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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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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 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)**

**(1) APPROVAL OF ADOPTION OF A NEW SHARE OPTION SCHEME  
BY LAI FUNG HOLDINGS LIMITED,  
(2) ELECTION OF AN EXECUTIVE DIRECTOR,  
(3) APPROVAL OF ADOPTION OF A NEW SHARE OPTION SCHEME  
BY MEDIA ASIA GROUP HOLDINGS LIMITED  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

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Capitalised terms used in the lower portion of this cover page shall 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 9 to 20 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 39 to 43 of this circular. **The subject matter of this circular relates only to the proposed Ordinary Resolutions nos. 1, 2 and 4, the text of which is contained on pages 39 to 42 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 26th Floor, 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>”.*

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## DEFINITIONS

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Unless the context otherwise requires, terms used in this circular shall have the following 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 independent auditors of the Company;
“associate”	has the same meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“business day”	means a day on which banks in Hong Kong are generally open for business (excluding Saturdays, Sundays and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.);
“Bye-laws”	the bye-laws of the Company as amended, supplemented or otherwise modified from time to time;
“chief executive”	has the same meaning ascribed to it under the Listing Rules;
“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 as to approximately 39.23% by LSD as at the Latest Practicable Date;
“control”	has the same meaning ascribed to it under the Takeovers Code;
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;

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## DEFINITIONS

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“eSun Option Holder”	the holder of a share option granted under the share option scheme adopted by the Company on 23 December 2005 and became effective on 5 January 2006 entitling him to subscribe to certain Shares;
“Existing LFH Share Option Scheme”	the share option scheme adopted by LFH at its extraordinary general meeting held on LFH on 21 August 2003;
“Existing MAGH Share Option Scheme”	the share option scheme adopted by MAGH at its extraordinary general meeting held on 19 November 2009;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange;
“Group”	the Company and its subsidiaries other than the MAGH Group and the LFH Group;
“HKFRs”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“holding company”	for the purposes of the New LFH Share Option Scheme and the New MAGH Share Option Scheme, it shall have the same meaning ascribed to it under section 2 of the Companies Ordinance, otherwise, all other references to it shall have the same meaning ascribed to it under the Listing Rules;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“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;
“LFH”	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 was held as to approximately 48.69% by the Company as at the Latest Practicable Date;

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## DEFINITIONS

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“LFH Acceptance Date”	in relation to any LFH Option, the day on which the offer to grant such LFH Option is accepted by the relevant LFH Eligible Participant in accordance with the provisions of the New LFH Share Option Scheme;
“LFH Adoption Date”	the date of approval and adoption of the New LFH Share Option Scheme by the LFH Shareholders and the Shareholders;
“LFH Affiliated Issuer(s)”	any of LSG, LSD, the Company and MAGH, and the term “ <b>LFH Affiliated Group</b> ” shall refer to a LFH Affiliated Issuer together with its subsidiaries;
“LFH Board”	the board of LFH Directors, and for the purposes of the New LFH Share Option Scheme shall include (i) any committee of the LFH Board duly constituted from time to time to administer the New LFH Share Option Scheme and to which the functions and responsibilities of the LFH Board under the New LFH Share Option Scheme have been delegated and (ii) where paragraph (p) of the New LFH Share Option Scheme (contained in Appendix I to this circular) applies, the independent non-executive directors of LFH referred to in paragraph (p) of the New LFH Share Option Scheme (contained in Appendix I to this circular);
“LFH Date of Grant”	in relation to any LFH Option, the day (which must be a trading day) on which the LFH Directors resolve to make an offer of that LFH Option to a LFH Eligible Participant subject to the provisions of the New LFH Share Option Scheme;
“LFH Director(s)”	the director(s) of LFH;
“LFH Eligible Participant”	any person falling within any of the following classes: <ul style="list-style-type: none"><li>(a) any employee of a LFH Relevant Company;</li><li>(b) any director, officer or consultant of a LFH Relevant Company; and</li><li>(c) any other group or classes of participants which the LFH Board, in its absolute discretion, considers to have contributed or will contribute, whether by way of business alliance or other business arrangement, to the development and growth of the LFH Group;</li></ul>
“LFH Group”	LFH and its subsidiaries;

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## DEFINITIONS

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“LFH Intrinsic Value”	the difference between the market price (or theoretical entitlement price of the LFH Shares under the LFH Option and the exercise price (or revised exercise price) of the LFH Option;
“LFH Meeting”	the extraordinary general meeting of LFH 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 9:00 a.m. (or as soon thereafter as the 2012 annual general meeting of LFH convened at the same place and on the same date at 8:15 a.m. shall have been concluded or adjourned) or any adjournment thereof for the purpose of, approving, among others, the New LFH Share Option Scheme;
“LFH Option”	an option to subscribe for the LFH Shares pursuant to the New LFH Share Option Scheme;
“LFH Option Holder”	the holder of any outstanding LFH Option or (where the context so permits) any person who is entitled to such LFH Option in consequence of death or disability of the original holder, or the legal personal representative of such holder as set out under the New LFH Share Option Scheme;
“LFH Option Period”	in respect of any LFH Option, the period commencing on the LFH Acceptance Date of a LFH Option and expiring at the close of business on a day as determined by the LFH Directors (both days inclusive), which period may, if the LFH Directors so determine, be set at different length for different LFH Eligible Participants provided always that such period shall not be longer than ten (10) years from the date upon which any LFH Option is granted in accordance with the New LFH Share Option Scheme;
“LFH Option Price”	the price per LFH Share payable on the exercise of a LFH Option (in whole or in part) as determined by the LFH Directors provided always it shall comply with the provisions of the New LFH Share Option Scheme;
“LFH Relevant Company”	any member of the LFH Group or of a LFH Affiliated Group that is affiliated with LFH. For the purpose of the New LFH Share Option Scheme, a LFH Affiliated Group is considered to be affiliated with LFH, or vice versa, so long as the relevant LFH Affiliated Issuer concerned and LFH is, pursuant to the provisions of the SFO, interested or deemed to be interested in not less than 30% of the issued share capital of the other, or a third entity is so interested or deemed to be interested in not less than 30% of the issued share capital of either of them;

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## DEFINITIONS

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“LFH Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of LFH;
“LFH Shareholders”	holder(s) of LFH Shares;
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules;
“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 as to approximately 48.55% by LSG as at the Latest Practicable Date;
“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 as to approximately 38.06% as at the Latest Practicable Date by Dr. Lam Kin Ngok, Peter (an executive Director), a deputy chairman and executive director of LSG, the chairman and an executive director of LSD and MAGH, the chairman and an executive director of LFH (before 1 November 2012);
“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 GEM (Stock Code: 8075), which was held as to approximately 51.09% by the Company as at the Latest Practicable Date;
“MAGH Adoption Date”	the date of approval and adoption of the New MAGH Share Option Scheme by the MAGH Shareholders and the Shareholders;
“MAGH Affiliated Issuer(s)”	any of LSG, LSD, the Company and LFH, and the term “ <b>MAGH Affiliated Group</b> ” shall refer to a MAGH Affiliated Issuer together with its subsidiaries;

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## DEFINITIONS

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“MAGH Board”	the board of MAGH Directors, and for the purposes of the New MAGH Share Option Scheme shall include (i) any committee of the MAGH Board duly constituted from time to time to administer the New MAGH Share Option Scheme and to which the functions and responsibilities of the MAGH Board under the New MAGH Share Option Scheme have been delegated and (ii) where paragraph (p) of the New MAGH Share Option Scheme (contained in Appendix II to this circular) applies, the independent non-executive directors of MAGH referred to in paragraph (p) of the New MAGH Share Option Scheme (contained in Appendix II to this circular);
“MAGH Date of Grant”	in relation to any MAGH Option, the day (which must be a trading day) on which the MAGH Directors resolve to make an offer of that MAGH Option to a MAGH Eligible Participant subject to the provisions of the New MAGH Share Option Scheme;
“MAGH Director(s)”	the director(s) of MAGH;
“MAGH Eligible Participant”	any person falling within any of the following classes: <ul style="list-style-type: none"><li>(a) any employee of a MAGH Relevant Company;</li><li>(b) any director, officer or consultant of a MAGH Relevant Company; and</li><li>(c) any other group or classes of participants which the MAGH Board, in its absolute discretion, considers to have contributed or will contribute, whether by way of business alliance or other business arrangement, to the development and growth of the MAGH Group;</li></ul>
“MAGH Group”	MAGH and its subsidiaries;
“MAGH Intrinsic Value”	the difference between the market price (or theoretical entitlement price of the MAGH Shares under the MAGH Option and the exercise price (or revised exercise price) of the MAGH Option;
“MAGH Meeting”	the special general meeting of MAGH to be convened and held at Kellett Room II, 3rd Floor, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 18 December 2012 at 2:00 p.m. or any adjournment thereof;



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## DEFINITIONS

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“MAGH Option”	an option to subscribe for the MAGH Shares pursuant to the New MAGH Share Option Scheme;
“MAGH Option Holder”	the holder of any outstanding MAGH Option or (where the context so permits) any person who is entitled to such MAGH Option in consequence of death or disability of the original holder, or the legal personal representative of such holder as set out under the New MAGH Share Option Scheme;
“MAGH Option Period”	in respect of any MAGH Option, the period commencing on the MAGH Acceptance Date of a MAGH Option and expiring at the close of business on a day as determined by the MAGH Directors (both days inclusive), which period may, if the MAGH Directors so determine, be set at different length for different MAGH Eligible Participants provided always that such period shall not be longer than ten (10) years from the date upon which any MAGH Option is granted in accordance with the New MAGH Share Option Scheme;
“MAGH Option Price”	the price per MAGH Share payable on the exercise of a MAGH Option (in whole or in part) as determined by the MAGH Directors provided always it shall comply with the provisions of the New MAGH Share Option Scheme;
“MAGH Relevant Company”	any member of the MAGH Group or of a MAGH Affiliated Group that is affiliated with MAGH. For the purpose of the New MAGH Share Option Scheme, a MAGH Affiliated Group is considered to be affiliated with MAGH, or vice versa, so long as the relevant MAGH Affiliated Issuer concerned and MAGH is, pursuant to the provisions of the SFO, interested or deemed to be interested in not less than 30% of the issued share capital of the other, or a third entity is so interested or deemed to be interested in not less than 30% of the issued share capital of either of them;
“MAGH Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of MAGH;
“MAGH Shareholder(s)”	holder(s) of the MAGH Shares;
“New LFH Share Option Scheme”	the new share option scheme proposed to be adopted by LFH, a summary of the principal terms of which is set out in Appendix I to this circular;

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## DEFINITIONS

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“New MAGH Share Option Scheme”	the new share option scheme proposed to be adopted by MAGH, a summary of the principal terms of which is set out in Appendix II to this circular;
“PRC”	the People’s Republic of China and for the purpose of this circular, excluding Hong Kong and Macau;
“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) or any adjournment thereof (as the case may be), notice of which is set out on pages 39 to 43 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);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the same meaning ascribed to it under the Listing Rules;
“substantial shareholder”	has the same meaning ascribed to it under the Listing Rules;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases;
“trading day”	a day on which the Stock Exchange is open for business of dealing in securities; and
“%”	per cent.

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## LETTER FROM THE BOARD

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### 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

*Non-executive Directors:*

Madam U Po Chu  
Mr. Andrew Y. Yan

*Independent Non-executive Directors:*

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

*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

1 December 2012

*To the Shareholders and for information only,  
the eSun Option Holder*

Dear Sir or Madam,

**(1) APPROVAL OF ADOPTION OF A NEW SHARE OPTION SCHEME  
BY LAI FUNG HOLDINGS LIMITED,  
(2) ELECTION OF AN EXECUTIVE DIRECTOR,  
(3) APPROVAL OF ADOPTION OF A NEW SHARE OPTION SCHEME  
BY MEDIA ASIA GROUP HOLDINGS LIMITED  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with the notice of the SGM and more information regarding the ordinary resolutions to be proposed at the SGM relating to (i) the adoption of the New LFH Share Option Scheme and termination of the Existing LFH Share Option Scheme, details of which are set out in **Ordinary Resolution no. 1**; (ii) the election of Mr. Lam Hau Yin, Lester (“**Mr. L. Lam**”) as an executive Director, details of which are set out in **Ordinary Resolution no. 2**; and (iii) the adoption of the New MAGH Share Option Scheme and termination of the Existing MAGH Share Option Scheme, details of which are set out in **Ordinary Resolution no. 4**.

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## LETTER FROM THE BOARD

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### 2. PROPOSED TERMINATION OF THE EXISTING LFH SHARE OPTION SCHEME AND ADOPTION OF THE NEW LFH SHARE OPTION SCHEME

As at the Latest Practicable Date, the Company has approximately 48.69% shareholding interest in LFH. As the Board at its meeting held on 30 October 2012 approved the early adoption of certain new and revised HKFRSs (including HKFRS 10 “*Consolidated Financial Statements*”) for the financial year ended 31 July 2012, LFH has been accounted for and consolidated in the consolidated financial statements of the Company as a subsidiary since 11 June 2012, being the date of completion of LFH’s open offer of its shares when the Group’s shareholdings in LFH increased from 40.58% to 47.39%. Accordingly, in accordance with the requirements of HKFRS 10, LFH has become a subsidiary of the Company since 11 June 2012. Previously, LFH was treated as an associate (as defined in the HKFRS) of the Company and accounted for using the equity method of accounting. The principal business activities of the LFH Group include property development for sale and property investment for rental in the PRC.

The Existing LFH Share Option Scheme was adopted by LFH at its general meeting on 21 August 2003. The Existing LFH Share Option Scheme is valid and effective for a period of 10 years from 21 August 2003 and will expire on 21 August 2013. In view of the impending expiry of the Existing LFH Share Option Scheme on 21 August 2013 and the proposed change of terms of the Existing LFH Share Option Scheme, LFH proposes to adopt the New LFH Share Option Scheme and to terminate the Existing LFH Share Option Scheme after all conditions precedent as referred to under the paragraph “*Conditions Precedent of the New LFH Share Option Scheme*” below have been fulfilled.

As at the Latest Practicable Date, the Company is the ultimate holding company of LFH, which in turn is held as to approximately 48.69% by the Company. The adoption of the New LFH Share Option Scheme by LFH is therefore subject to the passing of an ordinary resolution to approve the adoption of the New LFH Share Option Scheme by the Shareholders pursuant to the requirements of Rule 17.01(4) of the Listing Rules.

#### A. The New LFH Share Option Scheme

The operation of the New LFH Share Option Scheme will commence after all the conditions precedent as referred to under the paragraph headed “*Conditions Precedent of the New LFH Share Option Scheme*” below have been fulfilled. A summary of the principal terms of the New LFH Share Option Scheme is set out in the Appendix I to this circular. Details of the ordinary resolution to be proposed at the SGM relating to the adoption of the New LFH Share Option Scheme and the termination of the Existing LFH Share Option Scheme are set out in **Ordinary Resolution no. 1**.

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## LETTER FROM THE BOARD

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The purpose of the New LFH Share Option Scheme is to recognise the contribution or future contribution of the LFH Eligible Participants for their contribution to the LFH Group by granting LFH Options to them as incentives or rewards and to attract, retain and motivate high-calibre LFH Eligible Participants in line with the performance goals of the LFH Relevant Companies. The New LFH Share Option Scheme shall strengthen the many long-term relationships that the LFH Eligible Participants may have with the LFH Group. Given the fact that the working relationship between LFH and the LFH Affiliated Groups has always been close, LFH feels that it is appropriate to provide a broader and more flexible scope to expand the class of LFH Eligible Participants to include the employee, director, officer or consultant of the LFH Affiliated Group (“**LFH Affiliated Participants**”). LFH and the LFH Affiliated Participants have always had a close working relationship. As such, certain LFH Affiliated Participants have joint involvement in work projects from time to time. Given the mix of workload, LFH feels that it is important to recognise the contribution or future contribution of such LFH Affiliated Participants by giving them incentive through their participation in the New LFH Share Option Scheme. The inclusion of such LFH Affiliated Participants in the class of LFH Eligible Participants is also in line with LFH’s purpose of the New LFH Share Option Scheme. The LFH Affiliated Groups will consider granting LFH Options to those employees, but given that the same employees may be utilized by LFH to assist with its projects, they would also provide service to LFH and hence it would be in LFH’s interest to also grant LFH Options to those employees in recognition of such contribution to LFH. Unless otherwise determined by the LFH Board, there is neither any performance target under the New LFH Share Option Scheme which must be achieved by the LFH Option Holder before a LFH Option can be exercised nor any minimum period for which a LFH Option must be held before the LFH Option can be exercised. None of the LFH Directors is a trustee of the New LFH Share Option Scheme or has a direct or an indirect interest in a trustee.

As at the Latest Practicable Date, LFH has granted options relating to 267,604,364 LFH Shares under the Existing LFH Share Option Scheme representing approximately 1.66% of the issued share capital of LFH as at the Latest Practicable Date. Of these options, an option relating to 80,479,564 LFH Shares is valid and outstanding and remains valid under the Existing LFH Share Option Scheme after the Existing LFH Share Option Scheme is terminated and options relating to 92,124,800 LFH Shares have been exercised and 95,000,000 LFH Shares have lapsed in accordance with the terms of the Existing LFH Share Option Scheme. Save as aforesaid, LFH has no outstanding options, convertible securities or warrants which confer the right to subscribe for LFH Shares as at the Latest Practicable Date. The LFH Board has no intention of granting any further options under the Existing LFH Share Option Scheme during the period from the Latest Practicable Date to the date of the LFH Meeting.

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## LETTER FROM THE BOARD

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Upon termination of the Existing LFH Share Option Scheme, no further options may be granted but in all other respects the provisions of the Existing LFH Share Option Scheme shall remain in full force and effect. Therefore, the termination of the Existing LFH Share Option Scheme will not in any event affect the terms of the grant of such outstanding option that has already been granted under the Existing LFH Share Option Scheme and the above outstanding option granted under the Existing LFH Share Option Scheme shall continue to be subject to the provisions of the Existing LFH Share Option Scheme.

As at the Latest Practicable Date, the issued share capital of LFH comprised 16,095,912,956 LFH Shares. Assuming that there is no change in the issued share capital of LFH between the period from the Latest Practicable Date and the date of adoption of the New LFH Share Option Scheme, and that no further option will be granted under the Existing LFH Share Option Scheme prior to its termination and any other share option schemes of LFH (if any), the maximum number of LFH Shares issuable pursuant to the New LFH Share Option Scheme and any other share option schemes of LFH (if any) will be 1,609,591,295 LFH Shares, being 10% of the total number of LFH Shares in issue on the date of approval of the New LFH Share Option Scheme, unless LFH obtains a fresh approval from the LFH Shareholders and the Shareholders respectively in a general meeting (so long as LFH is a subsidiary of the Company under the Listing Rules) to refresh the 10% limit on the basis that the maximum number of LFH Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New LFH Share Option Scheme and any other share option schemes of LFH shall not exceed 30% of the issued share capital of LFH from time to time (“**LFH Overall Limit**”).

### **B. Conditions Precedent of the New LFH Share Option Scheme**

The New LFH Share Option Scheme will take effect subject to the following conditions:

- (a) the passing of the necessary resolutions by the LFH Shareholders in a general meeting to approve the adoption of the New LFH Share Option Scheme and to authorize the LFH Directors to grant LFH Options to subscribe for LFH Shares thereunder and to allot, issue and deal with LFH Shares pursuant to the exercise of any LFH Options granted under the New LFH Share Option Scheme;
- (b) the passing of the necessary resolutions by the Shareholders in a general meeting to approve the adoption of the New LFH Share Option Scheme by LFH; and
- (c) the Listing Committee granting the approval for the listing of, and permission to deal in, any LFH Shares to be issued and allotted pursuant to the exercise of LFH Options under the New LFH Share Option Scheme.

Application will be made by LFH to the Stock Exchange for approval of the listing of, and permission to deal in, the LFH Shares to be issued pursuant to the exercise of the LFH Options granted under the New LFH Share Option Scheme.

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## LETTER FROM THE BOARD

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Once the New LFH Share Option Scheme is adopted, any alterations to the terms and conditions thereof, which are of a material nature, must be approved by the LFH Shareholders and the Shareholders (so long as LFH is a subsidiary of the Company under the Listing Rules), except where the alterations take effect automatically pursuant to the terms originally provided in the New LFH Share Option Scheme.

### C. Value of the LFH Options

The Directors consider that it is not appropriate to state the value of all the LFH Options that can be granted under the New LFH Share Option Scheme as if they had been granted at the Latest Practicable Date, given that various factors (such as the LFH Option Price and other terms and conditions to which a LFH Option may be subject) crucial for valuation cannot be predicted or ascertained and may vary from case to case. The LFH Directors believe that any calculation of the value of LFH Options as at the Latest Practicable Date based on assumptions would be speculative and not meaningful, and indeed might be misleading to the Shareholders.

### D. Principal terms of the New LFH Share Option Scheme

A summary of the principal terms of the New LFH Share Option Scheme is set out in Appendix I to this circular. This serves as a summary of the terms of the New LFH Share Option Scheme but does not constitute the full terms of the same. The terms of the New LFH Share Option Scheme are in line with the provisions of Chapter 17 of the Listing Rules, which govern the terms of the share option schemes of listed companies.

## 3. ELECTION OF AN EXECUTIVE DIRECTOR

On 30 October 2012, the Board announced that amongst other matters, Mr. L. Lam had been appointed an executive Director with effect from 1 November 2012.

In accordance with Bye-law 86(2) of the Bye-laws and pursuant to code provision A.4.2 of the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules, Mr. L. Lam will retire and, being eligible, offers himself for election at the SGM.

The biographical details of Mr. L. Lam are set out below as required to be disclosed by the Listing Rules:

**Mr. L. Lam**, aged 31, was appointed an executive Director on 1 November 2012 and is currently a member of the executive committee of the Company. He is also an executive director of LSD and LSG, an executive director and the chief executive officer of LFH, and also holds directorship in a number of subsidiaries of the above-mentioned companies. Further, Mr. L. Lam is also an alternate director to Madam U Po Chu (“**Madam U**”, a non-executive Director) in her capacity as a non-executive director of LSG. Save as disclosed above, Mr. L. Lam has not held any other directorships in listed public companies in the last three years.

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## LETTER FROM THE BOARD

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Mr. L. Lam holds a Bachelor of Science in Business Administration degree from the Northeastern University, Boston, the United States of America. He has acquired working experience since 1999 in various companies engaged in securities investment, hotel operations, environmental products, entertainment and property development and investment.

The Company and Mr. L. Lam have entered into a service contract with no fixed term but such contract is determinable by either the Company or Mr. L. Lam serving the other party not less than 3 months' written notice or payment in lieu thereof. Presently, Mr. L. Lam does not receive any remuneration from the Company but receives from LFH a monthly salary of HK\$102,275 and a yearly discretionary bonus and other remuneration as may be determined by the LFH Board with reference to the results of LFH, his performance, duties and responsibilities as well as the prevailing market conditions.

In accordance with the provisions of the Bye-laws, Mr. L. Lam, if re-elected at the SGM, will be subject to retirement by rotation once every three years from that date onward and will also be eligible for re-election as a Director at future annual general meetings of the Company.

As at the Latest Practicable Date, except for his personal interest in 2,794,443 Shares (representing approximately 0.22% of the issued Shares) in the Company and 60,623,968 shares (representing approximately 3.75% of the issued shares) in LSG, Mr. L. Lam does not have any interests or short positions in the Shares, underlying Shares and/or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Mr. L. Lam is a son of Dr. Lam Kin Ngok, Peter (an executive Director) and a grandson of Madam U. Apart from the aforesaid, Mr. L. Lam does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, there are no other matters relating to Mr. L. Lam's election that need to be brought to the attention of the Shareholders, and there is no information that needs to be disclosed pursuant to the requirements of the provisions of Rule 13.51(2)(h) to (v) of the Listing Rules.

#### **4. PROPOSED ADOPTION OF THE NEW MAGH SHARE OPTION SCHEME AND TERMINATION OF THE EXISTING MAGH SHARE OPTION SCHEME**

The Existing MAGH Share Option Scheme was adopted by MAGH at its general meeting on 19 November 2009. Since (i) MAGH has become a subsidiary of the Company and Rule 23.01(4) of the GEM Listing Rules requires the relevant provisions of the Existing MAGH Share Option Scheme which are required to be approved by the MAGH Shareholders/independent non-executive directors of MAGH to be simultaneously approved by the Shareholders/independent non-executive Directors; and (ii) the Company would like to have a unified set of share option scheme rules for all members of the Group (including the LFH Group and the MAGH Group), MAGH proposes to adopt the New MAGH Share Option Scheme and terminate the Existing MAGH Share Option Scheme after all conditions precedent as referred to under the paragraph "*Conditions Precedent of the New MAGH Share Option Scheme*" below have been fulfilled.



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## LETTER FROM THE BOARD

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According to Rule 23.01(4) of the GEM Listing Rules, where the provisions require the share option scheme or any related matters to be approved by shareholders/independent non-executive directors of a listed issuer whose holding company is also listed on the Stock Exchange, such scheme or matters must simultaneously be approved by the shareholders/independent non-executive directors of such listed issuer's holding company.

As at the Latest Practicable Date, the issued share capital of MAGH comprised 13,140,257,612 MAGH Shares, of which 6,712,925,500 MAGH Shares (representing approximately 51.09%) is owned by the Company. Pursuant to Rule 23.01(4) of the GEM Listing Rules, so long as MAGH is a subsidiary of the Company, the New MAGH Share Option Scheme and all matters under the Existing MAGH Share Option Scheme or the New MAGH Share Option Scheme required to be approved by the MAGH Shareholders/independent non-executive directors of MAGH are also required to be simultaneously approved by the Shareholders/independent non-executive Directors.

In the circumstances, both the termination of the Existing MAGH Share Option Scheme by MAGH and the adoption of the New MAGH Share Option Scheme by MAGH are, therefore, also subject to the passing of the necessary resolutions by the Shareholders in general meeting to approve the termination of the Existing MAGH Share Option Scheme by MAGH and the adoption of the New MAGH Share Option Scheme by MAGH pursuant to the requirements of Rule 23.01(4) of the GEM Listing Rules.

### **A. The Existing MAGH Share Option Scheme and the New MAGH Share Option Scheme**

The operation of the New MAGH Share Option Scheme will commence after all the conditions precedent as referred to under the paragraph headed “*Conditions Precedent of the New MAGH Share Option Scheme*” below have been fulfilled. A summary of the principal terms of the New MAGH Share Option Scheme is set out in the Appendix II to this circular. Details of the ordinary resolution to be proposed at the SGM relating to the adoption of the New MAGH Share Option Scheme and the termination of the Existing MAGH Share Option Scheme are set out in **Ordinary Resolution no. 4**.

The purpose of the New MAGH Share Option Scheme is to recognise the contribution or future contribution of the MAGH Eligible Participants for their contribution to the MAGH Group by granting MAGH Options to them as incentives or rewards and to attract, retain and motivate high-calibre MAGH Eligible Participants in line with the performance goals of the MAGH Relevant Companies. The New MAGH Share Option Scheme shall strengthen the many long-term relationships that the MAGH Eligible Participants may have with the MAGH Group. Given the fact that the working relationship between MAGH and the MAGH Affiliated Groups has always been close, MAGH feels that it is appropriate to provide a broader and more flexible scope to expand the class of MAGH Eligible Participants to include the employee, director, officer or consultant of the MAGH Affiliated Group (“**MAGH Affiliated Participants**”). MAGH and the MAGH Affiliated Participants have always had a close working relationship. As such, certain MAGH Affiliated

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## LETTER FROM THE BOARD

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Participants have joint involvement in work projects from time to time. Given the mix of workload, MAGH feels that it is important to recognise the contribution or future contribution of such MAGH Affiliated Participants by giving them incentive through their participation in the New MAGH Share Option Scheme. The inclusion of such MAGH Affiliated Participants in the class of MAGH Eligible Participants is also in line with MAGH's purpose of the New MAGH Share Option Scheme. The MAGH Affiliated Groups will consider granting MAGH Options to those employees, but given that the same employees may be utilized by MAGH to assist with its projects, they would also provide service to MAGH and hence it would be in MAGH's interest to also grant MAGH Options to those employees in recognition of such contribution to MAGH. Unless otherwise determined by the MAGH Board, there is neither any performance target under the New MAGH Share Option Scheme which must be achieved by the MAGH Option Holder before a MAGH Option can be exercised nor any minimum period for which a MAGH Option must be held before the MAGH Option can be exercised. None of the MAGH Directors is a trustee of the New MAGH Share Option Scheme or has a direct or an indirect interest in a trustee.

As at the Latest Practicable Date, MAGH has no outstanding share options under the MAGH Existing Share Option Scheme. MAGH issued 3-year zero coupon convertible notes in the aggregate principal amount of HK\$371,386,642 on 9 June 2011 and HK\$224,873,937 on 9 June 2012, which carry conversion rights entitling the relevant holders to subscribe for a total of 17,856,118,192 MAGH Shares and 8,074,468,085 MAGH Shares respectively. On 8 September 2011, part of the convertible notes in an aggregate principal amount of HK\$25,000,000 was converted into 1,562,500,000 MAGH Shares, following which the outstanding principal of the said convertible notes was reduced to HK\$571,260,579, carrying convertible rights entitling the relevant holders to subscribe for a total of 24,368,086,277 MAGH Shares. Save as aforesaid, MAGH has no outstanding options, convertible securities or warrants which confer the right to subscribe for MAGH Shares as at the Latest Practicable Date. The MAGH Board has no intention of granting any further options under the MAGH Existing Share Option Scheme during the period from the Latest Practicable Date to the date of the MAGH Meeting.

As at the Latest Practicable Date, the issued share capital of MAGH comprised 13,140,257,612 MAGH Shares. Assuming that there is no change in the issued share capital of MAGH between the period from the Latest Practicable Date and the date of adoption of the New MAGH Share Option Scheme, and that no further option is granted under the Existing MAGH Share Option Scheme prior to its termination and any other share option schemes of MAGH (if any), the maximum number of MAGH Shares issuable pursuant to the New MAGH Share Option Scheme and any other share option schemes of MAGH (if any) will be 1,314,025,761 MAGH Shares, being 10% of the total number of MAGH Shares in issue on the date of approval of the New MAGH Share Option Scheme, unless MAGH obtains a fresh approval from the Shareholders and the MAGH Shareholders respectively in a general meeting (so long as MAGH is a subsidiary of the Company under the GEM Listing Rules) to refresh the 10% limit on the basis that the

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## LETTER FROM THE BOARD

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maximum number of MAGH Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New MAGH Share Option Scheme and any other share option schemes of MAGH shall not exceed 30% of the issued share capital of MAGH from time to time (“**MAGH Overall Limit**”).

Upon termination of the Existing MAGH Share Option Scheme, no further options may be granted but in all other respects the provisions of the Existing MAGH Share Option Scheme shall remain in full force and effect. Therefore, the termination of the Existing MAGH Share Option Scheme will not in any event affect the terms of the grant of such outstanding option that has already been granted under the Existing MAGH Share Option Scheme and the above outstanding option granted under the Existing MAGH Share Option Scheme shall continue to be subject to the provisions of the Existing MAGH Share Option Scheme.

### **B. Conditions precedent of the New MAGH Share Option Scheme**

The New MAGH Share Option Scheme will take effect subject to the following conditions:

- (a) the passing of the necessary resolutions by the MAGH Shareholders in a general meeting to approve the adoption of the New MAGH Share Option Scheme and to authorize the MAGH Directors to grant MAGH Options to subscribe for MAGH Shares thereunder and to allot, issue and deal with MAGH Shares pursuant to the exercise of any MAGH Options granted under the New MAGH Share Option Scheme;
- (b) the passing of the necessary resolutions by the Shareholders in a general meeting to approve the adoption of the New MAGH Share Option Scheme by MAGH; and
- (c) the Listing Committee granting the approval for the listing of, and permission to deal in, any MAGH Shares to be issued and allotted pursuant to the exercise of MAGH Options granted under the New MAGH Share Option Scheme.

Application will be made by MAGH to the Stock Exchange for approval of the listing of, and permission to deal in, the MAGH Shares to be issued pursuant to the exercise of the MAGH Options granted under the New MAGH Share Option Scheme.

Once the New MAGH Share Option Scheme is adopted, any alterations to the terms and conditions thereof, which are of a material nature, must be approved by the MAGH Shareholders and the Shareholders (so long as MAGH is a subsidiary of the Company under the GEM Listing Rules), except where the alterations take effect automatically pursuant to the terms originally provided in the New MAGH Share Option Scheme.

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## LETTER FROM THE BOARD

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### **C. Value of the MAGH Options**

The MAGH Directors consider that it is not appropriate to state the value of all the Options that can be granted under the New MAGH Share Option Scheme as if they had been granted at the Latest Practicable Date, given that various factors (such as the MAGH Option Price and other terms and conditions to which a MAGH Option may be subject) crucial for valuation cannot be predicted or ascertained and may vary from case to case. The MAGH Directors believe that any calculation of the value of MAGH Options as at the Latest Practicable Date based on assumptions would be speculative and not meaningful, and indeed might be misleading to the Shareholders.

### **D. Principal terms of the New MAGH Share Option Scheme**

A summary of the principal terms of the New MAGH Share Option Scheme is set out in Appendix II to this circular. This serves as a summary of the terms of the New MAGH Share Option Scheme but does not constitute the full terms of the same. The terms of the New MAGH Share Option Scheme are in line with the provisions of Chapter 23 of the GEM Listing Rules, which govern the terms of the share option schemes of listed companies on GEM.

## **5. SGM AND PROXY ARRANGEMENT**

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 39 to 43 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.

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Bye-law 66 of the 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.

Mr. L. Lam and his associates, if any (who were interested in approximately 0.22% of the issued Shares as at the Latest Practicable Date) are required to abstain from voting on **Ordinary Resolution no. 2** in relation to the proposed election of Mr. L. Lam as an executive Director at the SGM. Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution in relation to (i) the proposed adoption of the New LFH Share Option Scheme and the proposed termination of the Existing LFH Share Option Scheme; (ii) the proposed election of Mr. L. Lam as an executive Director; and (iii) the proposed adoption of the New MAGH Share Option Scheme and the proposed termination of the Existing MAGH Share Option Scheme to be proposed at the SGM pursuant to the Listing Rules and/or the Bye-laws.

An explanation of the detailed procedures of conducting a poll will be provided to the Shareholders at the SGM. Tricor Tengis Limited, the branch share registrars of the Company in Hong Kong, will serve as the scrutineers for 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.

### 6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of each of the rules of the New LFH Share Option Scheme and rules of the New MAGH Share Option Scheme will be available for inspection at the offices of Messrs. Woo, Kwan, Lee & Lo, 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.

### 7. RECOMMENDATION

The Directors believe that (i) the adoption of the New LFH Share Option Scheme and the termination of the Existing LFH Share Option Scheme by LFH (details of which are set out in **Ordinary Resolution no. 1**); (ii) the proposed election of Mr. L. Lam as an executive Director (details of which are set out in **Ordinary Resolution no. 2**); and (iii) the proposed adoption of the New MAGH Share Option Scheme and the termination of the Existing MAGH Share Option Scheme by MAGH (details of which are set out in **Ordinary Resolution no. 4**) are in the best interests of the Company, LFH, MAGH and their respective shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM.

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## LETTER FROM THE BOARD

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### 8. 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.

### 9. GENERAL INFORMATION

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the SGM.

In case of any inconsistency between the English and Chinese versions of this circular, the English version will prevail.

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

The following is a summary of the principal terms of the New LFH Share Option Scheme to be approved at the SGM. It does not form part of, nor is it intended to be part of the rules of the New LFH Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the New LFH Share Option Scheme.

**(a) Purpose**

The purpose of the New LFH Share Option Scheme is to recognise the contribution or future contribution of the LFH Eligible Participants for their contribution to the LFH Group by granting the LFH Options to them as incentives or rewards and to attract, retain and motivate high-calibre LFH Eligible Participants in line with the performance goals of the LFH Relevant Companies. The New LFH Share Option Scheme shall strengthen the many long-term relationships that the Eligible Participants may have with the LFH Group.

**(b) Who may join**

The LFH Directors may at their absolute discretion and subject to such terms, conditions, restrictions or limitations as they may think fit offer, at the consideration of HK\$1.00 per LFH Option, to grant LFH Options to the LFH Eligible Participants to subscribe at the LFH Option Price for such numbers of LFH Shares as they may determine. In determining the basis of eligibility of each LFH Eligible Participant, the LFH Directors would take into account such factors as the LFH Directors may at its discretion consider appropriate including the contribution or future contribution to the LFH Group of each LFH Eligible Participant and the need to attract, retain and motivate high-calibre LFH Eligible Participants for achieving the performance goals of the LFH Relevant Companies. Any such terms, conditions, restrictions or limitations so imposed in relation to any LFH Option shall be notified to the LFH Eligible Participant to whom the offer to grant such LFH Option has been made by way of writing in the letter or document containing the offer of grant of the LFH Option. In particular, the LFH Directors may specify minimum performance targets (if any) that must be reached before a LFH Option is capable of being exercised by the LFH Option Holder.

**(c) Price for the LFH Shares**

The LFH Option Price (subject to adjustments in accordance with paragraph (j) below) shall be determined on the LFH Date of Grant at the absolute discretion of the LFH Directors as an amount per LFH Share which shall be at least the highest of:

- (aa) the closing price of the LFH Shares as stated in the Stock Exchange's daily quotations sheet on the LFH Date of Grant, which must be a trading day;
- (bb) the average of the closing prices of the LFH Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the LFH Date of Grant; and
- (cc) the nominal value of the LFH Shares on the LFH Date of Grant.

**(d) Acceptance of offers of LFH Options**

Offers to grant a LFH Option shall be open for acceptance in writing. Such acceptance must be received by the company secretary of LFH (“**LFH Company Secretary**”) within a period of 30 days inclusive of, and from, the LFH Date of Grant provided that no such offer shall be open for acceptance after the expiry of the period of the New LFH Share Option Scheme or after the New LFH Share Option Scheme has been terminated or by a person who ceases to be a LFH Eligible Participant after such offer has been made. An offer shall be deemed to have been accepted on the date when the duplicate comprising acceptance of the offer is duly signed by the LFH Eligible Participant with the number of LFH Shares in respect of which the offer is accepted clearly stated therein together with a remittance in favour of LFH of HK\$1.00 per LFH Option by way of consideration for the grant thereof. Such consideration shall not be refundable.

Upon an offer of the grant of LFH Options being accepted or deemed to have been accepted, each LFH Option Holder gives LFH an unfettered right to publish an announcement relating to the terms of the offer in accordance with the Listing Rules.

**(e) Maximum number of LFH Shares**

- (aa) The maximum number of LFH Shares which may be issued upon the exercise of LFH Options to be granted under the New LFH Share Option Scheme and all options to be granted under any other share option schemes of any member of the LFH Group (“**LFH Other Schemes**”) shall not in aggregate exceed 10% of total number of LFH Shares in issue on the LFH Adoption Date (“**LFH Scheme Limit**”) unless each of LFH and the Company (so long as LFH is a subsidiary of the Company under the Listing Rules) obtains an approval from their respective shareholders pursuant to paragraph (cc) below. LFH Options cancelled or lapsed in accordance with the terms of the New LFH Share Option Scheme shall not be counted for the purposes of calculating the LFH Scheme Limit.
- (bb) Subject to (aa) above and the approval of the LFH Shareholders and the Shareholders (so long as LFH is a subsidiary of the Company under the Listing Rules) in the respective general meetings, LFH may refresh the LFH Scheme Limit at any time, provided that such limit as refreshed shall not exceed 10% of the LFH Shares in issue as at the date of approval of such refreshed limit. LFH Options previously granted under the New LFH Share Option Scheme and options granted under the LFH Other Schemes (including those outstanding, cancelled or lapsed in accordance with such schemes or those exercised) shall not be counted for the purpose of calculating the limit as refreshed. In such event, LFH and the Company (so long as LFH is a subsidiary of the Company under the Listing Rules) shall send a circular to their respective shareholders containing the information required under the Listing Rules.



(cc) Subject to (aa) above and the approval of the LFH Shareholders and the Shareholders (so long as LFH is a subsidiary of the Company under the Listing Rules) in the respective general meetings, LFH may grant LFH Options beyond the 10% limit, provided that the LFH Options in excess of such limit are granted only to the LFH Eligible Participants specifically identified by LFH before such shareholders' approval is sought. In such event, LFH and the Company (so long as LFH is a subsidiary of the Company under the Listing Rules) shall send a circular to their respective shareholders containing, amongst other terms, a generic description of the specified LFH Eligible Participant(s) who may be granted such LFH Options, the number of LFH Shares subject to the LFH Options to be granted, the terms of the LFH Options to be granted, the purpose of granting LFH Options to the specified LFH Eligible Participant(s), an explanation as to how the terms of these LFH Options serve such purpose and such other information required under the Listing Rules.

**(f) Maximum numbers of LFH Options to any one individual**

No LFH Option shall be granted to any one LFH Eligible Participant such that the total number of LFH Shares issued and to be issued upon the exercise of the LFH Options granted and to be granted to such person under the New LFH Share Option Scheme and the LFH Other Schemes (including exercised, cancelled and outstanding LFH Options) in any 12-month period up to and including the LFH Date of Grant representing in aggregate over 1% of total number of the LFH Shares in issue from time to time (“**LFH Participant Limit**”), such further grant must be separately approved by the LFH Shareholders and the Shareholders (so long as LFH is a subsidiary of the Company under the Listing Rules) in the respective general meetings with such LFH Eligible Participant and his associates abstaining from voting. Subject to the approval of the LFH Shareholders and the Shareholders (so long as LFH is a subsidiary of the Company under the Listing Rules) in their respective general meetings and in accordance with the requirements under the Listing Rules from time to time in force, the LFH Directors may grant LFH Options to a LFH Eligible Participant such that the LFH Participant Limit is exceeded. Such LFH Eligible Participant and his associates shall abstain from voting at such general meeting. In such event, LFH and the Company (so long as LFH is a subsidiary of the Company under the Listing Rules) shall send a circular to their respective shareholders containing, amongst other terms, the identity of such LFH Eligible Participant, the number and the terms of the LFH Options to be granted (and options previously granted to such LFH Eligible Participant) and such other information required under the Listing Rules.

The number and terms (including the LFH Option Price) of LFH Options to be granted to such LFH Eligible Participant shall be fixed before the date on which approval of the LFH Shareholders and the Shareholders (so long as LFH is a subsidiary of the Company under the Listing Rules) is sought and the date of the LFH Directors' meeting for proposing such further grant of LFH Options should be taken as the LFH Date of Grant for the purpose of calculating the LFH Option Price and for such other purposes as required by the New LFH Share Option Scheme.

**(g) Time of exercise of LFH Options**

Unless otherwise determined by the LFH Directors and specified in the letter or document containing the offer of grant of the LFH Option at the time of the offer, there is no minimum period for which a LFH Option must be held before the LFH Option can be exercised. LFH Options for the time being outstanding may be exercised in whole or in part at any time during the LFH Option Period. In order for the exercise of a LFH Option to be effective, the LFH Company Secretary must, prior to the expiry of the LFH Option Period, have received:

- (i) a written notice from the LFH Option Holder exercising the LFH Option, signed by or on behalf of the LFH Option Holder and specifying the number of LFH Shares in respect of which the LFH Option is being exercised; and
- (ii) payment in full of an amount equal to the option price multiplied by the relevant number of LFH Shares in respect of which such option is exercised (“**LFH Subscription Price**”).

No performance targets are required to be achieved by any LFH Option Holder before a LFH Option is capable of being exercised by the LFH Option Holder except as otherwise imposed by the LFH Directors and stated in the relevant letter of offer of the grant of a LFH Option.

**(h) Rights are personal to the LFH Option Holder**

A LFH Option may not be transferred or assigned and is personal to the LFH Option Holder.

**(i) Rights on ceasing employment, death/disability or dismissal**

In the event the LFH Option Holder ceases to be a LFH Eligible Participant:

- (aa) by reason of death/disability or because the LFH Relevant Company (to which the LFH Eligible Participant is employed, holds directorship in or is a consultant therewith) ceases to be a LFH Relevant Company, then he or (as the case may be) his personal representatives may exercise all his outstanding LFH Options within 12 months of such cessation and any such LFH Options not so exercised shall lapse and determine at the end of the said period of 12 months;
- (bb) by reason of termination of his employment on grounds that he has been guilty of misconduct or appears either to be unable to pay a debt immediately payable or to have no reasonable prospect of being able to pay a debt not immediately payable or has become bankrupt or has made any arrangements or composition with his creditors generally or he has been convicted of any criminal offence involving his integrity or honesty, then all his outstanding LFH Options shall then lapse and determine on the date he so ceases; or
- (cc) by reason other than as described in the above sub-paragraphs (aa) and (bb) above, then all LFH Options of his which are exercisable at the date he ceases to be a LFH Eligible Participant may be exercised to the extent then exercisable within 3 months of the date he so ceases and unless so exercised shall lapse and determine.

**(j) Adjustments**

In the event of any variation in the issued share capital of LFH individually or in aggregate exceeding 5% of the nominal value of all issued LFH Shares as at the LFH Adoption Date or the date of any previous adjustment(s) pursuant to paragraph (j) (whichever is later) which arises or may arise immediately following the commencement of the period commencing on the LFH Adoption Date and expiring at the close of business on the tenth anniversary thereof unless terminated pursuant to provisions of the New LFH Share Option Scheme from any issue of LFH Shares in or other securities of LFH by way of reduction, subdivision or consolidation of the share capital of LFH or any capitalisation issue or rights issue or any other event which the LFH Board considers an adjustment necessary under this paragraph (j), the number or nominal amount of LFH Shares comprised in each LFH Option for the time being outstanding, the LFH Option Price, the LFH Participant Limit in relation to any LFH Option Holder and/or the amounts of multiples of LFH Shares capable of being exercised pursuant to the New LFH Share Option Scheme, may be adjusted in such manner as the LFH Directors (having received a statement in writing from the independent auditors or independent financial adviser of LFH, that in their opinion the adjustments proposed are fair and reasonable having regard to the supplementary guidance set out in the letter issued by the Stock Exchange dated 5 September 2005 and any further guidance/interpretation of Rule 17.03(13) of the Listing Rules) may deem appropriate, provided always that no such adjustment shall have the effect of rendering:

- (aa) the LFH Option Price payable upon the exercise of any LFH Option becoming less than the nominal amount of the LFH Share;
- (bb) the aggregate LFH Subscription Price relating to any LFH Option being increased;
- (cc) the proportion of the equity capital of LFH to which the LFH Option Holder is entitled after the adjustment(s) becoming effective not being the same as that to which he was entitled before;
- (dd) the aggregate percentage of the issued share capital of LFH available for the grant of LFH Options shall not be greater than the LFH Scheme Limit or the LFH Overall Limit (subject to adjustments); and
- (ee) the LFH Intrinsic Value of any LFH Option to have increased to the advantage of the LFH Option Holder.

In addition, in respect of any adjustments under this paragraph (j), other than any made on a capitalisation issue, the independent auditors or independent financial adviser of LFH must confirm to the LFH Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

**(k) Rights on winding up**

If notice is given of an extraordinary general meeting of LFH at which a resolution will be proposed for the members' voluntary winding-up of LFH, each LFH Option Holder shall be entitled, at any time not later than two business days prior to the proposed resolution being duly passed, to exercise his outstanding LFH Options in whole or in part, but only so far as such LFH Options shall be subsisting immediately prior to the passing of such a resolution. Subject thereto, all LFH Options then outstanding shall lapse and determine on the commencement of the winding-up.

**(l) Rights on a general offer**

If, in consequence of any general offer made to all the LFH Shareholders (other than the offeror and/or any person controlled by the offeror and/or any person acting in association or connection with the offeror), any person shall have obtained control of LFH, each LFH Option Holder shall be entitled to exercise at any time within a period of fourteen days after such control has been obtained the LFH Option in whole or in part.

**(m) Rights on a compromise or arrangement**

If a compromise or an arrangement between LFH and its members or creditors is proposed for the purposes of or in connection with a scheme of reconstruction of LFH or its amalgamation with any other company or companies, LFH shall give notice thereof to all LFH Option Holders on the same date as it despatches the notice to each member or creditor of LFH to consider such a compromise or an arrangement, and thereupon any LFH Option Holder (or where permitted his personal representatives) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the Court be entitled to exercise his LFH Option but the exercise of the LFH Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. LFH may thereafter require each LFH Option Holder to transfer or otherwise deal with the LFH Shares issued as a result of such exercise of his LFH Option so as to place the LFH Option Holders in the same position as nearly as would have been the case had such LFH Shares been subject to such compromise or arrangement.

**(n) Lapse of LFH Option**

A LFH Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (aa) the expiry of the LFH Option Period (subject to the provisions of paragraphs (d) and (r));
- (bb) the expiry of any of the periods referred to in paragraphs (i), (k), (l) and (m) above; and

(cc) the date on which the LFH Option Holder commits a breach of paragraph (h) above, if the LFH Directors shall exercise LFH's right to cancel any outstanding LFH Option or part thereof granted.

**(o) Cancellation of LFH Options granted but not exercised**

LFH Options granted and accepted but not exercised may not be cancelled without the consent of the relevant LFH Option Holder and any new LFH Options (or any other options) issued in replacement of LFH Options cancelled may only be issued under the New LFH Share Option Scheme (or the LFH Other Schemes) to the extent unissued LFH Options (or any other options) are available for issue (excluding the cancelled options), with the limits prescribed in paragraphs (e) and (f) above.

**(p) Grant of LFH Options to connected persons**

The independent non-executive directors of LFH and the Company (so long as LFH is a subsidiary of the Company under the Listing Rules) (not being the independent non-executive director who is or whose associate is, a LFH Option Holder) will be required to approve each grant of LFH Options to any director, chief executive or substantial shareholder of LFH or any of their respective associates.

If a grant of a LFH Option to a substantial shareholder or an independent non-executive director of LFH or to any of their respective associates would result in the total number of LFH Shares issued and to be issued upon the exercise of the LFH Options granted and to be granted under the New LFH Share Option Scheme and the LFH Other Schemes (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the LFH Date of Grant of such LFH Option:

- (1) representing in aggregate over 0.1% of the LFH Shares in issue from time to time; and
- (2) having an aggregate value, based on the closing price of the LFH Shares as stated in the Stock Exchange's daily quotations sheet on each LFH Date of Grant, in excess of HK\$5,000,000,

such further grant of LFH Options shall be approved by the LFH Shareholders and the Shareholders (so long as LFH is a subsidiary of the Company under the Listing Rules) in the respective general meetings voting by way of a poll. LFH and the Company (so long as LFH is a subsidiary of the Company under the Listing Rules) shall send a circular to their respective shareholders containing the information required by the Listing Rules. All connected persons of LFH and the Company (so long as LFH is a subsidiary of the Company under the Listing Rules) shall abstain from voting at such general meeting except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular and that the Listing Rules have been complied with.

**(q) Period of the New LFH Share Option Scheme**

The New LFH Share Option Scheme will remain in force for a period of 10 years commencing on the LFH Adoption Date.

**(r) Amendments and termination of the New LFH Share Option Scheme**

The LFH Directors may from time to time in their absolute discretion waive or amend such provisions of the New LFH Share Option Scheme as they deem desirable, provided that except with the prior approval of the LFH Shareholders and the Shareholders (so long as LFH is a subsidiary of the Company under the Listing Rules) in the respective general meetings, no alteration shall be made to the New LFH Share Option Scheme relating to, among other things, the matters set out in Rule 17.03 of the Listing Rules to the advantage of the LFH Option Holders.

Save as otherwise provided in the terms of the New LFH Share Option Scheme, neither an amendment of a material nature to the New LFH Share Option Scheme nor any change to the terms of LFH Options granted may be made by the LFH Directors without the prior approval of the LFH Shareholders and the Shareholders (so long as LFH is a subsidiary of the Company under the Listing Rules) in the respective general meetings.

The amended terms of the New LFH Share Option Scheme or the LFH Options must still comply with the relevant requirements of the Listing Rules.

Any change to the authority of the LFH Directors or scheme administrators in relation to any alteration to the terms of the New LFH Share Option Scheme must be approved by the LFH Shareholders and the Shareholders (so long as LFH is a subsidiary of the Company under the Listing Rules) in the respective general meetings.

LFH and the Company (so long as LFH is a subsidiary of the Company under the Listing Rules) by resolution in the respective general meetings may at any time terminate the operation of the New LFH Share Option Scheme before the expiry of the period referred to in paragraph (q) above and in such event, no further offer shall be made but in all other respects the provisions of the New LFH Share Option Scheme shall remain in force. All LFH Options granted and accepted prior to such termination shall continue to be valid and exercisable in accordance with their terms and the terms of the New LFH Share Option Scheme.

**(s) Ranking of LFH Shares**

The LFH Shares to be allotted upon the exercise of a LFH Option will be subject to all the provisions of the articles of association of LFH for the time being in force and will rank pari passu with the fully paid LFH Shares in issue on the date of allotment and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made. The LFH Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the LFH Option Holder (or any other person) as the holder of those LFH Shares.

**(t) Administration**

The New LFH Share Option Scheme shall be administered by the LFH Board and the LFH Board shall, subject to the provisions of the New LFH Share Option Scheme, so administer it in such manner as it shall in its absolute discretion deem fit.

**(u) Conditions of the New LFH Share Option Scheme**

The New LFH Share Option Scheme will take effect subject to the following conditions:

- (a) the passing of the necessary resolutions by the LFH Shareholders in a general meeting to approve the adoption of the New LFH Share Option Scheme and to authorise the LFH Directors to grant LFH Options to subscribe for LFH Shares thereunder and to allot, issue and deal with the LFH Shares pursuant to the exercise of any LFH Options granted under the New LFH Share Option Scheme;
- (b) the passing of the necessary resolutions by the Shareholders in a general meeting to approve the adoption of the New LFH Share Option Scheme by LFH; and
- (c) the Listing Committee granting the approval for the listing of, and permission to deal in, any LFH Shares to be issued and allotted pursuant to the exercise of LFH Options under the New LFH Share Option Scheme.

The following is a summary of the principal terms of the New MAGH Share Option Scheme to be approved at the SGM. It does not form part of, nor is it intended to be part of the rules of the New MAGH Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the New MAGH Share Option Scheme.

**(a) Purpose**

The purpose of the New MAGH Share Option Scheme is to recognise the contribution or future contribution of the MAGH Eligible Participants for their contribution to the MAGH Group by granting MAGH Options to them as incentives or rewards and to attract, retain and motivate high-calibre MAGH Eligible Participants in line with the performance goals of the MAGH Relevant Companies. The New MAGH Share Option Scheme shall strengthen the many long-term relationships that the MAGH Eligible Participants may have with the MAGH Group.

**(b) Who may join**

The MAGH Directors may at their absolute discretion and subject to such terms, conditions, restrictions or limitations as they may think fit offer, at the consideration of HK\$1.00 per MAGH Option, to grant MAGH Options to the MAGH Eligible Participants to subscribe at the MAGH Option Price for such numbers of MAGH Shares as they may determine. In determining the basis of eligibility of each MAGH Eligible Participant, the MAGH Directors would take into account such factors as the MAGH Directors may at its discretion consider appropriate including the contribution or future contribution to the MAGH Group of each MAGH Eligible Participant and the need to attract, retain and motivate high-calibre MAGH Eligible Participants for achieving the performance goals of the MAGH Relevant Companies. Any such terms, conditions, restrictions or limitations so imposed in relation to any MAGH Option shall be notified to the MAGH Eligible Participant to whom the offer to grant such MAGH Option has been made by way of writing in the letter or document containing the offer of grant of the MAGH Option. In particular, the MAGH Directors may specify minimum performance targets (if any) that must be reached before a MAGH Option is capable of being exercised by the MAGH Option Holder.

**(c) Price for the MAGH Shares**

The MAGH Option Price (subject to adjustments in accordance with paragraph (j) below) shall be determined on the MAGH Date of Grant at the absolute discretion of the MAGH Directors as an amount per MAGH Share which shall be at least the highest of:

- (aa) the closing price of the MAGH Shares as stated in the Stock Exchange's daily quotations sheet on the MAGH Date of Grant, which must be a trading day;
- (bb) the average of the closing prices of the MAGH Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the MAGH Date of Grant; and
- (cc) the nominal value of the MAGH Shares on the MAGH Date of Grant.



**(d) Acceptance of offers of MAGH Options**

Offers to grant a MAGH Option shall be open for acceptance in writing. Such acceptance must be received by the company secretary of MAGH (“**MAGH Company Secretary**”) within a period of 30 days inclusive of, and from, the MAGH Date of Grant provided that no such offer shall be open for acceptance after the expiry of the period of the New MAGH Share Option Scheme or after the New MAGH Share Option Scheme has been terminated or by a person who ceases to be a MAGH Eligible Participant after such offer has been made. An offer shall be deemed to have been accepted on the date when the duplicate comprising acceptance of the offer is duly signed by the MAGH Eligible Participant with the number of MAGH Shares in respect of which the offer is accepted clearly stated therein together with a remittance in favour of MAGH of HK\$1.00 per MAGH Option by way of consideration for the grant thereof. Such consideration shall not be refundable.

Upon an offer of the grant of MAGH Options being accepted or deemed to have been accepted, each MAGH Option Holder gives MAGH an unfettered right to publish an announcement relating to the terms of the offer in accordance with the GEM Listing Rules.

**(e) Maximum number of MAGH Shares**

(aa) The maximum number of MAGH Shares which may be issued upon the exercise of all MAGH Options to be granted under the New MAGH Share Option Scheme and all options to be granted under any other share option schemes of any member of the MAGH Group (the “**MAGH Other Schemes**”) shall not in aggregate exceed 10% of the total number of MAGH Shares in issue on the MAGH Adoption Date (the “**MAGH Scheme Limit**”) unless each of MAGH and the Company (so long as MAGH is a subsidiary of the Company under the GEM Listing Rules) obtains an approval from their respective shareholders pursuant to paragraph (cc) below. MAGH Options cancelled or lapsed in accordance with the terms of the New MAGH Share Option Scheme shall not be counted for the purposes of calculating the MAGH Scheme Limit.

(bb) Subject to (aa) above and the approval of the MAGH Shareholders and the Shareholders (so long as MAGH is a subsidiary of the Company under the GEM Listing Rules) in the respective general meetings, MAGH may refresh the MAGH Scheme Limit at any time, provided that such limit as refreshed shall not exceed 10% of the MAGH Shares in issue as at the date of approval of such refreshed limit. MAGH Options previously granted under the New MAGH Share Option Scheme and options granted under the MAGH Other Schemes (including those outstanding, cancelled or lapsed in accordance with such schemes or those exercised) shall not be counted for the purpose of calculating the limit as refreshed. In such event, MAGH and the Company (so long as MAGH is a subsidiary of the Company under the GEM Listing Rules) shall send a circular to their respective shareholders containing the information required under the GEM Listing Rules.

(cc) Subject to (aa) above and the approval of the MAGH Shareholders and the Shareholders (so long as MAGH is a subsidiary of the Company under the GEM Listing Rules) in the respective general meetings, MAGH may grant MAGH Options beyond the 10% limit, provided that the MAGH Options in excess of such limit are granted only to the MAGH Eligible Participants specifically identified by MAGH before such shareholders' approval is sought. In such event, MAGH and the Company (so long as MAGH is a subsidiary of the Company under the GEM Listing Rules) shall send a circular to their respective shareholders containing, amongst other terms, a generic description of the specified MAGH Eligible Participant(s) who may be granted such MAGH Options, the number of MAGH Shares subject to the MAGH Options to be granted, the terms of the MAGH Options to be granted, the purpose of granting MAGH Options to the specified MAGH Eligible Participant(s), an explanation as to how the terms of these MAGH Options serve such purpose and such other information required under the GEM Listing Rules.

**(f) Maximum numbers of MAGH Options to any one individual**

No MAGH Option shall be granted to any one MAGH Eligible Participant such that the total number of MAGH Shares issued and to be issued upon the exercise of the MAGH Options granted and to be granted to such person under the New MAGH Share Option Scheme and the MAGH Other Schemes (including exercised, cancelled and outstanding MAGH Options) in any 12-month period up to and including the MAGH Date of Grant representing in aggregate over 1% of the total number of MAGH Shares in issue from time to time (the “**MAGH Participant Limit**”), such further grant must be separately approved by the MAGH Shareholders and the Shareholders (so long as MAGH is a subsidiary of the Company under the GEM Listing Rules) in the respective general meetings with such MAGH Eligible Participant and his associates abstaining from voting. Subject to the approval of the Shareholders and the MAGH Shareholders (so long as MAGH is a subsidiary of the Company under the GEM Listing Rules) in their respective general meetings and in accordance with the requirements under the GEM Listing Rules from time to time in force, the MAGH Directors may grant MAGH Options to a MAGH Eligible Participant such that the MAGH Participant Limit is exceeded. Such MAGH Eligible Participant and his associates shall abstain from voting at such general meeting. In such event, MAGH and the Company (so long as MAGH is a subsidiary of the Company under the GEM Listing Rules) shall send a circular to their respective shareholders containing, amongst other terms, the identity of such MAGH Eligible Participant, the number and the terms of the MAGH Options to be granted (and options previously granted to such MAGH Eligible Participant) and such other information required under the GEM Listing Rules.

The number and terms (including the MAGH Option Price) of the MAGH Options to be granted to such MAGH Eligible Participant shall be fixed before the date on which approval of the MAGH Shareholders and the Shareholders (so long as MAGH is a subsidiary of the Company under the GEM Listing Rules) is sought and the date of the MAGH Directors' meeting for proposing such further grant of MAGH Options should be taken as the MAGH Date of Grant for the purpose of calculating the MAGH Option Price and for such other purposes as required by the New MAGH Share Option Scheme.

**(g) Time of exercise of MAGH Options**

Unless otherwise determined by the MAGH Directors and specified in the letter or document containing the offer of grant of the MAGH Option at the time of the offer, there is no minimum period for which a MAGH Option must be held before the MAGH Option can be exercised. MAGH Options for the time being outstanding may be exercised in whole or in part at any time during the MAGH Option Period. In order for the exercise of a MAGH Option to be effective, the MAGH Company Secretary must, prior to the expiry of the MAGH Option Period, have received:

- (i) a written notice from the MAGH Option Holder exercising the MAGH Option, signed by or on behalf of the MAGH Option Holder and specifying the number of MAGH Shares in respect of which the MAGH Option is being exercised; and
- (ii) payment in full of an amount equal to the option price multiplied by the relevant number of MAGH Shares in respect of which such option is exercised ("**MAGH Subscription Price**").

No performance targets are required to be achieved by any MAGH Option Holder before a MAGH Option is capable of being exercised by the MAGH Option Holder except as otherwise imposed by the MAGH Directors and stated in the relevant letter of offer of the grant of a MAGH Option.

**(h) Rights are personal to the MAGH Option Holder**

A MAGH Option may not be transferred or assigned and is personal to the MAGH Option Holder.

**(i) Rights on ceasing employment, death/disability or dismissal**

In the event the MAGH Option Holder ceases to be a MAGH Eligible Participant:

- (aa) by reason of death/disability or because the MAGH Relevant Company (to which the MAGH Eligible Participant is employed, holds directorship in or is a consultant therewith) ceases to be a MAGH Relevant Company, then he or (as the case may be) his personal representatives may exercise all his outstanding MAGH Options within 12 months of such cessation and any such MAGH Options not so exercised shall lapse and determine at the end of the said period of 12 months;

- (bb) by reason of termination of his employment on grounds that he has been guilty of misconduct or appears either to be unable to pay a debt immediately payable or to have no reasonable prospect of being able to pay a debt not immediately payable or has become bankrupt or has made any arrangements or composition with his creditors generally or he has been convicted of any criminal offence involving his integrity or honesty, then all his outstanding MAGH Options shall then lapse and determine on the date he so ceases;
- (cc) by reason other than as described in the above sub-paragraphs (aa) and (bb) above, then all MAGH Options of his which are exercisable at the date he ceases to be a MAGH Eligible Participant may be exercised to the extent then exercisable within 3 months of the date he so ceases and unless so exercised shall lapse and determine.

**(j) Adjustments**

In the event of any variation in the issued share capital of MAGH individually or in aggregate exceeding 5% of the nominal value of all issued MAGH Shares as at the MAGH Adoption Date or the date of any previous adjustment(s) pursuant to paragraph (j) (whichever is later) which arises or may arise immediately following the commencement of the period commencing on the MAGH Adoption Date and expiring at the close of business on the tenth anniversary thereof unless terminated pursuant to provisions of the New MAGH Share Option Scheme from any issue of shares in or other securities of MAGH by way of reduction, subdivision or consolidation of the share capital of MAGH or any capitalisation issue or rights issue or any other event which the MAGH Board considers an adjustment necessary under this paragraph (j), the number or nominal amount of MAGH Shares comprised in each MAGH Option for the time being outstanding, the MAGH Option Price, the MAGH Participant Limit in relation to any MAGH Option Holder and/or the amounts of multiples of MAGH Shares capable of being exercised pursuant to the New MAGH Share Option Scheme, may be adjusted in such manner as the MAGH Directors (having received a statement in writing from the independent auditors or independent financial adviser of MAGH, that in their opinion the adjustments proposed are fair and reasonable and at the same time satisfy the requirements of the GEM Listing Rules) may deem appropriate, provided always that no such adjustment shall have the effect of rendering:-

- (aa) the MAGH Option Price payable upon the exercise of any MAGH Option becoming less than the nominal amount of the MAGH Share;
- (bb) the aggregate MAGH Subscription Price relating to any MAGH Option being increased;
- (cc) the proportion of the equity capital of MAGH to which the MAGH Option Holder is entitled after the adjustment(s) becoming effective not being the same as that to which he was entitled before;
- (dd) the aggregate percentage of the issued share capital of MAGH available for the grant of MAGH Options shall not be greater than the MAGH Scheme Limit or the MAGH Overall Limit (subject to adjustments); and

- (ee) the MAGH Intrinsic Value of any MAGH Option to have increased to the advantage of the MAGH Option Holder.

In addition, in respect of any adjustments under this paragraph (j), other than any made on a capitalisation issue, the independent auditors or independent financial adviser of MAGH must confirm to the MAGH Directors in writing that the adjustments satisfy the requirements of the relevant provision of the GEM Listing Rules.

**(k) Rights on winding up**

If notice is given of a general meeting of MAGH at which a resolution will be proposed for the members' voluntary winding-up of MAGH, each MAGH Option Holder shall be entitled, at any time not later than two business days prior to the proposed resolution being duly passed, to exercise his outstanding MAGH Options in whole or in part, but only so far as such MAGH Options shall be subsisting immediately prior to the passing of such a resolution. Subject thereto, all MAGH Options then outstanding shall lapse and determine on the commencement of the winding-up.

**(l) Rights on a general offer**

If, in consequence of any general offer made to all the MAGH Shareholders (other than the offeror and/or any person controlled by the offeror and/or any person acting in association or connection with the offeror), any person shall have obtained control of MAGH, each MAGH Option Holder shall be entitled to exercise at any time within a period of fourteen days after such control has been obtained the MAGH Option in whole or in part.

**(m) Rights on a compromise or arrangement**

If a compromise or an arrangement between MAGH and its members or creditors is proposed for the purposes of or in connection with a scheme of reconstruction of MAGH or its amalgamation with any other company or companies, MAGH shall give notice thereof to all MAGH Option Holders on the same date as it despatches the notice to each member or creditor of MAGH to consider such a compromise or an arrangement, and thereupon any MAGH Option Holder (or where permitted his personal representatives) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the Court be entitled to exercise his MAGH Option but the exercise of the MAGH Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. MAGH may thereafter require each MAGH Option Holder to transfer or otherwise deal with the MAGH Shares issued as a result of such exercise of his MAGH Option so as to place the MAGH Option Holders in the same position as nearly as would have been the case had such MAGH Shares been subject to such compromise or arrangement.

**(n) Lapse of MAGH Option**

A MAGH Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (aa) the expiry of the MAGH Option Period (subject to the provisions of paragraphs (d) and (r));
- (bb) the expiry of any of the periods referred to in paragraphs (i), (k), (l) and (m) above; and
- (cc) the date on which the MAGH Option Holder commits a breach of paragraph (h) above, if the MAGH Directors shall exercise MAGH's right to cancel any outstanding MAGH Option or part thereof granted.

**(o) Cancellation of MAGH Options granted but not exercised**

MAGH Options granted and accepted but not exercised may not be cancelled without the consent of the relevant MAGH Option Holder and any new MAGH Options (or any other options) issued in replacement of MAGH Options cancelled may only be issued under the New MAGH Share Option Scheme (or the MAGH Other Schemes) to the extent unissued MAGH Options (or any other options) are available for issue (excluding the cancelled options), with the limits prescribed in paragraphs (e) and (f) above.

**(p) Grant of MAGH Options to connected persons**

The independent non-executive directors of MAGH and the Company (so long as MAGH is a subsidiary of the Company under the GEM Listing Rules) (not being the independent non-executive director who is or whose associate is, a MAGH Option Holder) will be required to approve each grant of MAGH Options to any director, chief executive or substantial shareholder of MAGH or any of their respective associates.

If a grant of a MAGH Option to a substantial shareholder or an independent non-executive director of MAGH or to any of their respective associates would result in the total number of MAGH Shares issued and to be issued upon the exercise of the MAGH Options granted and to be granted under the New MAGH Share Option Scheme and the MAGH Other Schemes (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the MAGH Date of Grant of such MAGH Option:

- (1) representing in aggregate over 0.1% of the MAGH Shares in issue from time to time; and
- (2) having an aggregate value, based on the closing price of the MAGH Shares as stated in the Stock Exchange's daily quotations sheet on each MAGH Date of Grant, in excess of HK\$5,000,000,

such further grant of MAGH Options shall be approved by the MAGH Shareholders and the Shareholders (so long as MAGH is a subsidiary of the Company under the GEM Listing Rules) in the respective general meetings voting by way of a poll. MAGH and the Company (so long as MAGH is a subsidiary of the Company under the GEM Listing Rules) shall send a circular to their respective shareholders containing the information required by the GEM Listing Rules. All connected persons of MAGH and the Company (so long as MAGH is a subsidiary of the Company under the GEM Listing Rules) shall abstain from voting at such general meeting except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular and that the GEM Listing Rules have been complied with.

**(q) Period of the New MAGH Share Option Scheme**

The New MAGH Share Option Scheme will remain in force for a period of 10 years commencing on the MAGH Adoption Date.

**(r) Amendments and termination of the New MAGH Share Option Scheme**

The MAGH Directors may from time to time in their absolute discretion waive or amend such provisions of the New MAGH Share Option Scheme as they deem desirable, provided that except with the prior approval of the MAGH Shareholders and the Shareholders (so long as MAGH is a subsidiary of the Company under the GEM Listing Rules) in the respective general meetings, no alteration shall be made to the New MAGH Share Option Scheme relating to, among other things, the matters set out in Rule 23.03 of the GEM Listing Rules to the advantage of the MAGH Option Holders.

Save as otherwise provided in the terms of the New MAGH Share Option Scheme, neither an amendment of a material nature to the New MAGH Share Option Scheme nor any change to the terms of MAGH Options granted may be made by the MAGH Directors without the prior approval of the MAGH Shareholders and the Shareholders (so long as MAGH is a subsidiary of the Company under the GEM Listing Rules) in the respective general meetings.

The amended terms of the New MAGH Share Option Scheme or the MAGH Options must still comply with the relevant requirements of the GEM Listing Rules.

Any change to the authority of the MAGH Directors or scheme administrators in relation to any alteration to the terms of the New MAGH Share Option Scheme must be approved by the MAGH Shareholders and the Shareholders (so long as MAGH is a subsidiary of the Company under the GEM Listing Rules) in the respective general meetings.

MAGH and the Company (so long as MAGH is a subsidiary of the Company under the GEM Listing Rules) by resolution in the respective general meetings may at any time terminate the operation of the New MAGH Share Option Scheme before the expiry of the period referred to in paragraph (q) above and in such event, no further offer shall be made but in all other respects the provisions of the New MAGH Share Option Scheme shall remain in force. All MAGH Options granted and accepted prior to such termination shall continue to be valid and exercisable in accordance with their terms and the terms of the New MAGH Share Option Scheme.

**(s) Ranking of MAGH Shares**

The MAGH Shares to be allotted upon the exercise of a MAGH Option will be subject to all the provisions of the bye-laws of MAGH for the time being in force and will rank pari passu with the fully paid MAGH Shares in issue on the date of allotment and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made. The MAGH Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the MAGH Option Holder (or any other person) as the holder of those MAGH Shares.

**(t) Administration**

The New MAGH Share Option Scheme shall be administered by the MAGH Board and the Board shall, subject to the provisions of the New MAGH Share Option Scheme, so administer it in such manner as it shall in its absolute discretion deem fit.

**(u) Conditions of the New MAGH Share Option Scheme**

The New MAGH Share Option Scheme will take effect subject to the following conditions:

- (a) the passing of the necessary resolutions by the MAGH Shareholders in a general meeting to approve the adoption of the New MAGH Share Option Scheme and to authorise the MAGH Directors to grant MAGH Options to subscribe for MAGH Shares thereunder and to allot, issue and deal with MAGH Shares pursuant to the exercise of any MAGH Options granted under the New MAGH Share Option Scheme;
- (b) the passing of the necessary resolutions by the Shareholders in a general meeting to approve the adoption of the New MAGH Share Option Scheme by MAGH; and
- (c) the Listing Committee granting the approval for the listing of, and permission to deal in, any MAGH Shares to be issued and allotted pursuant to the exercise of MAGH Options under the New MAGH Share Option Scheme.





## **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).*