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## eSun Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 571)

### 2ND SUPPLEMENTAL MEMORANDUM OF COOPERATION RESIDENTIAL PROPERTY PROJECT IN COTAI, MACAU

This announcement is made pursuant to Rules 13.09 and 14.36 of the Listing Rules.

Subsequent to the Memorandum dated 15th November, 2004 and the supplemental memorandum thereto dated 29th June, 2005, the Company's wholly-owned subsidiary, the Project Leader with the Proposed Partner has entered into a 2nd Supplemental MOU on 28th December, 2005 to extend the time limit set out under the Memorandum (as revised by the supplemental memorandum thereto dated 29th June, 2005) in respect of the residential property development project in a plot within the Cotai Site. The Company will keep shareholders informed of the progress in the development of the Cotai Site in accordance with the Listing Rules.

The Directors of eSun Holdings Limited (the "Company") refer to the announcements of the Company dated 17th November, 2004, 30th May, 2005 and 4th July, 2005 and announce that East Asia - Televisão por Satélite, Limitada ("Project Leader"), a wholly-owned subsidiary of the Company incorporated in Macau, has entered into a 2nd supplemental memorandum of cooperation (the "2nd Supplemental Memorandum") with Lai Fung Holdings Limited ("Proposed Partner") on 28th December, 2005 to extend the time limit set out under the Memorandum of Cooperation between the Project Leader and Proposed Partner dated 15th November, 2004 (the "Memorandum") as revised by the supplemental memorandum dated 29th June, 2005.

The Memorandum (as revised by the supplemental memorandum dated 29th June, 2005) sets out the major terms of the proposed transaction (the "Proposed Transaction") relating to the granting of the participation rights by the Project Leader to the Proposed Partner allowing the Proposed Partner to contribute to and share 40% of the development costs and profit of the proposed residential property development project ("the Project") of the piece of land with an area of approximately 20,000 square metres situated within the site in Cotai City more particularly described as Zona de Aterro entre Taipa e Coloane, Lotes G300, G310 e G400, Estrada Flor de Lotus, Taipa, Macau SAR which has an area of approximately 141,000 square metres (the "Cotai Site").

The Proposed Transaction constitutes a discloseable transaction under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and details of the same have been disclosed in the announcement made by the Company dated 17th November, 2004 and the circular of the Company dated 6th December, 2004. The Company also disclosed in an announcement dated 30th May, 2005 that conditional approval has been given by the Macau SAR government to the proposed development plans for the construction of a television/film studio, concert hall, convention and exhibition centre and retail complex, two four- to five-star hotels, and an all-suite hotel covering a total gross floor area of approximately 340,000 square metres in an area representing approximately 87% of the Cotai Site. The remaining 13% of the Cotai Site will be reserved tentatively for community and/or other uses.

As previously disclosed, the Memorandum (as revised by the supplemental memorandum dated 29th June, 2005) provides, inter alia, that (i) the Project Leader shall obtain the relevant governmental licence or approval for the design of works of the Project (the "Approval") no later than December 2005 and in the event that the Project Leader fails to obtain such licence or approval before the prescribed time, the Proposed Partner shall have the right during the period from 1st to 31st January, 2006 to withdraw from the Proposed Transaction and request the Project Leader to refund the earnest money (without interest); and (ii) after the Project Leader has obtained the Approval, the Proposed Partner shall serve a written notice to the Project Leader in early January 2006 to confirm the Proposed Transaction and the parties shall enter into the formal cooperation agreement within 14 days (or such later date as may be agreed between the parties) after the date of such notice.

After negotiations between the parties, the Project Leader and the Proposed Partner have agreed to enter into the 2nd Supplemental Memorandum on 28th December, 2005. Pursuant to the 2nd Supplemental Memorandum, the parties agreed to (i) extend the deadline for obtaining the Approval to no later than 30th June, 2006 and in the event that the Project Leader fails to obtain such Approval before the prescribed time, the Proposed Partner shall have the right during the period from 1st to 31st July, 2006 to withdraw from the Proposed Transaction and request the Project Leader to refund the earnest money (without interest); and (ii) after the Project Leader has obtained the Approval, the Proposed Partner shall serve a written notice to the Project Leader in early July 2006 to confirm the Proposed Transaction and the parties shall enter into the formal cooperation agreement within 14 days (or such later date as may be agreed between the parties) after the date of such notice.

This announcement is made by the Company under the general disclosure requirements under Rule 13.09 and Rule 14.36 of the Listing Rules. The Company is aware that certain press articles published on 24th December, 2005 refer to the progress on the development of the Cotai Site. The Company hereby clarifies that as at the date hereof, the conditional approval to develop a total gross floor area of 340,000 square metres granted by the Macau SAR government, as disclosed in the Company's announcement dated 30th May, 2005, continues to be in force. The Company will keep shareholders informed of the progress in the development of the Cotai Site. In the meantime, shareholders and the investing public are advised to exercise caution when dealing in the listed securities of the Company.

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

Hong Kong, 29th December, 2005

As at the date hereof, the executive directors of the Company are Mr. Lien Jown Jing, Vincent, Mr. Lee Po On, Mr. Lam Kin Ngok, Peter, Mr. Liu Ngai Wing and Mr. Cheung Wing Sum, Ambrose; the non-executive directors are Mr. Lam Kin Ming, Madam Tam Wai Chu, Maria 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.