated 6th December 2004.

The Company also disclosed in an announcement dated 30th May 2005 that (1) the proposed development plans in respect of the Cotai Site were submitted by the Project Leader on 4th February 2005 (the "Cotai Development Plans"); and (2) a conditional approval dated 19th May 2005 has been given by the Macau SAR government to the Cotai Development Plans for the construction of a television/ film studio, concert hall, convention and exhibition centre and retail complex, two four- to five-star hotels, and an all-suite hotel covering a total gross floor area of approximately 340,000 square metres in an area representing approximately 87% of the Cotai Site. The remaining 13% of the Cotai Site will be reserved tentatively for community and/or other uses. Such approval is conditional to usual procedural and administrative compliances. While the Proposed Partner did not participate in the submission of the Cotai Development Plans, both the Company and the Proposed Partner intend to continue to develop the Project. The Project Leader will continue to pursue actively with the Macau Government to explore the opportunity of developing the Project which will involve submitting relevant application and/ or specific proposed development plans with the aim of securing the approval of the Project.

As previously disclosed, the Memorandum provides, inter alia, that (i) the Project Leader shall obtain the relevant approvals for the Project (the "Approval") no later than June 2005 (or such later date as the Proposed Partner may agree); in the event that the Project Leader fails to obtain the Approval before the prescribed time, the Proposed Partner shall have the right during the period from 1st to 31st July 2005 to withdraw from the Proposed Transaction and request the Project Leader to refund the earnest money (without interest); and (ii) after the Project Leader has obtained the Approval, the Proposed Partner shall serve a written notice to the Project Leader in early July 2005 to confirm the Proposed Transaction and the parties shall enter into the formal cooperation agreement within 14 days (or such later date as may be agreed between the parties) from the date of such notice.

The Project Leader will continue to use its best endeavours to obtain the Approval. Therefore, since early June 2005, Project Leader has initiated negotiations with the Proposed Partner and both parties agreed to extend the deadline for obtaining the Approval to no later than December 2005 which would serve the best interests of both parties.

After negotiations between the parties, the Project Leader and the Proposed Partner have agreed to entered into the Supplemental Memorandum pursuant to which the parties agreed to (i) extend the deadline for obtaining the Approval to no later than December, 2005 and in the event that the Project Leader fails to obtain such Approval before the prescribed time, the Proposed Partner shall have the right during the period from 1st to 31st January 2006 to withdraw from the Proposed Transaction and request the Project Leader to refund the earnest money (without interest); and (ii) after the Project Leader has obtained the Approval, the Proposed Partner shall serve a written notice to the Project Leader in early January 2006 to confirm the Proposed Transaction and the parties shall enter into the formal cooperation agreement within 14 days (or such later date as may be agreed between the parties) from the date of such notice.

The Company will keep shareholders informed of the progress in the development of the Cotai Site. **In the meantime, shareholders and the investing public are advised to exercise caution when dealing in the listed securities of the Company.**

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

Hong Kong, 4th July 2005

As at the date hereof, the executive directors of the Company are Mr. Lien Jown Jing, Vincent, Mr. Lee Po On, Mr. Lam Kin Ngok, Peter, and Mr. Liu Ngai Wing; the non-executive directors are Mr. Lam Kin Ming, Miss Tam Wai Chu, Maria, Madam U Po Chu, Mr. Shiu Kai Wah and Mr. Chiu Wai; the independent non-executive directors are Mr. Alfred Donald Yap, Mr. Low Chee Keong and Mr. Tong Ka Wing, Carl.