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LAI SUN GARMENT

Lai Sun Garment (International) Limited
(Incorporated in Hong Kong with limited liability)

(Stock Code: 191)



LAI SUN DEVELOPMENT

Lai Sun Development Company Limited
(Incorporated in Hong Kong with limited liability)

(Stock Code: 488)



eSun Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 571)

JOINT ANNOUNCEMENT

DISCLOSEABLE TRANSACTION OF LSG AND LSD IN RELATION TO LSD'S PROVISION OF THE TERM LOAN FACILITY IN THE PRINCIPAL AMOUNT OF UP TO HK\$700 MILLION TO eSUN

eSUN LOAN AGREEMENT

On 27 July 2018, Hibright, a wholly-owned subsidiary of LSD, and eSun entered into the eSun Loan Agreement, whereby Hibright agreed to make available to eSun a term loan facility in the principal amount of up to HK\$700 million for the exclusive purposes of refinancing existing bank loan facilities and financing the general corporate requirements of the eSun Group.

MAGHL LOAN AGREEMENT AND LISTING RULES IMPLICATIONS

On 10 May 2018, Hibright and MAGHL entered into the MAGHL Loan Agreement, whereby Hibright agreed to make available to MAGHL a term loan facility in the principal amount of up to HK\$200 million for the exclusive purposes of financing the redemption of the TFN Convertible Notes in full and financing the general working capital requirements of the MAGHL Group. As MAGHL is owned as to 67.56% by eSun, which is in turn owned as to 36.94% by LSD as at the date of the MAGHL Loan Agreement, (i) eSun is a substantial

shareholder of MAGHL and (ii) LSD, as the controlling shareholder of eSun, is an associate of eSun and a connected person of MAGHL under the GEM Listing Rules. The MAGHL Loan is thus a connected transaction of MAGHL. As the MAGHL Loan was conducted on normal commercial terms and was not secured by the assets of the MAGHL Group, it is a fully-exempt connected transaction of MAGHL under Rule 20.88 of the GEM Listing Rules. For LSG and LSD, as the highest applicable percentage ratio under the Listing Rules for the MAGHL Loan (on a stand-alone basis) is less than 5%, the MAGHL Loan (on a stand-alone basis) does not constitute a discloseable transaction for each of LSG and LSD.

However, as the eSun Loan and the MAGHL Loan are both loans provided to the eSun Group by Hibright, a wholly-owned subsidiary of LSD which is a 56.10%-owned subsidiary of LSG, within the past 12-month period, they should be aggregated for the purpose of computing the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. Upon aggregation, as the highest applicable percentage ratio under the Listing Rules exceeds 5% but each of the applicable percentage ratio is less than 25% for each of LSG and LSD, the eSun Loan (together with the MAGHL Loan) constitutes a discloseable transaction for each of LSG and LSD, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As LSD is the controlling shareholder of eSun, the eSun Loan and the MAGHL Loan constitute connected transactions of eSun under the Listing Rules. As the eSun Loan and the MAGHL Loan are both loans provided to the eSun Group by Hibright, a wholly-owned subsidiary of LSD, within the past 12-month period, they should be aggregated for the purpose of computing the relevant percentage ratios pursuant to Rule 14A.81 of the Listing Rules. As both the eSun Loan and the MAGHL Loan were conducted on normal commercial terms and were not secured by the assets of the eSun Group, they are fully-exempt connected transactions of eSun pursuant to Rule 14A.90 of the Listing Rules.

PROVISION OF THE TERM LOAN FACILITY IN THE PRINCIPAL AMOUNT OF UP TO HK\$700 MILLION TO eSUN

On 27 July 2018, Hibright and eSun entered into the eSun Loan Agreement whereby Hibright agreed to make available to eSun a term loan facility in the principal amount of up to HK\$700 million for the exclusive purposes of refinancing existing bank loan facilities and financing the general corporate requirements of the eSun Group. A summary of the terms of the eSun Loan is set out as follows:

- (i) Date: 27 July 2018
- (ii) Borrower: eSun
- (iii) Lender: Hibright
- (iv) Loan: a term loan facility in the principal amount of up to HK\$700 million granted by Hibright to eSun at an interest rate equal to HIBOR plus 3.3% per annum

- (v) Repayment: the eSun Loan shall be repaid in full on the final repayment date, being the date falling 24 months from the date of the first advance of the eSun Loan

PROVISION OF THE TERM LOAN FACILITY IN THE PRINCIPAL AMOUNT OF UP TO HK\$200 MILLION TO MAGHL

On 10 May 2018, Hibright and MAGHL entered into the MAGHL Loan Agreement whereby Hibright agreed to make available to MAGHL a term loan facility in the principal amount of up to HK\$200 million for the exclusive purposes of financing the redemption of the TFN Convertible Notes in full and financing the general working capital requirements of the MAGHL Group. A summary of the terms of the MAGHL Loan is set out as follows:

- (i) Date: 10 May 2018
- (ii) Borrower: MAGHL
- (iii) Lender: Hibright
- (iv) Loan: a term loan facility in the principal amount of up to HK\$200 million granted by Hibright to MAGHL at an interest rate equal to HIBOR plus 3.3% per annum
- (v) Repayment: the MAGHL Loan shall be repaid in full on the final repayment date, being the date falling 24 months from the date of the first advance of the MAGHL Loan

SOURCE OF FUNDING

The Loans have been and will be funded by internal resources and existing bank facility of the LSD Group.

INFORMATION OF LSG, LSD, eSUN, MAGHL AND HIBRIGHT

LSG

LSG is 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. The principal activities of the LSG Group include property investment, property development, investment in and operation of hotels and restaurants and investment holding. LSG owns approximately 56.10% of the total issued shares of LSD as at the date of this joint announcement.

LSD

LSD is 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. The principal activities of the LSD Group include property investment, property development, investment in and operation of hotels, and restaurants and investment holding. LSD owns approximately 36.94% of the total issued shares of eSun as at the date of this joint announcement.

eSUN

eSun is a company incorporated in Bermuda with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange. The principal activities of the eSun Group include the development, operation of and investment in media and entertainment, music production and distribution, the investment in and production and distribution of television programmes, films and video format products, cinema operation, property development for sale and property investment for rental purposes as well as the development and operation of and investment in cultural, leisure, entertainment and related facilities. eSun owns approximately 67.56% of the total issued shares of MAGHL as at the date of this joint announcement.

MAGHL

MAGHL is an exempted company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed and traded on the GEM of the Stock Exchange. The principal activities of the MAGHL Group include film production and distribution; organisation, management and production of concerts and live performances; artiste management; production and distribution of television programs; music production and publishing; licensing of media contents; provision of consultancy services in planning and management of cultural, entertainment and live performance projects.

HIBRIGHT

Hibright is a company incorporated in Hong Kong with limited liability. It is a wholly-owned subsidiary of LSD.

REASONS FOR AND BENEFITS OF THE LOANS

The terms of each of the Loans were agreed by the relevant parties after arm's length negotiations having taken into account the prevailing market interest rates and practices.

The Loans will provide interest income to LSD. The Boards of LSD and LSG consider that the provision of the Loans will result in a reasonable income and interest return to the LSD Group (which is part of the LSG Group). The Boards of LSD and LSG believe that the terms of each of the Loans are on normal commercial terms, are fair and reasonable and are in the interest of (i) LSD and its shareholders as a whole and (ii) LSG and its shareholders as a whole, respectively.

LISTING RULES IMPLICATIONS

As MAGHL is owned as to 67.56% by eSun, which is in turn owned as to 36.94% by LSD as at the date of the MAGHL Loan Agreement, (i) eSun is a substantial shareholder of MAGHL and (ii) LSD, as the controlling shareholder of eSun, is an associate of eSun and a connected person of MAGHL under the GEM Listing Rules. The MAGHL Loan is thus a connected transaction of MAGHL. As the MAGHL Loan was conducted on normal commercial terms and was not secured by the assets of the MAGHL Group, it is a fully-exempt connected transaction of MAGHL under Rule 20.88 of the GEM Listing Rules. For LSG and LSD, as the highest applicable percentage ratio under the Listing Rules for the MAGHL Loan (on a stand-alone basis) is less than 5%, the MAGHL Loan (on a stand-alone basis) does not constitute a discloseable transaction for each of LSG and LSD.

However, as the eSun Loan and the MAGHL Loan are both loans provided to the eSun Group by Hibright, a wholly-owned subsidiary of LSD which is a 56.10%-owned subsidiary of LSG, within the past 12-month period, they should be aggregated for the purpose of computing the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. Upon aggregation, as the highest applicable percentage ratio under the Listing Rules exceeds 5% but each of the applicable percentage ratio is less than 25% for each of LSG and LSD, the eSun Loan (together with the MAGHL Loan) constitutes a discloseable transaction for each of LSG and LSD, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As LSD is the controlling shareholder of eSun, the eSun Loan and the MAGHL Loan constitute connected transactions of eSun under the Listing Rules. As the eSun Loan and the MAGHL Loan are both loans provided to the eSun Group by Hibright, a wholly-owned subsidiary of LSD, within the past 12-month period, they should be aggregated for the purpose of computing the relevant percentage ratios pursuant to Rule 14A.81 of the Listing Rules. As both the eSun Loan and the MAGHL Loan were conducted on normal commercial terms and were not secured by the assets of the eSun Group, they are fully-exempt connected transactions of eSun pursuant to Rule 14A.90 of the Listing Rules.

TAKEOVERS CODE IMPLICATIONS

Reference is made to the Joint Announcement. Having obtained a written consent from the Offeror in connection with the eSun Loan, eSun has applied for and the Executive has granted a waiver from the general requirement to obtain shareholders’ approval for the eSun Loan under Rule 4 of the Takeovers Code.

DEFINITIONS

In this joint announcement, the following expressions have the respective meanings set out below unless the context requires otherwise:

- “associate”** has the meaning as ascribed to it under the Listing Rules;
- “Board”** the board of directors of LSD, LSG and/or eSun, as the case may be;
- “eSun”** eSun Holdings Limited (豐德麗控股有限公司), a 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);
- “eSun Group”** eSun and its subsidiaries, including the MAGHL Group;
- “eSun Loan”** the term loan facility in the principal amount of up to HK\$700 million to be granted by Hibright to eSun pursuant to the terms of the eSun Loan Agreement;

“eSun Offers”	the conditional voluntary general cash offer is being made by The Hongkong and Shanghai Banking Corporation Limited, on behalf of the Offeror, to acquire all of the issued shares of eSun (other than those already owned or agreed to be acquired by LSD, the Offeror or their respective subsidiaries) and to cancel all the outstanding share options of eSun;
“eSun Loan Agreement”	the loan agreement entered into between eSun as borrower and Hibright as lender on 27 July 2018 in respect of the eSun Loan;
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director;
“GEM”	GEM of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM;
“HIBOR”	shall be the rate appearing on Reuters page “HKABHIBOR” as being the rate per annum at which Hong Kong dollar deposits are being offered in the Hong Kong interbank market for a period equal or approximately equal to the interest periods at about 11:00 a.m. (Hong Kong time) on the first day of each interest period;
“Hibright”	Hibright Limited (希耀有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of LSD;
“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;
“Joint Announcement”	the joint announcement dated 27 May 2018 published by LSG, LSD, the Offeror, eSun and Lai Fung Holdings Limited in respect of, among others, the eSun Offers;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loans”	the eSun Loan and the MAGHL Loan;

“LSD”	Lai Sun Development Company Limited (麗新發展有限公司), 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);
“LSD Group”	LSD and its subsidiaries;
“LSG”	Lai Sun Garment (International) Limited (麗新製衣國際有限公司), 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), being the ultimate holding company of LSD;
“LSG Group”	LSG and its subsidiaries, including the LSD Group;
“MAGHL”	Media Asia Group Holdings Limited (寰亞傳媒集團有限公司), an exempted company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed and traded on the GEM of the Stock Exchange (Stock Code: 8075);
“MAGHL Group”	MAGHL and its subsidiaries;
“MAGHL Loan”	the term loan facility in the principal amount of up to HK\$200 million granted by Hibright to MAGHL pursuant to the terms of the MAGHL Loan Agreement;
“MAGHL Loan Agreement”	the loan agreement entered into between MAGHL as borrower and Hibright as lender on 10 May 2018 in respect of the MAGHL Loan;
“Offeror”	Transtrend Holdings Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of LSD;
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“TFN Convertible Notes”	the 3-year zero coupon convertible notes issued by MAGHL to TFN Media Co. Ltd. in an aggregate principal amount of HK\$130 million; and
“%”	per cent.

By order of the Board of
Lai Sun Garment (International) Limited
Chew Fook Aun
Executive Director and Deputy Chairman

By order of the Board of
Lai Sun Development Company Limited
Chew Fook Aun
Executive Director and Deputy Chairman

By order of the Board of
eSun Holdings Limited
Lui Siu Tsuen, Richard
Executive Director and Chief Executive Officer

Hong Kong, 27 July 2018

As at the date of this joint announcement,

- (a) *the Board of LSG comprises six executive directors, namely Dr. Lam Kin Ming (Chairman), Dr. Lam Kin Ngok, Peter (Deputy Chairman), Mr. Chew Fook Aun (Deputy Chairman), Madam U Po Chu, Mr. Lam Hau Yin, Lester (also alternate to Madam U Po Chu) and Mr. Lam Kin Hong, Matthew; and three independent non-executive directors, namely Messrs. Leung Shu Yin, William, Lam Bing Kwan and Chow Bing Chiu;*
- (b) *the Board of LSD comprises four executive directors, namely Dr. Lam Kin Ngok, Peter (Chairman) and Messrs. Chew Fook Aun (Deputy Chairman), Lau Shu Yan, Julius (Chief Executive Officer) and Lam Hau Yin, Lester; two non-executive directors, namely Dr. Lam Kin Ming and Madam U Po Chu; and three independent non-executive directors, namely Messrs. Lam Bing Kwan, Leung Shu Yin, William and Ip Shu Kwan, Stephen; and*
- (c) *the Board of eSun comprises four executive directors, namely Messrs. Lui Siu Tsuen, Richard (Chief Executive Officer), Chew Fook Aun, Lam Hau Yin, Lester and Yip Chai Tuck; two non-executive directors, namely Madam U Po Chu and Mr. Andrew Y. Yan; and four independent non-executive directors, namely Messrs. Low Chee Keong (Chairman), Lo Kwok Kwei, David and Alfred Donald Yap and Dr. Ng Lai Man, Carmen.*

The directors of LSG jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement relating to the LSG Group (other than information relating to the LSD Group and the eSun Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement by the LSG Group (other than opinions expressed by the LSD Group and the eSun Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

The directors of LSD jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the LSG Group (excluding the LSD Group) and the eSun Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the LSG Group (excluding the LSD Group) and the eSun Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

The directors of eSun jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement relating to the eSun Group and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement by the eSun Group have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.