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eSun Holdings Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 571)

ANNOUNCEMENT CONTINUING CONNECTED TRANSACTION

Gilroy, a wholly-owned subsidiary of LSD, entered into the Offer Letter with eSun on 11 December 2009 pursuant to which Gilroy agreed to lease to eSun the Premises for a term of three years commencing from 6 December 2009 to 5 December 2012.

As eSun holds a 36.72% interest in LSD, eSun is a connected person of LSD under the Listing Rules. LSD in turn holds a 36.08% 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 eSun constitutes a continuing connected transaction for 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 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 shareholders' approval is required.

On 11 December 2009, Gilroy, a wholly-owned subsidiary of LSD entered into the Offer Letter with eSun in respect of the Premises. Major terms of the Offer Letter are as follows:-

THE OFFER LETTER

Date	:	11 December 2009
Landlord	:	Gilroy
Tenant	:	eSun
Premises	:	The whole 14th Floor, Causeway Bay Plaza 2, 463-483 Lockhart Road, Hong Kong
Use of Premises	:	Restricted for office use
Term	:	3 years, from 6 December 2009 to 5 December 2012 (both days inclusive)

- Rent : HK\$187,500 per calendar month (exclusive of rates, government rent, management fee, air-conditioning charges and other outgoings)
- Management Fee and Air-conditioning Charges : HK\$39,750 per calendar month (subject to revision from time to time)
- Rates and Government Rent : eSun shall be responsible for paying the rates and government rent (if any) quarterly in advance and subject to revision from time to time

A formal tenancy agreement will be signed between the parties. The Offer Letter shall continue to be a binding tenancy agreement between the parties until it is superseded by the formal tenancy agreement subsequently entered into.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 eSun to Gilroy for each of the financial years ending 31 December 2009, 2010, 2011 and 2012 of eSun will be subject to the cap amount of HK\$157,258, HK\$2,250,000, HK\$2,250,000 and HK\$2,092,742 respectively.

The cap amounts are determined by reference to the annual rent payable by eSun 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. eSun had 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 eSun (including the 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 eSun Group; (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 eSun and the shareholders as a whole.

LISTING RULES REQUIREMENTS

Gilroy, as landlord, is a wholly-owned subsidiary of LSD. As eSun holds a 36.72% interest in LSD, eSun is a connected person of LSD under the Listing Rules. LSD in turn holds a 36.08% 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 eSun constitutes a continuing connected transaction for 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 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. eSun will comply with the requirements under Rules 14A.37 to 14A.40 of the Listing Rules in relation to the Offer Letter during each of the financial years covering the Offer Letter.

GENERAL

The eSun Group is principally engaged in the development and operation of and investment in media and entertainment, production and distribution of music and films and video format products, the provision of advertising agency services and the development of Macao Studio City, an integrated leisure resort comprising theatre, concert and live entertainment, retail and gaming facilities and hotels in Cotai, Macao Special Administrative Region of the People's Republic of China.

The principal activities of the LSD Group include property development for sale, property investment, operation of and investment in hotels and restaurants and investment holding.

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
“Offer Letter”	the offer letter dated 11 December 2009 entered into between Gilroy and eSun pursuant to which Gilroy has leased the Premises to eSun
“Premises”	The whole 14th 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
eSun Holdings Limited
Yeung Kam Hoi
Company Secretary

Hong Kong, 14 December 2009

As at the date of this announcement, the executive directors of the Company are Mr. Lam Kin Ngok, Peter, Miss Leung Churk Yin, Jeanny, Mr. Cheung Wing Sum, Ambrose and Mr. Low Kit Leong; the non-executive directors are Mr. Lien Jown Jing, Vincent, Madam U Po Chu and Mr. Lo Kwok Kwei, David; and the independent non-executive directors are Mr. Tong Ka Wing, Carl, Mr. Alfred Donald Yap, Mr. Low Chee Keong and Dr. Ng Lai Man, Carmen.