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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, 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 with the accompanying form of proxy to the purchaser(s) or transferee(s), or to the licensed securities dealer, 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)

**PROPOSED GENERAL MANDATES TO  
ISSUE AND BUY BACK SHARES**

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Capitalised terms used in the lower portion of this cover page will have the 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 5 of this circular.

The notice convening the 2018 AGM to be held at Harbour View Rooms I & II, 3/F., The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Friday, 21 December 2018 at 10:00 a.m. is contained in the 2017-2018 Annual Report.

Shareholders are advised to read the Notice of 2018 AGM and if you do not intend to be present at the 2018 AGM or its adjournment (as the case may be) in person but wish to exercise your right as a Shareholder, please complete and sign the form of proxy enclosed with the 2017-2018 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 holding the 2018 AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending in person and voting at the 2018 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.

22 November 2018

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## TABLE OF CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b>	
1. Introduction.....	3
2. Proposed Share Issue Mandate and Buy Back Mandate .....	4
3. 2018 AGM .....	4
4. Voting by way of Poll .....	5
5. Recommendation .....	5
6. General Information.....	5
<b>APPENDIX – EXPLANATORY STATEMENT ON BUY BACK MANDATE</b> .....	6

*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](http://www.esun.com) and the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk).*

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## DEFINITIONS

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

“2017-2018 Annual Report”	annual report of the Company for the year ended 31 July 2018;
“2017 AGM”	the AGM held on 15 December 2017;
“2018 AGM”	the AGM to be convened and held at Harbour View Rooms I & II, 3/F., The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Friday, 21 December 2018 at 10:00 a.m. or any adjournment thereof;
“AGM”	annual general meeting of the Company;
“Board”	the board of Directors;
“Buy-backs Code”	the Code on Share Buy-backs issued by the SFC;
“Buy Back Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the 2018 AGM to exercise all the powers of the Company to buy back Shares not exceeding 10% of the total issued Shares as at the date of passing such resolution;
“Bye-laws”	the Bye-laws of the Company;
“close associate(s)”	has the meaning ascribed to it under Rule 1.01 of the Listing Rules;
“Company”	eSun Holdings Limited ( 豐德麗控股有限公司 ), 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);
“control”	has the meaning ascribed to it under the Takeovers Code;
“controlling shareholder(s)”	has the meaning ascribed to it under Rule 1.01 of the Listing Rules;
“core connected person(s)”	has the meaning ascribed to it under Rule 1.01 of the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	16 November 2018, 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 (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);
“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);
“Notice of 2018 AGM”	the notice convening the 2018 AGM is contained in 2017-2018 Annual Report;
“SFC”	the Securities and Futures Commission in Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	the ordinary share(s) of HK\$0.50 each in the share capital of the Company;
“Share Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the 2018 AGM to exercise all the powers of the Company to allot, issue and deal with additional Shares not exceeding 20% of the total issued Shares as at the date of passing such resolution;
“Share Option Scheme”	the share option scheme adopted by the Company on 11 December 2015 and became effective on 23 December 2015;
“Shareholder(s)”	the duly registered holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The 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

22 November 2018

To the Shareholders

Dear Sir and Madam,

### **PROPOSED GENERAL MANDATES TO ISSUE AND BUY BACK SHARES**

#### **1. INTRODUCTION**

At the last AGM held on 15 December 2017, general mandates were granted by the Shareholders to the Directors to exercise all the powers of the Company to issue and buy back Shares. Pursuant to the provisions of the Listing Rules, these general mandates will lapse at the conclusion of the 2018 AGM unless renewal at that meeting.

The purpose of this circular is to provide you with an explanatory statement as required by the Listing Rules and the information relating to the proposed renewal of the general mandates to the Directors to allot, issue and deal with additional Shares and to buy back Shares, 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 2018 AGM.

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## LETTER FROM THE BOARD

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### 2. PROPOSED SHARE ISSUE MANDATE AND BUY BACK MANDATE

At the 2017 AGM held on 15 December 2017, ordinary resolutions were passed respectively to grant general mandates to the Directors to exercise all the powers of the Company (i) to allot, issue and deal with additional Shares not exceeding 20% of the total issued Shares as at the date of the 2017 AGM; (ii) to buy back Shares not exceeding 10% of the total issued Shares as at the date of the 2017 AGM; and (iii) to extend the general mandate granted to the Directors to issue Shares by adding the number of Shares bought back by the Company pursuant to the mandate to buy back Shares referred in (ii) above.

The above mandates will expire at the conclusion of the 2018 AGM unless renewed at that meeting. To keep in line with the current corporate practice, resolutions will be proposed at the 2018 AGM to grant the Share Issue Mandate and the Buy Back Mandate to the Directors as well as to extend the general mandate granted to the Directors to issue Shares by adding the number of Shares bought back under the Buy Back Mandate, if granted. The full text of above resolutions is set out in ordinary resolutions nos. (A), (B) and (C) under agenda item 4 of the Notice of 2018 AGM. As regards these resolutions, the Directors wish to state that they have no immediate plans to allot and issue any new Shares or buy back any Shares pursuant to the relevant mandates.

An explanatory statement, as required by the Listing Rules in connection with the Buy Back Mandate is set out in 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 Buy Back Mandate.

### 3. 2018 AGM

The 2018 AGM will be held at Harbour View Rooms I & II, 3/F., The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Friday, 21 December 2018 at 10:00 a.m. The Notice of 2018 AGM is contained in the 2017-2018 Annual Report. The resolutions in relation to, among other things, the proposed granting of the Share Issue Mandate, the Buy Back Mandate and the extension of the Share Issue Mandate will be proposed at the 2018 AGM for approval by the Shareholders.

If you do not intend to be present at the 2018 AGM or its adjournment (as the case may be) in person but wish to exercise your right as a Shareholder, please complete and sign the form of proxy enclosed with the 2017-2018 Annual Report (also published on both the websites of the Company at [www.esun.com](http://www.esun.com) and the Stock Exchange at [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 2018 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 2018 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.

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## LETTER FROM THE BOARD

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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 above resolutions to be proposed at the 2018 AGM.

#### 4. VOTING BY WAY OF 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 2018 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 2018 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 at [www.esun.com](http://www.esun.com) and the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) shortly after the conclusion of the 2018 AGM pursuant to Rule 13.39(5) of the Listing Rules.

#### 5. RECOMMENDATION

The Directors are of the opinion that the proposed granting of the Share Issue Mandate, the Buy Back Mandate and the extension of the Share Issue Mandate (details of which are set out in the Notice of 2018 AGM) are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the 2018 AGM.

#### 6. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular and the Notice of 2018 AGM contained in the 2017-2018 Annual Report.

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*

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 Buy Back Mandate to be proposed at the 2018 AGM.

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, there were a total of 1,491,854,598 Shares in issue and there was no outstanding option granted under the Share Option Scheme.

Subject to the passing of the proposed ordinary resolution granting the Buy Back 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 2018 AGM, exercise in full of the Buy Back Mandate would result in up to a maximum of 149,185,459 Shares (i.e. 10% of the entire issued share capital of the Company as at the Latest Practicable Date) which could be bought back by the Company during the relevant period.

### **2. REASONS FOR BUY BACK**

Although the Directors have no present intention to buy back any Shares, they believe that the flexibility afforded by the Buy Back Mandate will be in the best interests of the Company and the Shareholders as a whole. Such buy back 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 earnings per Share and will only be made when the Directors believe that such buy back 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 BUY BACK**

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

Funds for a buy back of the Shares, to the extent of the nominal value attributable to the bought back 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 bought back Shares may be paid out of the share premium account before the Shares are bought back or the funds of the Company otherwise available for dividend or distribution.



If the Buy Back Mandate is to be exercised in full at any time during the proposed buy back period, there may be a material adverse effect on the working capital or the 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 2018). However, the Directors do not currently propose to exercise the Buy Back Mandate to such an extent unless the Directors are of the view that such buy back will, taking into account of all the relevant factors, be in the best interests of the Group.

#### 4. SHARE PRICES

The monthly 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:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b><u>2017</u></b>		
November	1.45	1.16
December	1.34	1.23
<b><u>2018</u></b>		
January	1.46	1.23
February	1.43	1.17
March	1.41	1.21
April	1.31	1.14
May	1.55	1.17
June	1.42	1.20
July	1.30	1.23
August	1.35	1.23
September	1.29	1.24
October	1.24	1.01
November (up to the Latest Practicable Date)	1.17	1.15

#### 5. BUY BACK 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 belief 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 Buy Back Mandate if such Buy Back 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 Buy Back Mandate in accordance with the Listing Rules, the Bye-laws and the applicable laws of Bermuda.

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell the Shares held by him/her/it to the Company, or has undertaken not to do so, in the event that the Buy Back 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 bought back 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 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 issued Shares held			Approximate percentage of total issued Shares
		Personal interests	Corporate interests	Total	
LSD	Owner of controlled corporation	Nil	1,154,410,072 <i>(Notes 1 and 2)</i>	1,154,410,072	77.38% <i>(Note 3)</i>
LSG	Owner of controlled corporations	Nil	1,154,410,072 <i>(Notes 1 and 2)</i>	1,154,410,072	77.38% <i>(Note 3)</i>
Dr. Lam Kin Ngok, Peter ("Dr. Lam")	Beneficial owner and owner of controlled corporations	2,794,443	1,154,410,072 <i>(Note 1)</i>	1,157,204,515	77.57%

*Notes:*

- (1) *As at the Latest Practicable Date, Dr. Lam (an executive Director from 15 October 1996 to 13 February 2014) was deemed to be interested in 1,154,410,072 Shares (approximately 77.38% of the total issued Shares) indirectly owned by LSD by virtue of his personal and deemed controlling shareholding interests of approximately 41.87% (excluding share option) in LSG. LSD was approximately 56.10% directly and indirectly owned by LSG.*
- (2) *LSD and LSG were interested in the same 1,154,410,072 Shares.*
- (3) *From May to August 2018, the Company went through a voluntary general offer made by Transtrend Holdings Limited (“Offeror”, a wholly-owned subsidiary of LSD) in May 2018 to acquire all of the issued Shares that were not already owned by the Offeror (“eSun Offer”).*

*As disclosed in the joint announcement issued by LSD, the Offeror and the Company dated 22 August 2018 (“Closing Announcement”), immediately following the close of the eSun Offer, subject to the due registration by the Company’s branch share registrar in Hong Kong of the transfer of the Shares in respect of which valid acceptances had been received, 331,855,640 Shares are held by the public (within the meaning of the Listing Rules), representing approximately 22.24% of the total issued Shares as at the date of the Closing Announcement. Accordingly, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules was not satisfied after the close of the eSun Offer.*

*Reference is made to the Company’s announcement dated 31 August 2018, the Company has made an application to the Stock Exchange for and the Stock Exchange has granted, a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for a period commenced from 22 August 2018 to 25 January 2019 to allow the Offeror a reasonable time to restore the public float of the Company. Further announcement(s) will be made by the Company regarding the restoration of public float as and when appropriate pursuant to the Listing Rules.*

In the event that the Company exercises the Buy Back 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 other scheme or otherwise, the aggregate beneficial shareholding interests and deemed shareholding interests of LSD, LSG and Dr. Lam in the Company (for illustration) will be as follows:

<b>Name</b>	<b>Approximate percentage of total issued Shares</b>
LSD	85.98%
LSG	85.98%
Dr. Lam	86.19%

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 buy back of Shares pursuant to the Buy Back Mandate.

As disclosed in the Closing Announcement, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules was not satisfied after the close of the eSun Offer. Therefore, the Directors have no present intention to exercise the Buy Back Mandate before the restoration of the Company’s public float as required under the Listing Rules.