



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



LAI SUN DEVELOPMENT
Lai Sun Development Company Limited
(Incorporated in Hong Kong with limited liability)
(Stock Code: 488)

JOINT ANNOUNCEMENT PURSUANT TO RULE 13.09

Certain financial effects of the placing of new shares with attached warrants by eSun Holdings Limited

LSD and eSun jointly announce certain financial effects to LSD and eSun of the issue by eSun of Placing Shares, as separately disclosed by eSun in its announcement of 11 December 2008.

The information on the financial effects is considered by the directors of each of eSun and LSD to be price sensitive to each company on account of the cross-shareholding of each in the other and hence requires disclosure under Rule 13.09 of the Listing Rules.

Reference is made to the announcement of eSun Holdings Limited (stock code: 571) ("eSun") issued on 11 December 2008 concerning its entry into a placing agreement on 10 December 2008 ("eSun Announcement"). Lai Sun Development Company Limited (stock code: 488) ("LSD") holds approximately a 36.08% interest in eSun, which in turn holds a 36.72% interest in LSD.

In the eSun Announcement, it was announced that eSun entered into a placing agreement with Chung Nam Securities Limited, an independent third party of eSun and LSD, in relation to the placing of 120,000,000 new shares ("Placing") in the share capital of eSun ("Placing Shares"), pursuant to which Chung Nam Securities Limited has agreed to procure subscribers to subscribe for those shares at the subscription price of HK\$0.50 per share. In addition, eSun will issue non-listed warrants, on a 1-for-1 basis in respect of each Placing Share issued, entitling the holder of each warrant to subscribe for one new share in the share capital of eSun ("Warrant Shares"), at an exercise price of HK\$0.50 at any time from the date of issue until 31 December 2011 ("Warrants").

The Placing Shares represent approximately 8.82% of eSun's issued share capital as enlarged by the issue of the Placing Shares, but not the Warrant Shares. The net proceeds from the allotment and issue of the Placing Shares will be approximately HK\$58 million. If allotted and issued, the Warrant Shares shall represent approximately 8.10% of eSun's issued share capital as enlarged by the issue of the Warrant Shares. The net proceeds from the exercise of all of the Warrants will be approximately HK\$60 million.

The Placing is fully underwritten by Chung Nam Securities Limited. Completion of the Placing is subject to the satisfaction of certain conditions, among others, The Stock Exchange of Hong Kong Limited granting listing of, and permission to deal, in the Placing Shares and the Warrant Shares. Completion is expected to occur on 24 December 2008.

LSD is a substantial shareholder of eSun. LSD has approximately a 36.08% interest in eSun as at the date of this announcement which will be reduced to approximately 32.89% immediately upon completion of the allotment and issue of the Placing Shares, but excluding the Warrant Shares, assuming there are no other changes to the issued share capital of eSun and the shareholding of LSD in eSun prior to completion of the Placing. As the net placing price per share is lower than the book value of the net assets of eSun per share, it is estimated that a loss of approximately HK\$173 million arising from the deemed disposal of LSD's equity interest in eSun (after taking into account the release of unrealised reserves and the cross-holding relationship with eSun but before taking into account the financial effect on the issue of the Warrants) would be recognised in the consolidated income statement of LSD.

As eSun is currently holding a 36.72% interest in LSD, an estimated loss of approximately HK\$65 million would be recognised in relation to the allotment and issue of the Placing Shares in the consolidated income statement of eSun as a result of the cross-holding by eSun in LSD.

The estimated loss on deemed disposal arising from the allotment and issue of the Placing Shares will need to be calculated based on the actual consolidated net asset values of LSD and eSun as at the date of completion of the Placing and is subject to the review of the auditors. Therefore, the actual financial effects of the allotment and issue of the Placing Shares are expected to be different from the amounts disclosed above.

The financial and/or accounting impact of the issue and/or exercise of the Warrants on eSun and/or LSD has yet to be determined. To the extent that it is determined in the future that there is a material effect, a further announcement will be issued at that time.

Given the uncertainties in the estimated loss of LSD on the deemed disposal of interests in eSun arising from the allotment and issue of the Placement Shares, and the financial and/or accounting impact of the Warrants on eSun and/or LSD, each board of directors urges shareholders and investors to exercise caution when dealing in the respective shares of eSun and LSD.

After completion of the Placing, LSD will continue to account for eSun as an associated company.

The board of directors of each of eSun and LSD considers that the Placing is price-sensitive information and therefore makes this announcement pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on the Stock Exchange.

By order of the Board
eSun Holdings Limited
Yeung Kam Hoi
Company Secretary

By order of the Board
Lai Sun Development Company Limited
Yeung Kam Hoi
Company Secretary

Hong Kong, 11 December 2008

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

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