



## eSun Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 571)

### TERMINATION OF MEMORANDUM OF COOPERATION RESIDENTIAL PROPERTY PROJECT IN COTAI, MACAU

This announcement is made pursuant to Rules 13.09 and 14.36 of the Listing Rules.

Following arm's length negotiations between the Project Leader and the Proposed Partner, the Termination Agreement was executed on 31st March, 2006 to extinguish the parties' obligations, rights and duties under the Memorandum. Pursuant to the Termination Agreement, the Project Leader shall refund the earnest money in the amount of HK\$46 million to the Proposed Partner within seven business days of the execution of the Termination Agreement.

The Directors of eSun Holdings Limited (the "Company") refer to the announcements of the Company dated 17th November, 2004, 30th May, 2005, 4th July, 2005 and 29th December, 2005 and announce that East Asia — Televisao por Satellite, Limitada ("Project Leader"), a wholly-owned subsidiary of the Company incorporated in Macau SAR, has entered into a termination agreement ("Termination Agreement") with Lai Fung Holdings Limited ("Proposed Partner") on 31st March, 2006 to terminate the Memorandum of Cooperation between the Project Leader and Proposed Partner dated 15th November, 2004 (the "Memorandum") (as revised by the two supplemental memoranda respectively dated 29th June, 2005 and 28th December, 2005).

The Memorandum sets out the major terms of the proposed transaction (the "Proposed Transaction") relating to the granting of the participation rights by the Project Leader to the Proposed Partner allowing the Proposed Partner to contribute to and share 40% of the development costs and profit of the proposed residential property development project ("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").

As previously disclosed, pursuant to the Memorandum, the Proposed Partner shall pay to the Project Leader an earnest money in the sum of HK\$46 million as consideration for its right to participate in the development of the Project; and the Project Leader shall obtain the relevant governmental licence or approval for the design of works of the Project (the "Approval") no later than 30th June, 2006 (as extended by the supplemental memorandum dated 28th December, 2005). The earnest money has been fully paid by the Proposed Partner to the Project Leader in accordance with the terms of the Memorandum.

As at 30th March, 2006, the Approval has not been obtained. Continuous efforts have been made by the Project Leader since the parties entered into the Memorandum in November 2004 to explore the feasibility of obtaining the Approval and proceeding with the Project. Following arm's length negotiations between the Project Leader and the Proposed Partner, the Proposed Partner considers that there exists uncertainties in the feasibility of obtaining the Approval. Taking into consideration their respective commercial interests, the Project Leader and the Proposed Partner have agreed to terminate the Memorandum (as revised by the two supplemental memoranda respectively dated 29th June 2005 and 28th December 2005) and extinguish the obligations, rights and duties of the parties thereunder. The Termination Agreement was executed on 31st March, 2006.

Under the Termination Agreement, the Project Leader shall refund the earnest money in the amount of HK\$46 million (without interest) to the Proposed Partner within seven business days of the execution thereof. The parties confirm that there will be no claim or matters outstanding under the Memorandum upon full refund of the earnest money. The Company will repay the HK\$46 million from internal resources and it is not anticipated that the repayment will have any material impact on the Company.

The Proposed Transaction constitutes a discloseable transaction under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and this announcement is made by the Company under the general disclosure requirements under Rule 13.09 and Rule 14.36 of the Listing Rules.

#### Unusual Trading Volume Movements

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

The Directors of the Company noted the recent increase in the trading volume of the shares of the Company and wish to state that the Directors are not aware of any reasons for such increase.

The Directors also confirm that, save for the matters disclosed herein and in the announcements dated 15th March, 2006 and 30th March, 2006, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09, which is or may be of a price-sensitive nature.

The Directors of the Company individually and jointly accept responsibility for the accuracy of this statement.

**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, 31st March, 2006

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, Mr. Liu Ngai Wing and Mr. Cheung Wing Sum, Ambrose; the non-executive directors are Mr. Lam Kin Ming, Madam Tam Wai Chu, Maria and Madam U Po Chu and the independent non-executive directors are Mr. Alfred Donald Yap, Mr. Low Chee Keong and Mr. Tong Ka Wing, Carl.