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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 transferee(s) or to the bank, licensed securities dealer or other registered institution in securities 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)**

**PROPOSED GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES  
AND  
PROPOSED AMENDMENTS TO THE BYE-LAWS  
AND ADOPTION OF NEW BYE-LAWS**

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

A letter from the Board is set out on pages 3 to 6 of this circular.

The notice convening the 2014 AGM to be held at Gloucester Room II, 3/F., The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 9 December 2014 at 10:00 a.m. is contained in the 2013-2014 Annual Report. If you do not intend to be present at the 2014 AGM or its adjournment (as the case may be) in person but wish to exercise your rights as a Shareholder, please complete and sign the form of proxy enclosed with the 2013-2014 Annual Report in accordance with the instructions printed thereon and deposit the same with the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible, but in any event not less than 48 hours before the time fixed for the holding of the 2014 AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the 2014 AGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

10 November 2014

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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 “www.esun.com” and Hong Kong Exchanges and Clearing Limited at “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:

“2013-2014 Annual Report”	annual report of the Company for the year ended 31 July 2014;
“2013 AGM”	AGM held on 22 November 2013;
“2014 AGM”	AGM to be held at Gloucester Room II, 3/F., The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 9 December 2014 at 10:00 a.m.;
“AGM”	annual general meeting of the Company;
“Board”	board of Directors;
“Buy-backs Code”	Code on Share Buy-backs issued by the SFC;
“Bye-laws”	the Bye-laws of the Company as amended, supplemented or otherwise modified from time to time;
“close associate(s)”	has the same meaning ascribed to it under the Listing Rules;
“Company”	eSun Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 571);
“core connected person(s)”	has the same meaning ascribed to it under the Listing Rules;
“controlling shareholder(s)”	has the same meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“General Mandate”	a general and unconditional mandate proposed to be granted at the 2014 AGM to the Directors to issue, allot and deal with new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing such resolution;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

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## DEFINITIONS

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“Latest Practicable Date”	4 November 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein;
“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 in 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);
“LSG”	Lai Sun Garment (International) Limited, a company incorporated in 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);
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted at the 2014 AGM to the Directors to repurchase Shares not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing such resolution;
“SFC”	Securities and Futures Commission in Hong Kong;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.50 each in the share capital of the Company;
“Shareholder(s)”	duly registered holder(s) of the Share(s);
“Share Option Holder(s)”	the holder(s) of share option(s) granted under the Share Option Scheme entitling him/her/them to subscribe for certain Share(s);
“Share Option Scheme”	share option scheme adopted by the Company on 23 December 2005 and became effective on 5 January 2006;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	Code on Takeovers and Mergers issued by the SFC; 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:*

Mr. Lui Siu Tsuen, Richard (*Chief Executive Officer*)  
Mr. Chew Fook Aun  
Mr. Lam Hau Yin, Lester  
Mr. Yip Chai Tuck

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Non-executive Directors:*

Madam U Po Chu  
Mr. Andrew Y. Yan

*Head Office and Principal*

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

*Independent Non-executive Directors:*

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

10 November 2014

*To the Shareholders and for information only,  
the Share Option Holders*

Dear Sir and Madam,

**PROPOSED GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES  
AND  
PROPOSED AMENDMENTS TO THE BYE-LAWS  
AND ADOPTION OF NEW BYE-LAWS**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information relating to the proposed renewal of the general mandates to issue and repurchase Shares as well as the proposed amendments to the Bye-laws and adoption of new Bye-laws, so as to give you all information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the 2014 AGM.

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## LETTER FROM THE BOARD

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### 2. PROPOSED GENERAL MANDATE AND REPURCHASE MANDATE

At the 2013 AGM held on 22 November 2013, ordinary resolutions were passed respectively to grant general mandates to the Directors to exercise the powers of the Company:

- (i) to allot, issue and deal with additional Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the 2013 AGM and a further nominal amount (i.e. up to a maximum of 10%) of the aggregate nominal amount of the Company's then issued share capital to be repurchased by the Company; and
- (ii) to repurchase, inter alia, Shares, the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the 2013 AGM.

The above mandates will expire at the conclusion of the 2014 AGM unless renewed at that meeting. Resolutions will be proposed at the 2014 AGM to grant the General Mandate and the Repurchase Mandate to the Directors. As regards these resolutions, the Directors wish to state that they have no immediate plans to issue any new Shares or repurchase any Shares pursuant to the relevant mandates.

An explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in the Appendix to this circular, and contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution relating to the Repurchase Mandate.

### 3. PROPOSED AMENDMENTS TO THE BYE-LAWS AND ADOPTION OF NEW BYE-LAWS

With a view to bringing the Bye-laws in line with certain amendments made to the Listing Rules and applicable laws of Bermuda, incorporating certain housekeeping amendments and updating certain provisions, the Board proposes to put forward to the Shareholders for approval at the 2014 AGM by way of special resolution to amend the Bye-laws and to adopt a new set of Bye-laws which consolidates all of the proposed amendments referred to in the notice of the 2014 AGM and all previous amendments made pursuant to resolutions passed by the Shareholders.

A summary of the proposed changes to the Bye-laws is set out below:

1. to insert the definition of "close associate" and update the provisions in the Bye-laws containing references to "associate" in light of the amendments to the Listing Rules;
2. to revise the provisions in the Bye-laws related to giving of financial assistance by the Company in connection with a purchase of Shares to the extent that it is permitted under applicable laws of Bermuda;
3. to update the provisions in the Bye-laws related to inspection of register at the registered office of the Company;

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## LETTER FROM THE BOARD

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4. to allow the Company to hold general meetings in more than one location using any technology that enables the members to listen, speak and vote at different venues;
5. to revise the provisions in the Bye-laws related to re-election of Director appointed to fill a casual vacancy at the next following general meeting to comply with the requirements under the Listing Rules;
6. to revise the provisions in the Bye-laws related to payment or distribution of dividend out of contributed surplus such that it would not render the Company unable to pay its liabilities nor the realisable value of its assets would thereby become less than its liabilities as required by the applicable laws of Bermuda; and
7. to make other miscellaneous amendments to update, modernise or clarify provisions of the Bye-laws where it is considered desirable.

The full text of the proposed amendments to the Bye-laws is set out in the notice of the 2014 AGM. The Chinese translation of the proposed amendments to the Bye-laws set out in the Chinese version of the notice of the 2014 AGM is for your reference only and the English version shall prevail if there is any inconsistency or discrepancy between the English version and its Chinese translation.

The legal advisers of the Company as to Laws of Hong Kong have confirmed to the Company that the proposed amendments to the Bye-laws comply with the requirements of the Listing Rules and the legal advisers of the Company as to Laws of Bermuda have confirmed to the Company that the proposed amendments to the Bye-laws do not contravene or violate the applicable laws of Bermuda. In addition, the Company has confirmed to the Stock Exchange that there is nothing unusual about the proposed amendments to the Bye-laws.

#### **4. 2014 AGM**

The 2014 AGM will be held at Gloucester Room II, 3/F., The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 9 December 2014 at 10:00 a.m. The notice convening the 2014 AGM is contained in the 2013-2014 Annual Report. The resolutions in relation to the General Mandate and Repurchase Mandate for the respective issue and repurchase of Shares as well as the amendments to the Bye-laws and adoption of new Bye-laws will be proposed at the 2014 AGM for approval by the Shareholders.

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## LETTER FROM THE BOARD

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If you do not intend to be present at the 2014 AGM or its adjournment (as the case may be) in person but wish to exercise your rights as a Shareholder, please complete and sign the form of proxy enclosed with the 2013-2014 Annual Report (also published on both the websites of the Company ([www.esun.com](http://www.esun.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk))) in accordance with the instructions printed thereon and deposit the same with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible, but in any event not less than 48 hours before the time fixed for holding the 2014 AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the 2014 AGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

### 5. VOTING BY POLL

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 to be proposed at the 2014 AGM shall be decided by way of a poll.

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 fully-paid Share of which he/she/it is the holder.

An explanation of the detailed procedures of conducting a poll will be provided to the Shareholders at the 2014 AGM. Tricor Tengis Limited, the branch share registrar 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 ([www.esun.com](http://www.esun.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) shortly after the conclusion of the 2014 AGM pursuant to Rule 13.39(5) of the Listing Rules.

### 6. RECOMMENDATION

The Directors are of the opinion that the proposed granting of the General Mandate and Repurchase Mandate and the proposed amendments to the Bye-laws and adoption of new Bye-laws are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the 2014 AGM.

### 7. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular and the notice of the 2014 AGM contained in the 2013-2014 Annual Report.

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

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



This explanatory statement contains all the information required by Rule 10.06(1)(b) of the Listing Rules to be given to the Shareholders reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution relating to the Repurchase Mandate to be proposed at the 2014 AGM.

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,243,212,165 issued and fully-paid Shares and there was outstanding options granted under the Share Option Scheme to subscribe for 31,650,665 Shares.

Subject to the passing of the proposed ordinary resolution granting the Repurchase Mandate and on the basis that no further Shares will be issued (whether generally or pursuant to the exercise of the subscription rights attaching to the outstanding option) prior to the date of the 2014 AGM, exercise in full of the Repurchase Mandate would result in up to a maximum of 124,321,216 Shares (i.e. 10% of the entire issued share capital of the Company as at the Latest Practicable Date) being repurchased by the Company during the relevant period.

### **2. REASONS FOR REPURCHASES**

Although the Directors have no present intention to repurchase any Shares, they believe that the flexibility afforded by the Repurchase Mandate will be in the best interests of the Company and the Shareholders as a whole. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole (e.g. if there are occasions in the future when depressed market conditions arise and the Shares are trading at a discount to their underlying value).

### **3. FUNDING OF REPURCHASES**

Pursuant to the Repurchase Mandate, the Company may only apply funds legally available for repurchases in accordance with the Laws of Bermuda in which the Company is incorporated, and the Memorandum of Association and Bye-laws of the Company.

Funds for a repurchase of the Shares, to the extent of the nominal value attributable to the repurchased Shares, may be paid out of the capital paid up thereon or out of the proceeds of a new issue of Shares made for the purpose or from the funds of the Company otherwise available for dividend or distribution. The premium over the nominal value of the repurchased Shares may be paid out of the share premium account before the Shares are repurchased or the funds of the Company otherwise available for dividend or distribution.

If the Repurchase Mandate is to be exercised in full at any time during the proposed purchase period, there may be a material adverse effect on the working capital or gearing position of the Group which in the opinion of the Directors is from time to time appropriate for the Group (as compared with the position disclosed in the published audited consolidated financial statements of the Company for the year ended 31 July 2014). However, the Directors do not currently propose to exercise the Repurchase Mandate to such an extent unless the Directors are of the view that such repurchases will, taking into account of all the relevant factors, be in the best interests of the Group.

#### 4. SHARE PRICES

The highest and lowest prices per Share at which the Shares had been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

<b>Month</b>	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
<u>2013</u>		
November	1.15	1.04
December	1.19	0.96
<u>2014</u>		
January	1.10	0.90
February	1.10	0.99
March	1.03	0.95
April	0.99	0.90
May	0.96	0.87
June	0.96	0.83
July	0.95	0.84
August	0.94	0.84
September	0.91	0.82
October	0.89	0.81
November (up to and including the Latest Practicable Date)	0.89	0.85

#### 5. REPURCHASE BY THE COMPANY

The Company had not made any purchase of Shares (whether on the Stock Exchange or otherwise) during the six months immediately preceding the Latest Practicable Date.

**6. INTENTION AND UNDERTAKING**

None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their respective close associates have any present intention to sell any Shares held by them to the Company under the Repurchase Mandate if such Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Bye-laws and the applicable laws of Bermuda.

No core connected person has notified the Company that he/she/it has a present intention to sell any Shares held by him/her/it to the Company, or has undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

**7. IMPLICATIONS OF THE TAKEOVERS CODE AND THE LISTING RULES**

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of a share repurchase by the Company, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code and Rule 6 of the Buy-backs Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could, depending on the level of increase in their shareholding interest(s), obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer for the Shares in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, the controlling shareholders of the Company named below were interested or were deemed to be interested under the SFO in the issued Shares as follows:

Name	Capacity	Number of Shares			Approximate Percentage of Total Issued Share Capital
		Personal Interests	Corporate Interests	Total	
LSD	Owner of controlled corporation	Nil	521,204,186 <i>(Notes 1 and 2)</i>	521,204,186	41.92%
LSG	Owner of controlled corporations	Nil	521,204,186 <i>(Notes 1 and 2)</i>	521,204,186	41.92%
Dr. Lam Kin Ngok, Peter ("Dr. Lam")	Beneficial owner and owner of controlled corporations	2,794,443 <i>(Note 3)</i>	521,204,186 <i>(Note 1)</i>	523,998,629	42.15%

*Notes:*

- (1) *Dr. Lam (an executive Director from October 1996 to 13 February 2014) was deemed to be interested in 521,204,186 Shares (approximately 41.92% of the issued Shares) indirectly owned by LSD by virtue of his personal and deemed controlling shareholding interests of approximately 42.64% (excluding share option) in LSG. LSD was approximately 51.97% directly and indirectly owned by LSG. LSG was approximately 12.65% (excluding share option) owned by Dr. Lam and approximately 29.99% owned by Wisdom Limited, which was in turn 100% beneficially owned by Dr. Lam.*
- (2) *LSD and LSG were interested in the same 521,204,186 Shares.*
- (3) *On 18 January 2013, the Company granted a share option comprising 1,243,212 underlying Shares to Dr. Lam at the exercise price of HK\$1.612 per Share (subject to adjustments) with an exercise period from 18 January 2013 to 17 January 2023 under the Share Option Scheme. Such underlying Shares have not been included in the calculation of Dr. Lam's personal interest in the Shares.*

In the event that the Company exercises the Repurchase Mandate in full and taking no account of the issue of new Shares by the Company pursuant to any general and specific mandates granted by the Shareholders at any general meeting, the Share Option Scheme and/or any scheme or otherwise, the aggregate beneficial shareholding interest and deemed shareholding interest of LSD, LSG and Dr. Lam in the Company will be as follows:

<b>Name</b>	<b>Approximate Percentage of Total Issued Share Capital</b>
LSD	46.58%
LSG	46.58%
Dr. Lam	46.83%

Accordingly, such increased shareholding interests in the Company will give rise to an obligation to make a mandatory offer for Shares under Rules 26 and 32 of the Takeovers Code. However, the Directors have no present intention to exercise the Repurchase Mandate to such an extent as would result in the above takeover obligation.

Save as disclosed above, the Directors are not aware of any Shareholders or group of Shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchase of Shares pursuant to the Repurchase Mandate.

Assuming that there is no further issue of Shares between the Latest Practicable Date and the date of repurchase, the exercise of the Repurchase Mandate whether in whole or in part will not result in less than 25% of the total issued Shares being held by the public as required by Rule 8.08 of the Listing Rules.