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LAI SUN DEVELOPMENT

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

(Stock Code: 488)



eSun Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 571)

**JOINT ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTION**

Gilroy, a wholly-owned subsidiary of LSD, entered into the Offer Letter with Media Asia, a wholly-owned subsidiary of eSun on 5 October 2007 pursuant to which Gilroy agreed to lease to Media Asia the Premises for a term of three years commencing from 1 October 2007.

As eSun holds a 36.72% interest in LSD, Media Asia is an associate of a connected person of LSD under the Listing Rules. LSD in turn holds a 34.75% in eSun, and Gilroy is therefore an associate of a connected person of eSun under the Listing Rules. Accordingly, the entering into of the Offer Letter between Gilroy and Media Asia constitutes a continuing connected transaction for LSD and eSun under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios for the transaction under the Offer Letter is less than 2.5% on an annual basis for both LSD and eSun, the transaction under the Offer Letter is subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules but no independent shareholder approval is required.

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THE OFFER LETTER

Date : 5 October 2007

Parties : Gilroy as landlord
Media Asia as tenant

Premises : The whole 24th Floor, Causeway Bay Plaza 2,
463-483 Lockhart Road, Hong Kong

Gross Floor Area : 7,500 sq. ft.

Term : 3 years, from 1 October 2007 to 30 September 2010

Rent : HK\$165,000 per calendar month (exclusive of rates,
government rent, management fee, air-conditioning
charges and other outgoings)

Management Fee and : HK\$36,225 per calendar month (subject to revision
Air-conditioning Charges from time to time)

Rates and Government : Media Asia shall be responsible for paying the rates
Rent and government rent (if any) quarterly in advance and
subject to revision from time to time

User : For office use only

A formal tenancy agreement will be signed between Gilroy and Media Asia. The Offer Letter shall continue to be a binding tenancy agreement between the parties until it is superseded by the formal tenancy agreement subsequently entered into.

The aggregate annual rental (exclusive of other charges) payable by Media Asia to Gilroy under the Offer Letter for each of the financial years ending 31 July 2008, 2009, 2010 and 2011 of LSD will be subject to the cap amount of HK\$1,650,000, HK\$1,980,000, HK\$1,980,000 and HK\$330,000 respectively.

The aggregate annual rental (exclusive of other charges) payable by Media Asia to Gilroy for each of the financial years ending 31 December 2007, 2008, 2009 and 2010 of eSun will be subject to the cap amount of HK\$495,000, HK\$1,980,000, HK\$1,980,000 and HK\$1,485,000 respectively.

The cap amounts are determined by reference to the annual rent payable by Media Asia to Gilroy under the Offer Letter.

REASONS FOR THE TRANSACTION

The terms and conditions of the Offer Letter were determined after arm's length negotiations between the parties. The rental and other fees have been determined by reference to open market rates for comparable premises in Causeway Bay Plaza 2.

Gilroy had taken into account the space committed and the quality of the tenant concerned. Media Asia had also taken into account the convenient location and the quality of the Premises concerned.

Causeway Bay Plaza 2 is held by LSD Group as investment for rental purpose. The directors of LSD and eSun (including their respective independent non-executive directors) are of the opinion that the Offer Letter was entered into (i) in the ordinary and usual course of business of the LSD Group and the eSun Group respectively; (ii) on normal commercial terms after arm's length negotiations between the parties; and (iii) on terms that are fair and reasonable and in the interests of LSD and eSun and their respective shareholders as a whole.

LISTING RULES REQUIREMENTS

Gilroy, as landlord, is a wholly-owned subsidiary of LSD and Media Asia, as tenant, is a wholly-owned subsidiary of eSun. As eSun holds a 36.72% interest in LSD, Media Asia is an associate of a connected person of LSD under the Listing Rules. LSD in turn holds a 34.75% interest in eSun, and Gilroy is therefore an associate of a connected person of eSun under the Listing Rules. Accordingly, the entering into of the Offer Letter between Gilroy and Media Asia constitutes a continuing connected transaction for both LSD and eSun under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios for the transaction under the Offer Letter is less than 2.5% on an annual basis for both LSD and eSun, the transaction under the Offer Letter is a continuing connected transaction under Rule 14A.34 of the Listing Rules, and is subject to reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules but no independent shareholder approval is required. LSD and eSun will also comply with the requirements under Rules 14A.37 to 14A.40 of the Listing Rules in relation to the Offer Letter during each of their respective financial years covering the Offer Letter.

GENERAL

The LSD Group is principally engaged in property development for sale, property investment, operation of and investment in hotels and restaurants and investment holding.

The eSun Group is principally engaged in the development and operation of and investment in media, entertainment, music production and distribution businesses, advertising agency services, satellite television operations and the development of a site in Cotai into a multi-purpose complex comprising retail, entertainment and world-class hotels in the name of "Macao Studio City".

DEFINITIONS

"associate"	has the meaning ascribed to it under the Listing Rules
"eSun"	eSun Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
"eSun Group"	eSun and its subsidiaries
"Gilroy"	Gilroy Company Limited, a company incorporated in Hong Kong with limited liability

“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 and the shares of which are listed on the Stock Exchange
“LSD Group”	LSD and its subsidiaries
“Media Asia”	Media Asia Group Limited, a company incorporated in Hong Kong with limited liability
“Offer Letter”	the offer letter dated 5 October 2007 from Gilroy and accepted by Media Asia pursuant to which Gilroy has leased the Premises to Media Asia
“Premises”	The whole 24th Floor, Causeway Bay Plaza 2, 463-483 Lockhart Road, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s)
“%”	per cent.

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, 9 October 2007

As at the date hereof, the executive directors of LSD are Mr. Lam Kin Ngok, Peter; Mr. Lau Shu Yan, Julius, Mr. Tam Kin Man, Kraven, Mr. Cheung Wing Sum, Ambrose, Mr. Cheung Sum, Sam and Ms. Leung Churk Yin, Jeanny; the non-executive directors are Mr. Lam Kin Ming and Madam U Po Chu and the independent non-executive directors are Mr. David Tang, Mr. Lam Bing Kwan and Mr. Leung Shu Yin, William.

As at the date hereof, the executive directors of eSun are Mr. Lam Kin Ngok, Peter, Ms. Leung Churk Yin, Jeanny, Mr. Liu Ngai Wing, Mr. Cheung Wing Sum, Ambrose, and Mr. Low Kit Leong; the non-executive directors are Mr. Lien Jown Jing, Vincent, 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.