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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for independent advice.

If you have sold or transferred all your shares in **eSun Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or to the transferee(s) or to the licensed securities dealer or other registered institution in securities, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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

CONNECTED TRANSACTION

Deed of Conditional Waiver

AND NOTICE OF SPECIAL GENERAL MEETING

**Independent Financial Adviser to the Independent Board Committee
and the eSun Independent Shareholders**



Capitalised terms used in the lower portion of this cover page will have the same respective meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 7 to 16 of this circular.

A letter from the Independent Board Committee is set out on page 17 of this circular and a letter from CIMB, the Independent Financial Adviser to the Independent Board Committee and the eSun Independent Shareholders is set out on pages 18 to 28 of this circular.

A notice convening the SGM to be held at Gloucester Room II, 3rd Floor, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 18 December 2012 at 10:15 a.m. (or as soon thereafter as the Adjourned 2012 AGM convened at the same place and on the same date at 9:45 a.m. shall have been concluded or adjourned) is set out on pages 34 to 38 of this circular. **The subject matter of this circular relates only to the proposed Ordinary Resolution no. 3, the text of which is contained on pages 35 and 36 of this circular.**

If you do not intend to be present at the SGM or its adjournment in person but wish to exercise your right as a Shareholder, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrars of the Company in Hong Kong, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or its adjournment (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or its adjournment (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

Hong Kong, 1 December 2012

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This circular in both English and Chinese is available in printed form and published on the respective websites of the Company at “<http://www.esun.com>” and Hong Kong Exchanges and Clearing Limited at “<http://www.hkexnews.hk>”.

DEFINITIONS

Unless the context otherwise requires, the terms used in this circular shall have the respective meanings:

“Adjourned 2012 AGM”	the adjourned 2012 annual general meeting of the Company to be held at Gloucester Room II, 3rd Floor, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 18 December 2012 at 9:45 a.m. for the purpose of considering, among others, the adoption of the audited financial statements of the Company for the year ended 31 July 2012 and the re-appointment of the independent auditors of the Company;
“Affiliated Groups”	the LSG Group, the LSD Group, the Group and the MAGH Group while the “ Affiliated Group ” shall refer to any one of them and “ its Affiliated Group ” shall refer to the Affiliated Group of the respective Affiliated Issuer to which it relates;
“Affiliated Issuers”	LSG, LSD, the Company and MAGH while the “ Affiliated Issuer ” shall refer to any one of them;
“Announcement”	the announcement dated 19 November 2012 made by the Company in relation to the Deed of Conditional Waiver;
“associate”	has the same meaning ascribed thereto by the Listing Rules;
“Board”	the board of Directors;
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“Company”	eSun Holdings Limited, an exempted company incorporated in Bermuda with limited liability and registered in Hong Kong as a non-Hong Kong company under Part XI of the Companies Ordinance, the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 571), which was held indirectly as to approximately 39.23% by LSD as at the Latest Practicable Date;
“connected person”	has the same meaning ascribed thereto by the Listing Rules;
“controlling shareholder”	has the same meaning ascribed thereto by the Listing Rules;

DEFINITIONS

“Covenantors”	the covenantors that are listed corporations under the Existing Undertakings, namely LSG and LSD;
“Deed of Conditional Waiver”	the deed of conditional waiver dated 30 October 2012 as supplemented by the supplemental deed dated 19 November 2012 and both executed by Lai Fung in favour of the Covenantors, the details of which are summarised in the section headed “ <i>Letter From The Board</i> ” in this circular;
“Director(s)”	the director(s) of the Company;
“Dr. KM Lam”	Dr. Lam Kin Ming, the deputy chairman and an executive director of Lai Fung, the chairman and an executive director of LSG and a non-executive director of LSD;
“Dr. Peter Lam”	Dr. Lam Kin Ngok, Peter (an executive Director), a deputy chairman and an executive director of LSG, the chairman and an executive director of both of LSD and MAGH as well as the chairman and an executive director of Lai Fung (before 1 November 2012);
“Eligible Director(s)”	the director(s) of Lai Fung who is(are) not materially interested in the matters to be resolved at the relevant meeting of the Special Committee;
“eSun Independent Shareholders”	the Shareholders other than LSD and its associates, Dr. Peter Lam and Mr. Lam Hau Yin, Lester and Shareholders who are required to abstain from voting on the relevant resolution(s) in respect of the Deed of Conditional Waiver under the Listing Rules;
“Existing Undertakings”	the undertakings provided in the spin-off agreement between LSD and Lai Fung, a deed of undertaking provided by LSD and the non-compete agreement among LSG, Messrs. Lam, the late Mr. Lim Por Yen and Lai Fung, all dated 12 November 1997, details of which have been disclosed in the listing document of Lai Fung dated 18 November 1997;
“Group”	the Company and its subsidiaries other than the MAGH Group and the Lai Fung Group;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

DEFINITIONS

“HKFRSs”	the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent board committee of the Board comprising all of the independent non-executive Directors, namely Messrs. Low Chee Keong, Alfred Donald Yap and Lo Kwok Kwei, David and Dr. Ng Lai Man, Carmen, established to advise the eSun Independent Shareholders in respect of the Deed of Conditional Waiver;
“Independent Financial Adviser” or “CIMB”	CIMB Securities Limited, the independent financial adviser appointed to advise the Independent Board Committee and the eSun Independent Shareholders on the terms of the Deed of Conditional Waiver;
“Lai Fung”	Lai Fung Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and registered in Hong Kong as a non-Hong Kong company under Part XI of the Companies Ordinance, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1125) and were held indirectly as to approximately 48.69% by the Company as at the Latest Practicable Date;
“Lai Fung Board”	the board of directors of Lai Fung;
“Lai Fung Group”	Lai Fung and its subsidiaries;
“Lai Fung Shares”	ordinary shares of HK\$0.10 each in the share capital of Lai Fung;
“Latest Practicable Date”	28 November 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein;
“LF Independent Shareholders”	the shareholders of Lai Fung other than the Company and its associates and shareholders of Lai Fung who are required to abstain from voting on the resolution(s) in respect of the Deed of Conditional Waiver under the Listing Rules;

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time;
“LSD”	Lai Sun Development Company Limited, a company incorporated under the Laws of Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 488), which was held directly and indirectly as to approximately 48.55% by LSG as at the Latest Practicable Date;
“LSD Group”	LSD and its subsidiaries and associated companies other than the Group, the MAGH Group and the Lai Fung Group;
“LSG”	Lai Sun Garment (International) Limited, a company incorporated under the Laws of Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 191), which was held directly and indirectly as to approximately 38.06% by Dr. Peter Lam as at the Latest Practicable Date;
“LSG Group”	LSG and its subsidiaries and associated companies except the LSD Group, the Group, the MAGH Group and the Lai Fung Group;
“Macau”	the Macau Special Administrative Region of the PRC;
“MAGH”	Media Asia Group Holdings Limited, a company incorporated in the Cayman Islands and continued as an exempted company in Bermuda with limited liability as well as registered in Hong Kong as a non-Hong Kong company under Part XI of the Companies Ordinance, the issued shares of which are listed and traded on the Growth Enterprise Market of the Stock Exchange (Stock Code: 8075), which was held as to approximately 51.09% by the Company indirectly as at the Latest Practicable Date;
“MAGH Group”	MAGH and its subsidiaries;
“Messrs. Lam”	Dr. Peter Lam and Dr. KM Lam;
“PRC”	the People’s Republic of China and for the purpose of this circular, excluding Hong Kong and Macau;

DEFINITIONS

“PRC Infrastructure Projects”	infrastructure projects involving the development, ownership, operation and/or management of infrastructure operations/business of all kinds in the PRC including container terminals, cargo handling and storage facilities, airports, power stations, toll roads, expressways, bridges, tunnels and water treatment plants;
“PRC Property Projects”	the development, investment or management of property or land in the PRC (save for the interests of LSG, LSD and Messrs. Lam from time to time in the management of serviced apartments, club or resort operations and in financial, trading, manufacturing, hospitality, leisure and entertainment businesses, bonded areas and any property development, investment and management incidental and ancillary to such businesses);
“Restricted Opportunity(ies)”	in respect of each Affiliated Issuer, any bona fide offer or invitation of business opportunity(ies), the pursuance of which by any member of its Affiliated Group is prohibited under the Existing Undertakings, such restrictions having been summarised under “ <i>Background</i> ” in the section headed “ <i>Letter From The Board</i> ” in this circular below;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SGM”	the special general meeting of the Company to be convened and held at Gloucester Room II, 3rd Floor, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 18 December 2012 at 10:15 a.m. (or as soon thereafter as the Adjourned 2012 AGM convened at the same place and on the same date at 9:45 a.m. shall have been concluded or adjourned) for considering, and if thought fit, approving, among others, the Deed of Conditional Waiver, notice of which is set out on pages 34 to 38 of this circular;
“Share(s)”	the ordinary share(s) of HK\$0.50 each in the share capital of the Company;
“Shareholder(s)”	the duly registered holder(s) of the Share(s);
“Special Committee”	an independent committee of the Lai Fung Board set up in accordance with the Deed of Conditional Waiver for considering and, if thought fit, confirming the provision of the Waiver in respect of a Restricted Opportunity;

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the same meaning ascribed thereto by the Listing Rules;
“Supplemental Deed”	the supplemental deed executed by Lai Fung on 19 November 2012 supplementing the conditions precedent in the Deed of Conditional Waiver;
“Waiver”	the waiver provided by Lai Fung in favour of the Covenantors pursuant to the Deed of Conditional Waiver in respect of the conduct of Restricted Opportunities by the Affiliated Groups, subject to such terms as may be imposed by the Special Committee, as it may see fit; and
“%”	per cent or percentage (as the case maybe).

LETTER FROM THE BOARD



eSun Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 571)

Executive Directors:

Dr. Lam Kin Ngok, Peter
Mr. Lui Siu Tsuen, Richard (*Chief Executive Officer*)
Mr. Chew Fook Aun
Mr. Lam Hau Yin, Lester

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Directors:

Madam U Po Chu
Mr. Andrew Y. Yan

*Head office and principal
place of business:*

11th Floor
Lai Sun Commercial Centre
680 Cheung Sha Wan Road
Kowloon, Hong Kong

Independent Non-executive Directors:

Mr. Low Chee Keong (*Chairman*)
Mr. Alfred Donald Yap
Mr. Lo Kwok Kwei, David
Dr. Ng Lai Man, Carmen

1 December 2012

To the Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION

Deed of Conditional Waiver

AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement and the announcements of Lai Fung of 30 October 2012 and 19 November 2012, respectively regarding the Deed of Conditional Waiver and the Supplemental Deed.

The purpose of this circular is to provide you with (i) information about the Deed of Conditional Waiver; (ii) a letter from the Independent Board Committee containing its recommendation to the eSun Independent Shareholders in respect of the Deed of Conditional Waiver; (iii) a letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the eSun Independent Shareholders in relation to the Deed of Conditional Waiver; and (iv) information on the notice convening the SGM at which, among others, **Ordinary Resolution no. 3** (the text of which is contained on pages 35 and 36 of this circular) will be proposed.

LETTER FROM THE BOARD

BACKGROUND

In view of the listing of the Lai Fung Shares on the Stock Exchange in 1997, LSD and Lai Fung executed a spin-off agreement on 12 November 1997 and, on the same date, LSD provided a deed of undertaking, under both of which LSD has effectively undertaken (and has undertaken to procure its subsidiaries and associated companies) not to have any direct or indirect interest or otherwise be engaged (other than through the Lai Fung Group and associated companies of Lai Fung) in any PRC Property Projects and PRC Infrastructure Projects, save for their own use or occupation.

On the same date, LSG and Lai Fung also entered into a non-compete agreement, together with Messrs. Lam and the late Mr. Lim Por Yen, the founder of the Lai Sun group, under which the parties thereto agreed effectively that none of Messrs. Lam, the late Mr. Lim Por Yen and LSG (other than through the LSD Group, the Lai Fung Group and associated companies of Lai Fung) will (and will procure his/its respective subsidiaries, associated companies and associates, as the case may be) directly or indirectly participate in, hold any right or interest in or otherwise be involved in any PRC Property Projects or PRC Infrastructure Projects, save for their own use or occupation.

Under the Existing Undertakings, if and should the Lai Fung Group shall participate in any PRC Infrastructure Project, LSG, LSD and Messrs. Lam shall (and shall procure the respective members of the LSG Group, the LSD Group and their respective associates to) transfer to the Lai Fung Group any interest they may have in the PRC Infrastructure Projects at the then prevailing market price. However, with the Deed of Conditional Waiver, Lai Fung will not require such transfer since all of the activities previously restricted under the Existing Undertakings, including the PRC Property Projects and PRC Infrastructure Projects, (i.e. the Restricted Opportunities) will be within the scope of the Waiver and subject to the determination of the Special Committee.

The Existing Undertakings shall continue to have effect so long as LSG, LSD and Messrs. Lam shall remain the controlling shareholder of Lai Fung as defined under the Listing Rules.

For the purpose of this circular, the restrictions under the Existing Undertakings as summarised above are referred to herein as “Restricted Opportunities”. Reference is made to the listing document of Lai Fung dated 18 November 1997 for further details on the Existing Undertakings.

DEED OF CONDITIONAL WAIVER

On 30 October 2012, in order to enhance the business potential available to Lai Fung which may otherwise be restricted by the Existing Undertakings, Lai Fung executed the Deed of Conditional Waiver in favour of the Covenantors, pursuant to which Lai Fung conditionally waives any claims, actions, proceedings, damages or equitable remedy that it may be entitled to under the Existing Undertakings in respect of the participation by any member of the Affiliated Groups in any Restricted Opportunity which may otherwise be prohibited under the Existing Undertakings, subject to their compliance with the provisions of the Deed of Conditional Waiver.

LETTER FROM THE BOARD

The Waiver will not apply to Messrs. Lam but will affect them only to the extent if any member of the Affiliated Groups is allowed to participate in a Restricted Opportunity, and such member also constitutes an associate of any of Messrs. Lam, Messrs. Lam will not be regarded as being in breach of the Existing Undertakings.

The terms and conditions of the Existing Undertakings provided by LSG, LSD and Messrs. Lam shall remain unchanged and in full force and effect save to the extent of any Restricted Opportunity to which the Waiver applies.

(a) Conditions precedent to the Deed of Conditional Waiver

The Deed of Conditional Waiver shall only become effective upon the following conditions precedent being fulfilled on or before 31 December 2012 (or such other date as Lai Fung may determine) and shall continue for so long as the Existing Undertakings are in effect:

- (a) the LF Independent Shareholders having approved the Deed of Conditional Waiver in accordance with applicable requirements of the Listing Rules;
- (b) the eSun Independent Shareholders having approved the Deed of Conditional Waiver in accordance with the applicable requirements of the Listing Rules; and
- (c) any other consents, approvals or authorisations as may be required under the law or applicable rules and regulations of governmental or regulatory authorities, including the Stock Exchange,

failing which the Deed of Conditional Waiver shall lapse.

Save for the LF Independent Shareholders' approval and the eSun Independent Shareholders' approval, Lai Fung has confirmed that no further consents, approvals or authorisations need to be obtained under condition precedent (c) in the Deed of Conditional Waiver.

(b) Scope and application of the Waiver

The Waiver shall apply strictly in relation to any prospective Restricted Opportunity (whether sourced by Lai Fung on its own or introduced by any member of the Affiliated Groups) involving the joint participation of the Lai Fung Group and any member of the Affiliated Groups. The usual authority of the Lai Fung Board in considering and approving any business opportunities, including any investment by the Lai Fung Group in a Restricted Opportunity solely or jointly with party(ies) other than member(s) of the Affiliated Groups shall remain unaffected. No Waiver shall be required in respect of such opportunities, which are at the sole and unfettered discretion of the Lai Fung Board.

LETTER FROM THE BOARD

Any Restricted Opportunity sourced by or available to any member of the Affiliated Groups shall be referred to Lai Fung for review and determination as follows:

- (a) each Affiliated Issuer shall, upon notice of a Restricted Opportunity having arisen, forthwith and unconditionally refer such Restricted Opportunity to Lai Fung in writing for its consideration;
- (b) each Affiliated Issuer shall provide such information and facilitate such due diligence procedures and the obtaining of such valuations, appraisals and advice as Lai Fung may at its discretion deem necessary or desirable to make an informed assessment;
- (c) the Affiliated Issuers shall allow Lai Fung reasonable time to consider and decide on all matters in relation to the Restricted Opportunities pursuant to the Deed of Conditional Waiver;
- (d) in respect of each Restricted Opportunity, the Affiliated Issuer shall procure that the Lai Fung Group is entitled to take up or jointly participate in such Restricted Opportunity on terms no less favourable than those available to the relevant member(s) of its Affiliated Group; and
- (e) unless and until Lai Fung has confirmed to an Affiliated Issuer the provision of the Waiver, (i) such Affiliated Issuer shall not, and it shall procure that no member of its Affiliated Group shall, refer the Restricted Opportunity to any party other than members of the Lai Fung Group; and (ii) such Affiliated Issuer shall not, and it shall procure that no member of its Affiliated Group shall, enter into any legally binding agreement or arrangement whatsoever in respect of the Restricted Opportunity.

(c) Decision making process of the Lai Fung Board

Upon receipt of a Restricted Opportunity, Lai Fung shall refer the matter to the Lai Fung Board which may, at its sole discretion, make any of the following decisions:

- (a) to reject a Restricted Opportunity and the terms and conditions of the Existing Undertakings shall remain in full force and effect;
- (b) to invest or participate in a Restricted Opportunity on a sole or joint basis with any party other than member(s) of the Affiliated Groups and the terms and conditions of the Existing Undertakings shall remain in full force and effect; or
- (c) to refer the Restricted Opportunity to the Special Committee for review and consideration on a joint investment basis (involving the investment of one or more members of the Affiliated Groups) in accordance with the Deed of Conditional Waiver as summarised in the section headed “*Decision making process of the Special Committee*” below.

The directors of Lai Fung will be required to abstain from voting on any resolution of the Lai Fung Board approving a Restricted Opportunity in which he or any of his associates has a material interest.

LETTER FROM THE BOARD

(d) Decision making process of the Special Committee

Any decision of the Waiver in relation to a Restricted Opportunity referred by the Lai Fung Board shall be made by the Special Committee in a meeting duly convened and held in the following manner:

- (a) the Special Committee shall comprise Eligible Directors only;
- (b) the quorum of any meeting of the Special Committee shall comprise the Eligible Directors (with a minimum quorum of one Eligible Director), of which the number of independent non-executive directors of Lai Fung attending shall constitute a majority, provided that the Eligible Directors (other than the independent non-executive directors of Lai Fung) shall determine as to who amongst themselves will attend in order to comply with this quorum requirement; in the event that the remaining Eligible Directors are unable to decide on their attendance, so far as necessary, one or more Eligible Director(s) (other than the independent non-executive directors of Lai Fung) with the lowest seniority in tenure shall forego attendance, so as to achieve and maintain the required quorum and majority;
- (c) the chairman at any meeting of the Special Committee shall be an independent non-executive director of Lai Fung; and
- (d) no decision of the Special Committee shall be valid or binding on Lai Fung unless it is approved in the meeting by the simple majority (i.e. over half in number of) votes of the Eligible Directors present and voting or, in case of a deadlock, by the casting vote of the chairman at the meeting.

The Special Committee shall make only one of the following decisions:

- (a) reject the Restricted Opportunity, in which case the terms and conditions of the Existing Undertakings shall remain in full force and effect in respect thereof; or
- (b) accept joint participation by the Lai Fung Group in a Restricted Opportunity with member(s) of the Affiliated Groups, subject to all applicable legal, regulatory and compliance requirements, including the Listing Rules, and the additional considerations provided under the section headed “*Bases and terms of joint participation*” below, in which case the Waiver shall be valid in respect of such joint participation.

If the Restricted Opportunity is referred to Lai Fung by an Affiliated Issuer, Lai Fung shall notify such Affiliated Issuer of the decision of the Lai Fung Board or the Special Committee, as the case may be, and its terms shall be final and binding on the Affiliated Issuer(s) for all intents and purposes without further evidence of the fact.

LETTER FROM THE BOARD

(e) Bases and terms of joint participation

If Lai Fung (through the Special Committee's decision making process abovementioned) decides to proceed with a Restricted Opportunity involving one or more members of the Affiliated Groups (and any third party investor(s) if appropriate):

- (a) Lai Fung shall solely determine the basis of participation by each participating member of the Affiliated Groups (whether on a joint venture basis or otherwise), including but not limited to the composition, role and investment proportion of such participant, and the structure and terms of such joint participation;
- (b) Lai Fung's joint participation in any Restricted Opportunity shall be for a minimum of 30% of such project, in terms of, inter alia, investment contribution and the losses or return, if any, shall be proportionate to the level of investment and/or contribution in the Restricted Opportunity; and
- (c) Lai Fung shall maintain a leadership role over the Affiliated Groups in any Restricted Opportunity, and its participation in any Restricted Opportunity in terms of, inter alia, investment contribution shall be no less than the aggregate total of the Affiliated Groups' participation.

REASONS AND BENEFITS FOR ENTERING INTO THE DEED OF CONDITIONAL WAIVER

As part of the listing of the Lai Fung Shares in 1997 in the midst of the Asian financial crisis, customary non-compete undertakings were given by the then controlling shareholders in favour of Lai Fung. These Existing Undertakings effectively allow only Lai Fung, and not the grantors of the undertakings, to conduct property development and investment business activities in the PRC. In light of the present shareholding structure of the Lai Fung Group and the Affiliated Groups after the re-organisation in 2010, the rapid pace in development of the PRC which favours large scale participation in property projects by conglomerates and the private sector and the PRC government's recent austerity measures which have restricted bank financing in the PRC, Lai Fung proposes the Deed of Conditional Waiver to meet the Lai Fung Group's present expectations and goals to maintain a prudent yet flexible approach to build on its investment and for-sale property portfolio and continue to replenish its land bank, with a view to delivering long-term competitive growth and performance drivers for the Lai Fung Group and its shareholders. Under the Deed of Conditional Waiver, the already close relationship between the Affiliated Issuers and the Lai Fung Group can be expected to promote the concentrated development efforts by the parties on a larger scale under the Lai Fung Group's leadership and ultimately help bolster a greater presence of the Lai Fung Group in the property market.

LETTER FROM THE BOARD

As a unilateral instrument, the Deed of Conditional Waiver does not create any obligation for the Affiliated Issuers, unless they wish to embark on any real estate projects in the PRC. As a condition for any participation, the Affiliated Issuers are required to unconditionally and exclusively refer any Restricted Opportunity to the Lai Fung Group in order to avail themselves of the Waiver, without which any participation by the Affiliated Groups in such activities is strictly prohibited. The Deed of Conditional Waiver is intended to open up the avenue of joint participation with the Affiliated Issuers in addition to (and not in exclusion of) the existing rout of co-operating with external independent property developers by the Lai Fung Group. Subject to commercial merits and on a case by case basis, the Lai Fung Group will be free to jointly participate with the Affiliated Issuers and/or external independent property developers under the terms of the Deed of Conditional Waiver.

With the Deed of Conditional Waiver in place, not only will the Lai Fung Group be able to diversify its risks through joint participation in PRC projects with the Affiliated Groups, the Lai Fung Group will also have the opportunity to leverage on the diverse resources and expertise of the Affiliated Groups, particularly for large scale projects which might otherwise be difficult for the Lai Fung Group to solely conduct. The scope and application of the Deed of Conditional Waiver are confined such as to only permit Lai Fung to explore the possible sharing of Restricted Opportunities with the Affiliated Groups only on the fundamental basis and term of joint participation with the Lai Fung Group as project leader, and any joint participation must also meet with the Special Committee's approval in a disinterested decision making process, with fair and prudent safeguards including the ultimate authority to reject any Restricted Opportunity, in which case the terms and conditions of the Existing Undertakings shall remain in full force and effect in respect thereof. The Existing Undertakings will continue to protect the Lai Fung Group and, in conjunction with the Deed of Conditional Waiver, aim to watchfully and in moderation allow the Lai Fung Group to strengthen its market competitiveness and future growth prospects.

The Company considers the Deed of Conditional Waiver beneficial to the Group (including the MAGH Group and the Lai Fung Group) and the Shareholders as a whole, since it encourages the Affiliated Groups to introduce Restricted Opportunities to Lai Fung, now a subsidiary of the Company, the financial results of which are consolidated into that of the Group, thereby enhancing the Lai Fung Group's access to greater business opportunities in the PRC, while preserving Lai Fung's power to determine whether or not, and to what extent, the Affiliated Groups may participate in any Restricted Opportunities. It further provides the opportunity for Lai Fung to maintain a leadership role in co-invested PRC property projects, which may not otherwise be available in a joint participation project with an independent third party.

Reference is made to the joint announcement of the Company and Lai Fung dated 16 September 2011, save in respect of the preliminary co-operation agreement entered into by Lai Fung and the Company with the Hengqin New District Management Committee and the potential joint investment in and development of the project in Hengqin Cultural and Creative Zone, Zhuhai, Guangdong Province, the PRC, it was understood from Lai Fung that as at the Latest Practicable Date, the Lai Fung Group has no agreement, arrangement, intention or negotiation (concluded or otherwise) to jointly participate in a specific Restricted Opportunity with the Affiliated Groups and the Lai Fung Group has not identified or been referred any specific Restricted Opportunity by the Affiliated Groups.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

LSD is a controlling shareholder of the Company and LSG is the ultimate holding company and an associate of LSD. LSG and LSD are, therefore, connected persons of the Company under the Listing Rules. The execution of the Deed of Conditional Waiver constitutes a connected transaction of Lai Fung and is subject to the reporting, announcement and LF Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Due to the early adoption by the Company of certain new and revised HKFRSs (including HKFRS 10: *Consolidated Financial Statements*) for the financial year ended 31 July 2012, Lai Fung has been accounted for and consolidated in the consolidated financial statements of the Company as a subsidiary. Accordingly, the execution of the Deed of Conditional Waiver also constitutes a connected transaction of the Company and is also subject to the reporting, announcement and eSun Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INFORMATION ON THE GROUP, THE LAI FUNG GROUP AND THE OTHER AFFILIATED GROUPS

The Company acts as an investment holding company and the principal activities of its subsidiaries include the development and operation of and investment in media, entertainment, music production and distribution, the investment in and production and distribution of television programs, film and video format products, the provision of advertising agency services, the sale of cosmetic products and property development and investment.

The principal business activities of the Lai Fung Group include property development for sale and property investment for rental in the PRC.

The principal business activities of LSG and its subsidiaries include property development and investment in Hong Kong and investment holding.

The principal business activities of LSD and its subsidiaries include property investment, property development, investment in and operation of hotels and restaurants as well as investment holding.

MAGH acts as an investment holding company and the principal activities of its subsidiaries include film production and distribution; organisation, management and production of concerts and live performances; artiste management; production and distribution of television drama series; music production and publishing; cinema investment and operation; provision of consultancy services in planning and management of cultural, entertainment and live performance projects; provision of contents to new media; and operation of new media and related business primarily in the PRC and Macau.

LETTER FROM THE BOARD

SGM AND PROXY ARRANGEMENT

The notice convening the SGM to be held at Gloucester Room II, 3rd Floor, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 18 December 2012 at 10:15 a.m. (or as soon thereafter as the Adjourned 2012 AGM convened at the same place and on the same date at 9:45 a.m. shall have been concluded or adjourned) is set out on pages 34 to 38 of this circular for considering and, if thought fit, approving, among others, the Deed of Conditional Waiver and the proposed resolution is set out under **Ordinary Resolution no. 3**, the text of which is contained on pages 35 and 36 of this circular.

A form of proxy for use by the Shareholders in connection with the businesses of the SGM is accompanied with this circular for your attention. If you are not able to attend the SGM or its adjournment in person but wish to exercise your right as a Shareholder, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrars of the Company in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or its adjournment (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or its adjournment (as the case may be) should you so wish and in such event, the instrument appointing a proxy and shall be deemed to be revoked.

In compliance with Rule 13.39(4) of the Listing Rules, save for resolutions which relate purely to procedural or administrative matters to be voted on by a show of hands, voting on the resolutions in respect of the matters set out in the notice of the SGM and put to the vote of the SGM will be decided by way of a poll.

By-law 66 of the Company's Bye-laws provides that on a poll, every member present in person or by proxy or in the case of a member being a corporation, by its duly authorised representative, shall have one vote for every Share of which he/she/it is the holder.

Any connected person of the Company with a material interest in the Deed of Conditional Waiver, and any Shareholder with a material interest in such transaction and its associates, shall not vote on the resolution in relation to the Deed of Conditional Waiver proposed at the SGM. As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, LSD and its associates (which were interested in approximately 39.23% of all issued Shares), Dr. Peter Lam (who was beneficially interested in approximately 0.22% of all issued Shares) and Mr. Lam Hau Yin, Lester ("**Mr. L. Lam**", an executive Director who was beneficially interested in approximately 0.22% of all issued Shares) are required to abstain from voting on the relevant resolution at the SGM.

The procedures of conducting a poll will be explained to the Shareholders at the SGM. Tricor Tengis Limited, the branch share registrars of the Company in Hong Kong, will serve as the scrutineers of the vote-taking. The Company will publish an announcement on the poll results on the respective websites of the Company at "<http://www.esun.com>" and Hong Kong Exchanges and Clearing Limited at "<http://www.hkexnews.hk>" shortly after the conclusion of the SGM pursuant to Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATION

Having taken into account the factors as disclosed in the section headed “*Reasons And Benefits For Entering Into The Deed Of Conditional Waiver*” above, the Director (other than the Excluded Directors) considers that the terms of the Deed of Conditional Waiver are fair and reasonable and are in the interests of the Group and the Independent Shareholders as a whole. Accordingly, the Board recommends the eSun Independent Shareholders to vote in favour of the **Ordinary Resolution no. 3** (the text of which is contained on pages 35 and 36 of this circular) to be proposed at the SGM to approve the Deed of Conditional Waiver.

For the purpose of the above paragraph, the Excluded Directors are: Dr. Peter Lam, Mr. Lui Siu Tsuen, Richard (“**Mr. R. Lui**”), Mr. Chew Fook Aun (“**Mr. F.A. Chew**”) and Mr. L. Lam, all of whom are executive Directors, and Madam U Po Chu (“**Madam U**”), a non-executive Director. The Excluded Directors were either not present at the relevant Board meeting or abstained from voting on the Board resolutions approving the Deed of Conditional Waiver as (i) Dr. Peter Lam is also a director of LSD, LSG and MAGH; (ii) Mr. R. Lui is also a director of MAGH; and (iii) each of Mr. F.A. Chew, Mr. L. Lam and Madam U is also a director of Lai Fung, LSD and LSG.

The Independent Board Committee comprising all of the independent non-executive Directors, namely Messrs. Low Chee Keong, Alfred Donald Yap and Lo Kwok Kwei, David and Dr. Ng Lai Man, Carmen, has been established to advise the eSun Independent Shareholders in respect of the Deed of Conditional Waiver. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the eSun Independent Shareholders in this regard.

Your attention is drawn to the letter from the Independent Board Committee to the eSun Independent Shareholders set out on page 17 of this circular and the letter from the Independent Financial Adviser to the Independent Board Committee and the eSun Independent Shareholders which is set out on pages 18 to 28 of this circular containing their advice and recommendation to the Independent Board Committee and the eSun Independent Shareholders regarding the terms of the Deed of Conditional Waiver as well as the principal factors and reasons taken into consideration in arriving at their advice.

ADDITIONAL INFORMATION

Your attention is drawn to the general information set out in the Appendix I to this circular.

Yours faithfully,
For and on behalf of the Board of
eSun Holdings Limited
Low Chee Keong
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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

1 December 2012

To the eSun Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION

Deed of Conditional Waiver

We refer to the circular of the Company dated 1 December 2012 (“**Circular**”) despatched to the Shareholders of which this letter forms part. Unless the context requires otherwise, terms and expressions defined or adopted in the Circular shall have the same respective meanings in this letter.

We have been appointed to advise the eSun Independent Shareholders on the Deed of Conditional Waiver and whether its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole. CIMB has been appointed the Independent Financial Adviser to advise the Independent Board Committee and the eSun Independent Shareholders in respect of the Deed of Conditional Waiver.

We wish to draw your attention to the section headed “**Letter From The Board**” as set out on pages 7 to 16 of the Circular and the section headed “**Letter From CIMB**” as set out on pages 18 to 28 of the Circular.

Having taken into account the principal factors and reasons considered by CIMB, its conclusion and advice, we concur with the opinion of CIMB that the terms of the Deed of Conditional Waiver are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the eSun Independent Shareholders to vote in favour of the **Ordinary Resolution no. 3** (the text of which is contained on pages 35 and 36 of the Circular) to be proposed at the SGM to approve the Deed of Conditional Waiver.

Yours faithfully,
For and on behalf of the
Independent Board Committee
eSun Holdings Limited

Ng Lai Man, Carmen **Low Chee Keong** **Alfred Donald Yap** **Lo Kwok Kwei, David**
(Chairwoman)

Independent Non-executive Directors

LETTER FROM CIMB

The following is the text of a letter of advice from the Independent Financial Adviser prepared for the purpose of inclusion in the circular, setting out its advice to the Independent Board Committee and the eSun Independent Shareholders in respect of the Deed of Conditional Waiver.



Units 7706-08, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

1 December 2012

*To the Independent Board Committee and the Independent Shareholders of
eSun Holdings Limited*

Dear Sirs,

CONNECTED TRANSACTION IN RELATION TO DEED OF CONDITIONAL WAIVER

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the eSun Independent Shareholders in relation to the Deed of Conditional Waiver, details of which are set out in the Letter from the Board in a circular dated 1 December 2012 to the Shareholders (the "Circular") of which this letter forms part. Unless the context otherwise requires, capitalized terms used in this letter shall have the same meanings as those defined in the Circular.

On 30 October 2012, in order to enhance the business potential available to the Company which may otherwise be restricted by the Existing Undertakings, Lai Fung executed the Deed of Conditional Waiver in favour of the Covenantors, pursuant to which Lai Fung conditionally waives any claims, actions, proceedings, damages or equitable remedy that it may be entitled to under the Existing Undertakings in respect of the participation by any member of the Affiliated Groups in any Restricted Opportunity which may otherwise be prohibited under the Existing Undertakings, subject to their compliance with the provisions of the Deed of Conditional Waiver.

LSD is a substantial shareholder of the Company and LSG is the ultimate holding company and an associate of LSD, LSG and LSD are therefore connected persons of the Company under the Listing Rules. The execution of the Deed of Conditional Waiver constitutes a connected transaction of Lai Fung and is subject to the reporting, announcement and LF Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. In this regard, a resolution will be proposed at an extraordinary general meeting of Lai Fung to consider and, if thought fit, approve the Deed of Conditional Waiver, further information of which is provided by Lai Fung by way of circular.

LETTER FROM CIMB

Due to the early adoption by the Company of certain new and revised HKFRSs for the financial year ended 31 July 2012, Lai Fung has been accounted for and consolidated in the consolidated financial statements of the Company as a subsidiary. Accordingly, the execution of the Deed of Conditional Waiver also constitutes a connected transaction of the Company, and is also subject to the reporting, announcement and eSun Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Messrs. Low Chee Keong, Alfred Donald Yap and Lo Kwok Kwei, David and Dr. Ng Lai Man, Carmen, has been formed to advise the eSun Independent Shareholders in relation to the Deed of Conditional Waiver. The Company will propose an ordinary resolution at the SGM for the eSun Independent Shareholders to consider and, if thought fit, approve the Deed of Conditional Waiver.

BASIS OF OPINION

In formulating our recommendation, we have relied on the information and facts contained or referred to in the Circular as well as the representations made or provided by the Directors and the senior management of the Company. The Directors have declared in a responsibility statement set out in the Circular that they collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters, the omission of which would make any statement herein or this Circular misleading. We have also assumed that the information and the representations made as contained or referred to in the Circular were true and accurate at the time they were made and continue to be so at the date of the despatch of the Circular. Shareholders will be informed as soon as reasonably practicable after we have become aware of any material change to the above during the period from the date of the Circular and up to the time of the SGM. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and senior management of the Company.

We consider that we have reviewed sufficient and relevant information and documents and have taken reasonable steps as required under Rule 13.80 of the Listing Rules including the notes thereto to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Affiliated Groups, the Company or any of its subsidiaries or associates. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company. In rendering this opinion, we have not provided legal, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.

LETTER FROM CIMB

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion as to whether the execution of the Deed of Conditional Waiver is fair and reasonable in so far as the Company and the eSun Independent Shareholders as a whole are concerned, we have taken into account the following principal factors and reasons:

1. Background of the Existing Undertakings

The Company acts as an investment holding company and the principal activities of its subsidiaries include the development and operation of and investment in media, entertainment, music production and distribution, the investment in and production and distribution of television programs, film and video format products, the provision of advertising agency services, and the sale of cosmetic products and property development and investment. The principal business activities of the Lai Fung Group include property development for sale and property investment for rental in the PRC. The principal business activities of LSG and its subsidiaries include property development and investment in Hong Kong and investment holding. The principal business activities of LSD and its subsidiaries include property investment, property development, investment in and operation of hotels and restaurants as well as investment holding. MAGH acts as an investment holding company and the principal activities of its subsidiaries include film production and distribution; organization, management and production of concerts and live performances; artiste management; production and distribution of television drama series; music production and publishing; cinema investment and operation; provision of consultancy services in planning and management of cultural, entertainment and live performance projects; provision of contents to new media; and operation of new media and related business primarily in the PRC and Macau.

In view of the listing of Lai Fung's shares on the Stock Exchange in 1997, LSD and Lai Fung executed a spin-off agreement on 12 November 1997 and, on the same date, LSD provided a deed of undertaking, under both of which LSD has effectively undertaken (and has undertaken to procure its subsidiaries and associated companies) not to have any direct or indirect interest or otherwise be engaged (other than through the Lai Fung Group and associated companies of Lai Fung) in any PRC Property Projects and PRC Infrastructure Projects, save for their own use or occupation.

On 12 November 1997, LSG and Lai Fung also entered into a non-compete agreement, together with Messrs. Lam and the late Mr. Lim Por Yen, the founder of the Lai Sun Group, under which the parties thereto agreed, effectively, that none of Messrs. Lam, the late Mr. Lim Por Yen and LSG (other than through the LSD Group, the Lai Fung Group and associated companies of Lai Fung) will (and will procure his/its respective subsidiaries, associated companies and associates, as the case may be) directly or indirectly participate in, hold any right or interest in or otherwise be involved in any PRC Property Projects or PRC Infrastructure Projects, save for their own use or occupation.

LETTER FROM CIMB

As stated in the Letter from the Board, under the Existing Undertakings, if the Lai Fung Group shall participate in any PRC Infrastructure Project, LSG, LSD and Messrs. Lam shall (and shall procure the respective members of the LSG Group, the LSD Group and their respective associates to) transfer to the Lai Fung Group any interest they may have in PRC Infrastructure Projects at the then prevailing market price. However, with the Deed of Conditional Waiver, Lai Fung will not require such transfer since all of the activities previously restricted under the Existing Undertakings, including the PRC Property Projects and PRC Infrastructure Projects, (i.e. the Restricted Opportunities) will be within the scope of the Waiver and subject to the determination of the Special Committee.

The Existing Undertakings shall continue to have effect so long as LSG, LSD and Messrs. Lam shall remain the controlling shareholder of Lai Fung as defined under the Listing Rules.

On 30 October 2012, in order to enhance the business potential available to Lai Fung which may otherwise be restricted by the Existing Undertakings, Lai Fung executed the Deed of Conditional Waiver in favour of the Covenantors, pursuant to which Lai Fung conditionally waives any claim, action, proceedings, damages or equitable remedy that it may be entitled to under the Existing Undertakings in respect of the participation by any member of the Affiliated Groups in any Restricted Opportunity which may otherwise be prohibited under the Existing Undertakings, subject to their compliance with the provisions of the Deed of Conditional Waiver. The Waiver will not apply to Messrs. Lam but will affect them only to the extent if any member of the Affiliated Groups is allowed to participate in a Restricted Opportunity, and such member also constitutes an associate of any of Messrs. Lam, Messrs. Lam will not be regarded as being in breach of the Existing Undertakings. As the execution of the Deed of Conditional Waiver merely opened up the avenue of joint participation with the Affiliated Issuers for the Restricted Opportunities and any future transactions will be subject to the provisions of the Deed of Conditional Waiver, the execution of the Deed of Conditional Waiver shall have no immediate material impact on the financial and operational position of the Lai Fung Group. The terms and conditions of the Existing Undertakings provided by LSG, LSD and Messrs. Lam shall remain unchanged and in full force and effect save to the extent of any Restricted Opportunity to which the Waiver applies.

2. Reasons and benefits for the execution of the Deed of Conditional Waiver

As stated in the Letter from the Board, as part of the listing of Lai Fung's shares in 1997 in the midst of the Asian financial crisis, customary non-compete undertakings were given by the then controlling shareholders in favour of Lai Fung primarily to minimize potential conflict of interest. In light of the rapid pace of development in the PRC which favours large scale property projects by conglomerates and the PRC government's recent austerity measures which have restricted bank financing in the PRC, Lai Fung proposes the Deed of Conditional Waiver to meet the Lai Fung Group's present expectations and goals to maintain a prudent yet flexible approach to build on its investment and for-sale property portfolio and continue to replenish its land bank, with a view to deliver long-term competitive growth and performance drivers for the Lai Fung Group and Lai Fung's shareholders. Under the Deed of Conditional Waiver, the already close relationship between the Affiliated Issuers and the Lai Fung Group can be expected to promote the concentrated development efforts by the parties on a larger scale under the Lai Fung Group's leadership and ultimately help bolster a greater presence of the Lai Fung Group in the property market.

LETTER FROM CIMB

As a unilateral instrument, the Deed of Conditional Waiver does not create any obligation for the Affiliated Issuers, unless they wish to embark on any real estate projects in the PRC. As a condition for any participation, the Affiliated Issuers are required to unconditionally and exclusively refer to the Lai Fung Group any Restricted Opportunity in order to avail themselves of the Waiver, without which any participation by the Affiliated Groups in such activities is strictly prohibited. The Deed of Conditional Waiver is intended to open up an avenue of joint participation with the Affiliated Issuers in addition to (and not in exclusion of) the existing route of co-operating with external independent property developers by the Lai Fung Group. Subject to commercial merits and on a case by case basis, the Lai Fung Group will be free to jointly participate with the Affiliated Issuers and/or external independent property developers under the terms of the Deed of Conditional Waiver.

With the Deed of Conditional Waiver in place, not only will the Lai Fung Group be able to diversify its risks through joint participation of PRC projects with the Affiliated Groups, the Lai Fung Group will also have the opportunity to leverage on the diverse resources and expertise of the Affiliated Groups, particularly for large scale projects (beyond the Group's capability) which might otherwise be difficult for the Lai Fung Group to solely conduct. The Existing Undertakings will continue to protect the Lai Fung Group while, in conjunction with the Deed of Conditional Waiver, aim to watchfully and in moderation allow the Lai Fung Group to strengthen its market competitiveness and future growth prospects.

The Company considers the Deed of Conditional Waiver beneficial to the Group and the Shareholders as a whole, since it encourages the Affiliated Groups to introduce Restricted Opportunities to Lai Fung, now a subsidiary of the Company, the financial results of which are consolidated into that of the Group, thereby enhancing the Lai Fung Group's access to greater business opportunities in the PRC, while preserving Lai Fung's power to determine whether or not, and to what extent, the Affiliated Groups may participate in any Restricted Opportunities. It further provides the opportunity for Lai Fung to maintain a leadership role in co-invested PRC property projects, which may not otherwise be available in a joint participation project with an independent third party.

3. Principal terms of the Deed of Conditional Waiver

- (i) If Lai Fung (through the Special Committee's decision making process) decides to proceed with a Restricted Opportunity involving one or more members of the Affiliated Groups (and any third party investor(s) if appropriate):
 - Lai Fung shall solely determine the basis of participation by each participating member of the Affiliated Groups (whether on a joint venture basis or otherwise), including but not limited to the composition, role and investment proportion of such participant, and the structure and terms of such joint participation;
 - Lai Fung's joint participation in any Restricted Opportunity shall be for a minimum of 30% of such project, in terms of, inter alia, investment contribution and the losses or return, if any, shall be proportionate to the level of investment contribution in the Restricted Opportunity; and

LETTER FROM CIMB

- Lai Fung shall maintain a leadership role over the Affiliated Groups in any Restricted Opportunity and its participation in a Restricted Opportunity, in terms of, inter alia, investment contribution shall be no less than the aggregate total of the Affiliated Groups' participation.
- (ii) Any Restricted Opportunity sourced by or available to any member(s) of the Affiliated Groups shall be referred to Lai Fung for review and determination as follows:
- each Affiliated Issuer shall, upon notice of a Restricted Opportunity having arisen, forthwith and unconditionally refer such Restricted Opportunity to Lai Fung in writing for its consideration;
 - each Affiliated Issuer shall provide such information and facilitate such due diligence procedures and the obtaining of such valuations, appraisals and advice as Lai Fung may at its discretion deem necessary or desirable to make an informed assessment;
 - the Affiliated Issuer shall allow Lai Fung reasonable time to consider and decide on all matters in relation to the Restricted Opportunities pursuant to the Deed of Conditional Waiver;
 - in respect of each Restricted Opportunity, the Affiliated Issuers shall procure that the Lai Fung Group is entitled to take up or jointly participate in such Restricted Opportunity on terms no less favourable than those available to the relevant member(s) of its Affiliated Groups; and
 - unless and until Lai Fung has confirmed to an Affiliated Issuer the provision of Waiver, (i) such Affiliated Issuer shall not, and that it shall procure that no member of its Affiliated Group shall refer the Restricted Opportunity to any party other than members of the Lai Fung Group; and (ii) such Affiliated Issuer shall not, and it shall procure that no member of the Affiliated Group shall, enter into any legally binding agreement or arrangement whatsoever in respect of the Restricted Opportunity.
- (iii) Upon receipt of a Restricted Opportunity, Lai Fung shall refer the matter to the Lai Fung Board which may, at its sole discretion, make any of the following decisions:-
- to reject a Restricted Opportunity and the terms and conditions of the Existing Undertakings shall remain in full force and effect;
 - to invest or participate in a Restricted Opportunity on a sole or joint basis with any party other than member(s) of the Affiliated Groups and the terms and conditions of the Existing Undertakings shall remain in full force and effect; or

LETTER FROM CIMB

- to refer the Restricted Opportunity to the Special Committee for review and consideration on a joint investment basis (involving the investment of one or more members of the Affiliated Groups) in accordance with the Deed of Conditional Waiver.

The directors of Lai Fung will be required to abstain from voting on any resolution approving a Restricted Opportunity in which he or any of his associates has a material interest.

- (iv) Any decision of the Waiver in relation to a Restricted Opportunity referred by the Lai Fung Board shall be made by the Special Committee in a meeting duly convened and held in the following manner:

- the Special Committee shall comprise Eligible Directors only;
- the quorum of any meeting of the Special Committee shall comprise the Eligible Directors (with a minimum quorum of one Eligible Director), of which the number of independent non-executive directors of Lai Fung attending shall constitute a majority, provided that the Eligible Directors (other than the independent non-executive directors of Lai Fung) shall determine as to who amongst themselves will attend in order to comply with this quorum requirement; in the event the remaining Eligible Directors are unable to decide on their attendance, so far as necessary, the Eligible Director(s) with the lowest seniority in tenure shall forego attendance, so as to achieve and maintain the required quorum and majority;
- the chairman at any meeting of the Special Committee shall be an independent non-executive director of Lai Fung; and
- no decision of the Special Committee shall be valid or binding on Lai Fung unless it is approved in the meeting by the simple majority (i.e. over half in number of) votes of the Eligible Directors present and voting or, in case of a deadlock, by the casting vote of the chairman at the meeting.

Our view on principal terms of the Deed of Conditional Waiver

Having taken into account, in particular,

- (i) the Deed of Conditional Waiver is beneficial to the Lai Fung Group as:
- the Existing Undertakings will continue to protect Lai Fung, now a subsidiary of the Company, while, with the Deed of Conditional Waiver in place, the Lai Fung Group will be able to co-operate with the Affiliated Groups which can strengthen the Lai Fung Group's market competitiveness and future growth prospects;
 - the proposed change will encourage the Affiliated Issuers to introduce Restricted Opportunities to Lai Fung, which will provide Lai Fung opportunities to participate in potential Restricted Opportunity;

LETTER FROM CIMB

- Lai Fung shall have the sole discretion to determine whether or not to decline or to jointly participate with any member(s) of the Affiliated Groups in a Restricted Opportunity and to determine the basis of participation by each participant, which will give flexibility to Lai Fung in handling transactions, particularly, some large scale projects requiring expertise or financial support from the Affiliated Groups, as the resources to be contributed to the project will not depend on the Lai Fung Group only but also the Affiliated Groups;
 - Lai Fung shall maintain a leadership role among the Affiliated Groups in any Restricted Opportunity and the joint participation by Lai Fung in the Restricted Opportunity shall not be lower than 30% of such project, which can avoid the situation of the Lai Fung Group being involved in a large number of projects with minimal control and participation;
 - the directors of Lai Fung with material interest in the matter shall not be counted in the quorum or entitled to vote on any resolution approving a Restricted Opportunity; and
 - the quorum in the meeting to approve the Waiver in relation to a Restricted Opportunity will comprise the Eligible Directors, of which the number of independent non-executive directors of Lai Fung attending shall constitute a majority and affirmative votes in simple majority shall be obtained from the Special Committee, we consider there are adequate measures adopted in the grant of Waiver by Lai Fung to the Affiliated Issuers in order to safeguard the interests of the LF Independent Shareholders in the Lai Fung Group.
- (ii) Given that the financial results of the Lai Fung Group are consolidated into the Group, with the above mentioned benefit, the entering into of the Deed of Conditional Waiver will also be beneficial to the Group; and
- (iii) the Deed of Conditional Waiver provides additional business opportunities to the Group in the event that Lai Fung grants the Waiver to the Group thereby the Group decides to participate in the Restricted Opportunity which may be prohibited under the Existing Undertakings.

Hence, we hold the view that the terms of the Deed of Conditional Waiver are fair and reasonable and in the interests of the Group and eSun Independent Shareholders as a whole and consider that no material adverse impact of executing of the Deed of Conditional Waiver should be drawn to the eSun Independent Shareholders' attention.

LETTER FROM CIMB

4. Recent non-compete undertakings

Based on the information published on the website of the Stock Exchange, we have reviewed, to our best knowledge, an exhaustive list of non-compete undertakings entered into between controlling shareholders and those companies which were listed on the Main Board of the Stock Exchange from 1 January 2010 and up to the Latest Practicable Date and are principally engaged in property development for sale and property investment in the PRC (the “Comparable Companies”). The non-compete undertakings provided by the controlling shareholders of these Comparable Companies provide industry specific reference as recently approved by the regulatory bodies for us to consider whether it is uncommon for the other listed issuers engaging in the same industry to allow their controlling shareholders to engage in the similar businesses subject to certain approval mechanism. On this basis, we have identified 9 Comparable Companies. Details of which are summarized as follows:

Date of listing	Stock code	Name of listed company	Would the non-compete undertakings allow the controlling shareholder to engage in the similar businesses	Mechanism on the listed issuer’s decision making process as to whether to pursue or decline the opportunity
5 Feb 2010	1966	China SCE Property Holdings Limited	Yes	Any property development business which the listed issuer decided not to make an investment will have to be approved in writing by a majority of all the independent non-executive directors (the “INEDs”).
15 Jul 2010	2118	Tian Shan Development (Holding) Limited	Yes	Any decision of the listed issuer will have to be approved by INEDs.
7 Oct 2010	1918	Sunac China Holdings Limited	Yes	The listed issuer shall seek approval as to whether to pursue or decline the opportunity from the board or board committee, comprising, among others, INEDs.
23 Mar 2011	3688	Top Spring International Holdings Limited	Yes	The listed issuer has a right to decide whether to take up or decline the opportunity.
13 Jul 2011	2098	Zall Development (Cayman) Holding Co., Ltd.	No	N/A

LETTER FROM CIMB

Date of listing	Stock code	Name of listed company	Would the non-compete undertakings allow the controlling shareholder to engage in the similar businesses	Mechanism on the listed issuer's decision making process as to whether to pursue or decline the opportunity
22 Jul 2011	1663	Sino Harbour Property Group Limited	Yes	The listed issuer shall only exercise the first right of refusal to decline the opportunity upon approval of a committee comprising all the INEDs.
12 Jan 2012	1281	Kai Shi China Holdings Co. Limited	No	N/A
13 Nov 2012	0884	CIFI Holdings (Group) Co. Ltd.	Yes	Any property development business which the listed issuer decided not to make an investment will have to be approved in writing by a majority of all the INEDs.
19 Nov 2012	1030	Future Land Development Holdings Limited	No	N/A

From the above table, we note that it is not uncommon for non-compete undertakings between the listed issuer and its controlling shareholder to allow the controlling shareholder to engage in the similar businesses given that (i) the listed issuer has the first right to decide whether or not to pursue or decline the opportunity; and (ii) the approval mechanism is in place for any decision made by the listed issuer.

Our view

Having considered the above principal factors and reasons, in particular,

- (i) the reasons and benefits as mentioned in our view under the section headed “3. Principal Terms of the Deed of Conditional Waiver”;
- (ii) it is not uncommon for non-compete undertakings to allow its controlling shareholders to take up the opportunity given that approval mechanism is in place to protect the interests of its shareholders;
- (iii) transactions between Lai Fung and connected persons of Lai Fung are already governed by provisions in Chapter 14A of the Listing Rules pursuant to which, where applicable, the transactions will be subject to, among other things, independent shareholders' approval and, for continuing connected transactions, will also be subject to annual review requirement;

LETTER FROM CIMB

- (iv) Given that the financial results of the Lai Fung Group are consolidated into the Group, with the above mentioned benefit, the entering into of the Deed of Conditional Waiver will also be beneficial to the Group; and
- (v) the Deed of Conditional Waiver provides additional business opportunities to the Group in the event that Lai Fung grants the Waiver to the Group thereby the Group decides to participate in the Restricted Opportunity which may be prohibited under the Existing Undertakings.

Therefore, we are of the view that the execution of the Deed of Conditional Waiver is on normal commercial terms, is in the interests of the Group and the Shareholders as a whole and the terms thereof are fair and reasonable so far as the Group and the eSun Independent Shareholders are concerned. As the execution of the Deed of Conditional Waiver is intended to open up the avenue of joint participation with the Affiliated Issuers for the Restricted Opportunities which are the principal business of the Group and the Lai Fung Group, we also consider that the execution of the Deed of Conditional Waiver is in the ordinary and usual course of business of the Group. Accordingly, we advise the eSun Independent Shareholders and the Independent Board Committee to recommend the eSun Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Deed of Conditional Waiver.

Yours faithfully,

For and on behalf of

CIMB Securities Limited

Alex Lau

Director

Corporate Finance

Mabel Lam

Director

Corporate Finance

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters, the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF DIRECTORS' INTERESTS

As at the Latest Practicable Date, save as disclosed below, none of the Directors had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions, if any, which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of Part XV of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Code of Practice for Securities Transactions by Directors and Designated Employees adopted by the Company:

Interests in the Company

Name of Director	Long positions in the ordinary shares of HK\$0.50 each ("Shares") and underlying Shares				Approximate % of total issued Shares
	Number of Shares		Share options	Total	
	Personal interests	Corporate interests	Personal interests		
Dr. Peter Lam	2,794,443	487,706,186 <i>(Note 1)</i>	Nil	490,500,629	39.45
Mr. Andrew Y. Yan ("Mr. Yan")	Nil	125,000,000 <i>(Note 2)</i>	Nil	125,000,000	10.05
Mr. Chew Fook Aun ("Mr. F. A. Chew")	Nil	Nil	6,216,060	6,216,060	0.50
Mr. Lam Hau Yin, Lester ("Mr. L. Lam")	2,794,443	Nil	Nil	2,794,443	0.22

*Interests in associated corporations**Lai Fung*

Name of Director	Long positions in the ordinary shares of Lai Fung of HK\$0.01 each ("Lai Fung Shares") and underlying Lai Fung Shares				Approximate % of total issued Lai Fung Shares
	Number of Lai Fung Shares		Lai Fung Share options	Total	
	Personal interests	Corporate interests	Personal interests		
Dr. Peter Lam	Nil	7,836,774,422 <i>(Note 1)</i>	Nil	7,836,774,422	48.69
Mr. F. A. Chew	Nil	Nil	80,479,564	80,479,564	0.50

By virtue of his deemed interest in Shares (*Note 1*), as at the Latest Practicable Date, under the SFO, Dr. Peter Lam is also deemed to be interested in a principal amount of US\$1,025,000 of the 9.125% Senior Notes issued by Lai Fung, which was indirectly owned by the Company.

MAGH

Name of Director	Long positions in the ordinary shares of MAGH of HK\$0.01 each ("MAGH Shares") and underlying MAGH Shares				Approximate % of total issued MAGH Shares	
	Number of MAGH Shares		Number of underlying MAGH Shares			Total
	Corporate interests	Other interests	Corporate interests	Other interests		
Dr. Peter Lam	6,712,925,500 <i>(Note 1)</i>	1,521,093,209 <i>(Note 3)</i>	14,132,500,000 <i>(Notes 1 and 4)</i>	9,650,479,894 <i>(Note 3)</i>	32,016,998,603	243.66

Notes:

1. *As at the Latest Practicable Date, under the SFO, Dr. Peter Lam was deemed to be interested in (i) the 487,706,186 Shares indirectly held by LSD (in which Dr. Peter Lam, Mr. F. A. Chew, Mr. L. Lam and Madam U Po Chu (“**Madam U**”) are also directors); (ii) the 7,836,774,422 Lai Fung Shares indirectly held by the Company; and (iii) the 6,712,925,500 MAGH Shares and the 14,132,500,000 underlying MAGH Shares, by virtue of his personal and deemed interests in controlled incorporations, in that LSD was approximately 48.55% directly and indirectly held by LSG, and LSG was in turn approximately 8.07% held by Dr. Peter Lam and approximately 29.99% held by Wisdoman Limited, which was in turn 50% held by Dr. Peter Lam.*
2. *As at the Latest Practicable Date, under the SFO, Mr. Yan was deemed to be interested in 125,000,000 Shares owned by SAIF Partners IV LP, as the said limited partnership was indirectly controlled by Mr. Yan as a director and the sole shareholder of SAIF IV GP Capital Limited which was the sole general partner of SAIF IV GP LP which in turn was the sole general partner of SAIF Partners IV LP.*
3. *Pursuant to section 317 of the SFO and by virtue of his deemed controlling shareholding interests in the Company, Dr. Peter Lam was deemed to be interested in the MAGH Shares and the underlying MAGH Shares held by the parties (other than MAGH) to a subscription agreement dated 23 March 2011 (“**Subscription Agreement**”) and entered into amongst Perfect Sky Holdings Limited (“**Perfect Sky**”), a wholly-owned subsidiary of the Company and such parties for the subscription of certain shares in and convertible notes of MAGH.*
4. *This represents, in aggregate, the 8,632,500,000 underlying MAGH shares comprised in the first completion convertible notes issued to Perfect Sky by MAGH on 9 June 2011 (“**First Completion Date**”) and 5,500,000,000 underlying shares comprised in the Second Completion Convertible Notes issued to Perfect Sky by MAGH on 9 June 2012, i.e. the first anniversary of the First Completion Date, pursuant to the Subscription Agreement.*

3. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which did not expire or was not determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS’ INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, save for Dr. Peter Lam, Mr. Lui Siu Tsuen, Richard, Mr. F. A. Chew, Mr. L. Lam and Madam U, who held shareholding or other interests and/or directorships in companies or entities engaged in the businesses of property investment and development in the PRC and Mr. Yan, who controlled investment funds making investment in companies engaged in the businesses of media and entertainment, none of the Directors or their respective associate(s) are considered to have interests in business which compete or are likely to compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules. In any event, such Directors will be subject to the usual requirement to abstain from voting on resolutions of the Board approving any proposal in which any Director or his associate has a material interest, such that the decision making of the Board should not be affected by such material interest. Reference is also made to the section headed “**Recommendation**” under the “**Letter From The Board**” in this circular for the Excluded Directors who abstained from voting on the Board resolutions in respect of the Deed of Conditional Waiver.

5. INTEREST IN ASSETS AND/OR CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 July 2012, being the date to which the latest published audited financial statements of the Company for the year ended 31 July 2012 were made up, acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which was significant in relation to the business of the Company.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 July 2012, being the date to which the latest published audited financial statements of the Company for the year ended 31 July 2012 were made up.

7. EXPERT AND CONSENT

- (a) The following is the qualification of the Independent Financial Adviser which has given its opinion or advice contained in this circular:

Name	Qualification
CIMB Securities Limited	A licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activity under the SFO

- (b) As at the Latest Practicable Date, the Independent Financial Adviser did not have any shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (c) As at the Latest Practicable Date, the Independent Financial Adviser did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 July 2012, being the date to which the latest published audited financial statements of the Company were made up.
- (d) The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and reference to its name in the form and context in which they appear.
- (e) The letter and recommendation given by the Independent Financial Adviser are given as at of the date of this circular for incorporation herein.

8. GENERAL

In the event of any inconsistency, the English language text of this circular and the form of proxy shall prevail over the Chinese language text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Messrs. Woo, Kwan, Lee & Lo at 26th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong during normal business hours between 10:00 a.m. to 6:00 p.m. (except 1:00 p.m. to 2:00 p.m.) on any weekday from the date of this circular up to and including the date of the SGM and at the SGM:

- (a) the spin-off agreement between LSD and Lai Fung dated 12 November 1997;
- (b) the deed of undertaking provided by LSD dated 12 November 1997;
- (c) the non-compete agreement among LSG, Messrs. Lam, the late Mr. Lim Por Yen and Lai Fung dated 12 November 1997;
- (d) the Deed of Conditional Waiver;
- (e) the Supplemental Deed;
- (f) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 18 to 28 of this circular; and
- (g) the written consent of the Independent Financial Adviser referred to in paragraph 7(d) of the Appendix I to this circular.



eSun Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 571)

NOTICE IS HEREBY GIVEN THAT a special general meeting (“**SGM**”) of the members (“**Members**”) of eSun Holdings Limited (“**Company**”) will be held at Gloucester Room II, 3rd Floor, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 18 December 2012 at 10:15 a.m. (or as soon thereafter as the adjourned 2012 annual general meeting of the Company convened at the same place and on the same date at 9:45 a.m. shall have been concluded or adjourned) for the following purposes:

ORDINARY RESOLUTION NO. 1

1. To consider and, if thought fit, pass with or without modification the following proposed resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to and conditional upon (i) the Listing Committee of The Stock Exchange of Hong Kong Limited granting the approval for the listing of, and permission to deal in, the shares of HK\$0.10 each in the capital of Lai Fung Holdings Limited (“**LFH**”, a company which is accounted for and consolidated in the consolidated financial statements of the Company as a subsidiary), which may fall to be issued and allotted pursuant to the exercise of any options that may be granted under the proposed new share option scheme of LFH (“**New LFH Share Option Scheme**”, a copy of which is tabled at the meeting and marked “A” and initialed by the chairman of the meeting for identification purpose); and (ii) the passing of an ordinary resolution by the shareholders of LFH at its general meeting approving the adoption of the New LFH Share Option Scheme, the New LFH Share option scheme be and is hereby approved and the directors and the company secretary of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements and to take all actions as may be necessary or expedient in order to give full effect to the New LFH Share Option Scheme; and
- (b) subject to paragraph (a) hereinabove, the share option scheme adopted by LFH at its extraordinary general meeting held on 21 August 2003 be and is hereby terminated (save with respect to any outstanding, issued and unexercised options thereof) with effect from the adoption of the New LFH Share Option Scheme.”

ORDINARY RESOLUTION NO. 2

2. To elect Mr. Lam Hau Yin, Lester as an executive director of the Company.

ORDINARY RESOLUTION NO. 3

3. To consider and, if thought fit, pass with or without modification the following proposed resolution as an ordinary resolution of the Company:

“THAT:

- (a) the deed of conditional waiver dated 30 October 2012 (as supplemented by the supplemental deed dated 19 November 2012) (“**Deed of Conditional Waiver**”) executed by Lai Fung Holdings Limited (“**LFH**”, a company which is accounted for and consolidated in the consolidated financial statements of the Company as a subsidiary) in favour of the Covenantors (as defined below), pursuant to which LFH conditionally waives any claims, actions, proceedings, damages or equitable remedy that it may be entitled to under the Existing Undertakings (as defined below) in respect of the participation by any member of the Affiliated Groups (as defined below) in any Restricted Opportunity (as defined below) which may otherwise be prohibited under the Existing Undertakings, subject to their compliance with the provisions of the Deed of Conditional Waiver, be and is hereby approved, confirmed and ratified; and
- (b) for the purposes of this Resolution,
- (i) “Affiliated Groups” means:
- (1) Lai Sun Garment (International) Limited (“**LSG**”) and its subsidiaries and associated companies except the LSD Group, the Group, the MAGH Group and LFH and its subsidiaries (“**LFH Group**”);
 - (2) Lai Sun Development Company Limited (“**LSD**”) and its subsidiaries and associated companies other than the Group, the MAGH Group and the LFH Group (“**LSD Group**”);
 - (3) the Company and its subsidiaries other than the MAGH Group and the LFH Group (“**Group**”); and
 - (4) Media Asia Group Holdings Limited and its subsidiaries (“**MAGH Group**”);

while the “Affiliated Group” shall refer to any one of them and “its Affiliated Group” shall refer to the Affiliated Group of the respective Affiliated Issuer (as defined below) to which it relates;

- (ii) “Affiliated Issuers” means LSG, LSD, the Company and MAGH while the “Affiliated Issuer” shall refer to any one of them;
- (iii) “Covenantors” means the covenantors that are listed corporations under the Existing Undertakings (as defined below), namely LSG and LSD;
- (iv) “Existing Undertakings” means the undertakings provided in the spin-off agreement between LSD and LFH, a deed of undertaking provided by LSD and the non-compete agreement among LSG, Dr. Lam Kin Ngok, Peter, Dr. Lam Kin Ming, the late Mr. Lim Por Yen and LFH, all dated 12 November 1997, details of which have been disclosed in the listing document of LFH dated 18 November 1997; and
- (v) “Restricted Opportunity” means in respect of each Affiliated Issuer, any bona fide offer or invitation of business opportunity(ies), the pursuance of which by any member of its Affiliated Group is prohibited under the Existing Undertakings.”

ORDINARY RESOLUTION NO. 4

4. To consider and, if thought fit, pass with or without modification the following proposed resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to and conditional upon (i) the Listing Committee of The Stock Exchange of Hong Kong Limited granting the approval for the listing of, and permission to deal in, the ordinary shares of HK\$0.01 each in the capital of Media Asia Group Holdings Limited (“MAGH”, which is held as to approximately 51.09% by the Company), which may fall to be issued and allotted pursuant to the exercise of any options that may be granted under the proposed new share option scheme of MAGH (“**New MAGH Share Option Scheme**”, a copy of which is tabled at the meeting and marked “B” and initialed by the chairman of the meeting for identification purpose); and (ii) the passing of an ordinary resolution by the shareholders of MAGH at its general meeting approving the adoption of the New MAGH Share Option Scheme, the New MAGH Share Option Scheme be and is hereby approved and the directors and the company secretary of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements and to take all actions as may be necessary or expedient in order to give full effect to the New MAGH Share Option Scheme; and

- (b) subject to paragraph (a) hereinabove, the share option scheme adopted by MAGH at its extraordinary general meeting held on 19 November 2009 be and is hereby terminated (save with respect to any outstanding, issued and unexercised options thereof) with effect from the adoption of the New MAGH Share Option Scheme.”

By Order of the Board
eSun Holdings Limited
Kwok Siu Man
Company Secretary

Hong Kong, 1 December 2012

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business:
11th Floor
Lai Sun Commercial Centre
680 Cheung Sha Wan Road
Kowloon, Hong Kong

Notes:

- (1) *A Member entitled to attend and vote at the SGM convened by the above notice (“Notice”) or its adjourned meeting (as the case may be) is entitled to appoint one (or, if he/she/it holds two or more shares of HK\$0.50 each in the share capital of the Company (“Shares”), more than one) proxy to attend the SGM and, on a poll, vote on his/her/its behalf in accordance with the Bye-laws of the Company. A proxy need not be a Member.*
- (2) *A form of proxy for use at the SGM is accompanied with the Notice.*
- (3) *To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged with Tricor Tengis Limited, the branch share registrars of the Company in Hong Kong (“Registrars”), at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the SGM or its adjourned meeting (as the case may be) and in default, the form of proxy will not be treated as valid. Completion and return of the form of proxy shall not preclude Members from attending in person and voting at the SGM or its adjourned meeting should they so wish. In that event, the said form(s) of proxy shall be deemed to be revoked.*

The contact phone number of the Registrars is (852) 2980 1333.

- (4) *To ascertain the entitlements to attend and vote at the SGM, Members must lodge the relevant transfer document(s) and share certificate(s) at the office of the Registrars no later than 4:30 p.m. on Thursday, 13 December 2012 for registration.*
- (5) *Where there are joint registered holders of any Shares, any one of such joint holders may attend and vote at the SGM or its adjourned meeting (as the case may be), either in person or by proxy, in respect of such Shares as if he/she/it were solely entitled thereto. However, if more than one of such joint holders are present at the SGM or its adjourned meeting (as the case may be) personally or by proxy, then one of such holders so present whose name stands first in the register/branch register of Members in respect of such Shares shall alone be entitled to vote in respect thereof.*

- (6) *In compliance with Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), voting on all resolutions proposed in the Notice shall be decided by way of a poll at the SGM.*
- (7) *If a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a black rainstorm warning signal is expected to be in force at any time between 7:45 a.m. and 5:00 p.m. on the date of the SGM, the SGM will be postponed and Members will be informed of the date, time and venue of the postponed SGM by a supplementary notice posted on the respective websites of the Company and the Stock Exchange.*

If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is lowered or cancelled at or before 7:45 a.m. on the date of the SGM and where conditions permit, the SGM will be held as scheduled.

The SGM will be held as scheduled when an amber or red rainstorm warning signal is in force.

After considering their own situations, Members should decide whether they would attend the SGM under a bad weather condition and if they do so, they are advised to exercise care and caution.

- (8) *Two circulars of the Company dated 1 December 2012 will be sent to Members separately containing the following:*
- (i) *details regarding **Ordinary Resolutions nos. 1, 2 and 4** are set out in the circular of the Company dated 1 December 2012 in relation to, among others, the adoption of the New LFH Share Option Scheme (as defined therein), the election of an executive director of the Company and the adoption of the New MAGH Share Option Scheme (as defined therein); and*
 - (ii) *details regarding **Ordinary Resolution no. 3** are set out in the circular of the Company dated 1 December 2012 in relation to the connected transaction in respect of the Deed of Conditional Waiver (as defined therein).*