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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)



LAI FUNG HOLDINGS

Lai Fung Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1125)



Media Asia Group Holdings Limited

(Incorporated in the Cayman Islands
and continued in Bermuda with limited liability)

(Stock Code: 8075)

JOINT ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS

REGARDING LETTING AND/OR LICENSING OF PREMISES

On 24 May 2013, the respective listed groups comprised within the Lai Sun Group have entered into the Original Agreement to record the basis on which certain leases/licenses of premises constituting continuing connected transactions may be concluded in future. eSun, Lai Fung and MAGHL have respectively adopted annual cap amounts for such continuing connected transactions that may subsist from time to time in respect of the financial years ended/ending 31 July 2013 and 2014. Reference is made to the 2013 Joint Announcement.

In view of certain new and/or renewals of leases/licenses of premises for the financial year ending 31 July 2014, it is expected the annual aggregate amount payable and/or receivable by the eSun Group for the leasing arrangements with the LSG Group and the LSD Group to exceed the Original Cap Amount for the financial year ending 31 July 2014. In the circumstances, the Board of eSun has resolved to revise the annual cap amount for the financial year ending 31 July 2014.

On 14 February 2014, each listed member of the Lai Sun Group has entered into the Renewal Agreement to renew the term of the Original Agreement for a period of three years commencing on 1 August 2014 and expiring on 31 July 2017. eSun, Lai Fung and MAGHL have respectively adopted annual cap amounts for such continuing connected transactions that may subsist from time to time in respect of the financial years ending 31 July 2015, 2016 and 2017.

LSG is the ultimate holding company of LSD, which in turn is the controlling shareholder of eSun. In addition, eSun is the ultimate holding company of Lai Fung and MAGHL. Therefore, the Transactions contemplated under the Renewal Agreement constitute continuing connected transactions for each of LSD, eSun, Lai Fung and MAGHL.

As one or more of the relevant percentage ratios set out in the Listing Rules and the GEM Listing Rules (as the case may be) in respect of the Revised Annual Cap Amount of eSun in connection with the Original Agreement and the Cap Amounts set for the Transactions under the Renewal Agreement is/are more than 0.1% but less than 5% for each of eSun, Lai Fung and MAGHL (the Revised Annual Cap Amount is applicable for eSun only), the Revised Annual Cap Amount, the Renewal Agreement and the Cap Amounts for the Transactions are subject to reporting, annual review and announcement requirements pursuant to Rule 14A of the Listing Rules for each of eSun and Lai Fung and pursuant to Rule 20 of the GEM Listing Rules for MAGHL. LSG and LSD make this joint announcement on a voluntary basis.

In addition, each applicable member of the Lai Sun Group will comply with the requirements under Rule 14A.36 of the Listing Rules or Rule 20.36 of the GEM Listing Rules (as the case may be) if the relevant Cap Amount of that member is exceeded or when the Renewal Agreement is renewed or there are material changes to the provisions of the Renewal Agreement.

BACKGROUND

The LSG Group, the LSD Group and the Lai Fung Group respectively owns or holds various premises in Hong Kong and the PRC. Transactions relating to the letting and/or licensing of various premises to other members of the Lai Sun Group may arise from time to time where they are in the interests of the relevant listed groups comprised within the Lai Sun Group.

On 24 May 2013, LSG, LSD, eSun, Lai Fung and MAGHL entered into the Original Agreement. The details of the Original Agreement and the Cap Amounts set by each respective member of the Lai Sun Group were disclosed in the 2013 Joint Announcement.

REVISION OF THE eSUN CAP AMOUNT

In connection with the Original Agreement, eSun has adopted an Original Cap Amount of HK\$9,300,000 and HK\$10,300,000 for the respective financial years ended/ending 31 July 2013 and 2014 in respect of Transactions with the LSG Group and the LSD Group.

Due to certain new and/or renewals of leases/licenses of premises at the prevailing market rates and business expansion of the eSun Group resulting in leasing arrangement of additional premises, it is expected that the annual aggregate amount payable and/or receivable by the eSun Group for the leasing arrangements with the LSG Group and the LSD Group to exceed the Original Cap Amount for the financial year ending 31 July 2014. In the circumstances, the Board of eSun has resolved to revise the annual cap amount for the financial year ending 31 July 2014 from HK\$10,300,000 to HK\$12,300,000.

RENEWAL OF THE ORIGINAL AGREEMENT

The Original Agreement will expire on 31 July 2014. On 14 February 2014, each member of the Lai Sun Group has entered into the Renewal Agreement for a period of three years commencing on 1 August 2014 and expiring on 31 July 2017 based on the same terms and conditions of the Original Agreement.

In summary, the terms and conditions of the Renewal Agreement are:

- (i) each relevant Transaction shall be governed by a written agreement on normal commercial terms;
- (ii) the rental or fees payable and/or receivable shall be fixed by reference to the prevailing market or comparable rental or fees, including property management fees;
- (iii) LSG may in accordance with the requirements of the Listing Rules, determine for itself such maximum annual aggregate amount payable and/or receivable by the LSG Group for all subsisting Transactions which may constitute continuing connected transactions of LSG for the financial years ending 31 July 2015, 2016 and 2017 respectively;
- (iv) LSD may in accordance with the requirements of the Listing Rules, determine for itself such maximum annual aggregate amount payable and/or receivable by the LSD Group for all subsisting Transactions with the LSG Group (excluding the LSD Group) which may constitute continuing connected transactions of LSD for the financial years ending 31 July 2015, 2016 and 2017 respectively;
- (v) eSun may in accordance with the requirements of the Listing Rules, determine for itself such maximum annual aggregate amount payable and/or receivable by the eSun Group for all subsisting Transactions with the LSG Group and the LSD Group which may constitute continuing connected transactions of eSun for the financial years ending 31 July 2015, 2016 and 2017 respectively;
- (vi) Lai Fung may in accordance with the requirements of the Listing Rules, determine for itself such maximum annual aggregate amount payable and/or receivable by the Lai Fung Group for all subsisting Transactions with each of (1) the LSG Group and the LSD Group and/or (2) the eSun Group (excluding the Lai Fung Group) which may constitute continuing connected transactions of Lai Fung for the financial years ending 31 July 2015, 2016 and 2017 respectively; and

- (vii) MAGHL may in accordance with the requirements of the GEM Listing Rules, determine for itself such maximum annual aggregate amount payable and/or receivable by the MAGHL Group for all subsisting Transactions with each of (1) the LSG Group and the LSD Group and/or (2) the eSun Group (excluding the MAGHL Group) which may constitute continuing connected transactions of MAGHL for the financial years ending 31 July 2015, 2016 and 2017 respectively.

In connection with the renewal:

- (a) eSun has adopted a Cap Amount of HK\$14,200,000, HK\$14,800,000 and HK\$16,800,000 for the respective financial years ending 31 July 2015, 2016 and 2017 in respect of Transactions with the LSG Group and the LSD Group;
- (b) Lai Fung has adopted a Cap Amount of (i) HK\$3,900,000, HK\$4,200,000 and HK\$4,600,000 for the respective financial years ending 31 July 2015, 2016 and 2017 in respect of Transactions with the LSG Group and the LSD Group, and (ii) HK\$9,700,000, HK\$10,400,000 and HK\$11,300,000 for the respective financial years ending 31 July 2015, 2016 and 2017 in respect of Transactions with the eSun Group (excluding the Lai Fung Group); and
- (c) MAGHL has adopted a Cap Amount of HK\$4,000,000 for each of the financial years ending 31 July 2015, 2016 and 2017 in respect of Transactions with the LSG Group and the LSD Group.

LSG and LSD have not adopted any Cap Amounts for the Transactions as at the date of this joint announcement. Any such Cap Amounts, if adopted, will be announced.

Each relevant member of the Lai Sun Group will comply with the requirement of annual review under the Listing Rules and GEM Listing Rules (as the case may be) and will comply with the applicable requirements of the Listing Rules and GEM Listing Rules (as the case may be) if any Cap Amount (if adopted) is exceeded or, when the Renewal Agreement is renewed or there is a material change to the provisions of the Renewal Agreement. The Renewal Agreement, if not renewed, will expire on 31 July 2017.

REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWAL AGREEMENT

The LSG Group, the LSD Group and the Lai Fung Group own, lease and manage various properties in Hong Kong and in the PRC respectively. The Renewal Agreement enables the LSG Group, the LSD Group and the Lai Fung Group to continue its on going practice to lease and/or license its properties to other members of the Lai Sun Group, which maintain and/or increase the operational efficiency and the synergy for the entire Lai Sun Group's benefit.

Dr. Peter Lam has abstained from voting on the relevant board resolutions of LSG, LSD and MAGHL approving the Renewal Agreement to avoid any potential conflict of interests.

The directors (including the independent non-executive directors) of each of LSG, LSD, eSun, Lai Fung and MAGHL believe that the Renewal Agreement has been entered into (i) in the ordinary and usual course of business; (ii) on normal commercial terms; and (iii) on terms that are fair and reasonable and in the interests of the company and their respective shareholders as a whole.

LISTING RULES IMPLICATIONS

LSG is the ultimate holding company of LSD, which in turn is the controlling shareholder of eSun. In addition, eSun is the ultimate holding company of Lai Fung and MAGHL. Therefore, the Transactions contemplated under the Renewal Agreement constitute continuing connected transactions for each of LSD, eSun, Lai Fung and MAGHL.

The Listing Rules implications of the Renewal Agreement and the Transactions contemplated under the Renewal Agreement for each listed group comprised within the Lai Sun Group are summarised below:

1. LSD

LSG is the ultimate holding company of LSD and hence a connected person of LSD under the Listing Rules. Accordingly, Transactions between the LSD Group and the LSG Group (excluding the LSD Group) constitute continuing connected transactions of LSD.

2. eSun

LSD is the controlling shareholder of eSun and hence a connected person of eSun under the Listing Rules. Accordingly, Transactions between the LSG Group/the LSD Group and the eSun Group (including MAGHL Group and the Lai Fung Group) constitute continuing connected transactions of eSun.

3. Lai Fung

Dr. Peter Lam is a connected person of Lai Fung under the Listing Rules on account of his directorship in various subsidiaries of Lai Fung. LSG and LSD are associates of Dr. Peter Lam as he is the controlling shareholder of LSG. LSG and LSD are therefore connected persons of Lai Fung. Accordingly, Transactions between the Lai Fung Group and the LSG Group/the LSD Group constitute continuing connected transactions of Lai Fung.

eSun is the ultimate holding company of Lai Fung and hence a connected person of Lai Fung under the Listing Rules. Accordingly, Transactions between the Lai Fung Group and the eSun Group (excluding the Lai Fung Group) constitute continuing connected transactions of Lai Fung.

4. MAGHL

Dr. Peter Lam is the chairman and an executive director of MAGHL, and hence a connected person of MAGHL under the GEM Listing Rules. LSG and LSD are associates of Dr. Peter Lam as he is the controlling shareholder of LSG. LSG and LSD are therefore connected persons of MAGHL. Accordingly, Transactions between the MAGHL Group and the LSG Group/the LSD Group constitute continuing connected transactions of MAGHL.

eSun is the ultimate holding company of MAGHL and hence a connected person of MAGHL under the GEM Listing Rules. Accordingly, Transactions between the MAGHL Group and the eSun Group (excluding the MAGHL Group) constitute continuing connected transactions of MAGHL.

As one or more of the relevant percentage ratios set out in the Listing Rules and the GEM Listing Rules (as the case may be) in respect of the Revised Annual Cap Amount of eSun in connection with the Original Agreement and the Cap Amounts set for the Transactions under the Renewal Agreement is/are more than 0.1% but less than 5% for each of eSun, Lai Fung and MAGHL (the Revised Annual Cap Amount is applicable for eSun only), the Revised Annual Cap Amount, the Renewal Agreement and the Cap Amounts for the Transactions are subject to reporting, annual review and announcement requirements pursuant to Rule 14A of the Listing Rules for each of eSun and Lai Fung and pursuant to Rule 20 of the GEM Listing Rules for MAGHL. LSG and LSD make this joint announcement on a voluntary basis.

In addition, each applicable member of the Lai Sun Group will comply with the requirements under Rule 14A.36 of the Listing Rules or Rule 20.36 of the GEM Listing Rules (as the case may be) if the relevant Cap Amount of that member is exceeded or when the Renewal Agreement is renewed or there are material changes to the provisions of the Renewal Agreement.

GENERAL

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 51.97% of the total issued shares of 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 41.26% of the total issued shares of eSun.

eSun is 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. eSun acts as an investment holding company and the principal activities of the eSun Group include the development, operation and investment in media, entertainment, music production and distribution, investing in and production and distribution of television programs, film and video format products, cinema operations, the provision of advertising agency services, the sale of cosmetic products as well as property development for sale and property investment for rental purposes in the PRC. eSun owns approximately 51.39% of the total issued shares of Lai Fung and approximately 50.99% of the total issued shares of MAGHL.

Lai Fung is an exempted company incorporated in the Cayman Islands 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 Lai Fung Group include property development for sale and property investment for rental purposes in the PRC.

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. MAGHL acts as an investment holding company and the principal activities of its subsidiaries include film production and distribution; organisation, management and production of concerts and live performances; artiste management; production and distribution of television drama series; music production and publishing; provision of advertising services and consultancy services in planning and management of cultural, entertainment and live performance projects.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the terms below have the following meanings:

“2013 Joint Announcement”	the joint announcement of LSG, LSD, eSun, Lai Fung and MAGHL dated 24 May 2013 in relation to continuing connected transactions regarding letting and/or licensing of premises;
“associate(s)”	has the meaning ascribed to it under the Listing Rules and the GEM Listing Rules;
“Board”	the board of directors;
“Cap Amount(s)”	the annual cap amount(s) as may be adopted by LSG, LSD, eSun, Lai Fung and/or MAGHL from time to time with respect to the Transactions;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules and the GEM Listing Rules;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules and the GEM Listing Rules;
“Dr. Peter Lam”	Dr. Lam Kin Ngok, Peter, the chairman and an executive director of Lai Fung before 1 November 2012, a deputy chairman and an executive director of LSG, the chairman and an executive director of LSD, an executive director of eSun before 14 February 2014 and the chairman and an executive director of MAGHL;
“eSun”	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);
“eSun Group”	eSun and its subsidiaries;
“GEM”	the Growth Enterprise Market of the Stock Exchange;

“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Lai Fung”	Lai Fung Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1125);
“Lai Fung Group”	Lai Fung and its subsidiaries;
“Lai Sun Group”	LSG, LSD, eSun, Lai Fung, MAGHL and their respective subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“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);
“LSD Group”	LSD and its subsidiaries;
“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);
“LSG Group”	LSG and its subsidiaries, including the LSD Group;
“Macau”	the Macau Special Administrative Region of the PRC;
“MAGHL”	Media Asia Group Holdings Limited, 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 (Stock Code: 8075);
“MAGHL Group”	MAGHL and its subsidiaries;
“Original Agreement”	the memorandum of agreement dated 24 May 2013 entered into between LSG, LSD, eSun, Lai Fung and MAGHL regarding, inter alia, the basis on which Transactions may be concluded from time to time;

“Original Cap Amount”	the annual cap amount adopted by the eSun Group for the financial years ended/ending 31 July 2013 and 2014 as set out in the 2013 Joint Announcement;
“PRC”	the People’s Republic of China and for the purpose of this joint announcement, excludes Hong Kong, Macau and Taiwan;
“Renewal Agreement”	the memorandum of agreement dated 14 February 2014 entered into between LSG, LSD, eSun, Lai Fung and MAGHL to renew the Original Agreement upon the expiration of the Original Agreement;
“Revised Annual Cap Amount”	the revised annual cap amount in respect of leasing arrangements of the eSun Group with the LSG Group and the LSD Group for the financial year ending 31 July 2014 as set out in this joint announcement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules and the GEM Listing Rules;
“Transaction(s)”	the transaction(s) involving the LSG Group, the LSD Group and the Lai Fung Group letting and/or licensing various premises to members of the Lai Sun Group as may be subsisting from time to time; and
“%”	per cent.

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

By order of the Board
Lai Sun Development Company Limited
Lau Shu Yan, Julius
*Executive Director and
Chief Executive Officer*

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

By order of the Board
Lai Fung Holdings Limited
Chew Fook Aun
Chairman

By order of the Board
Media Asia Group Holdings Limited
Lui Siu Tsuen, Richard
Executive Director

Hong Kong, 17 February 2014

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. Chow Bing Chiu, Lam Bing Kwan and Leung Shu Yin, William;*
- (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;*
- (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), Alfred Donald Yap and Lo Kwok Kwei, David and Dr. Ng Lai Man, Carmen;*
- (d) the Board of Lai Fung comprises seven executive directors, namely Mr. Chew Fook Aun (Chairman), Dr. Lam Kin Ming (Deputy Chairman), Mr. Lam Kin Hong, Matthew (Executive Deputy Chairman), Mr. Lam Hau Yin, Lester (Chief Executive Officer), Madam U Po Chu, Mr. Lau Shu Yan, Julius and Mr. Cheng Shin How; two non-executive directors, namely Mr. Leow Juan Thong, Jason and Mr. Lucas Ignatius Loh Jen Yuh (also alternate to Mr. Leow Juan Thong, Jason); and five independent non-executive directors, namely Messrs. Lam Bing Kwan, Ku Moon Lun, Law Kin Ho, Mak Wing Sum, Alvin and Shek Lai Him, Abraham; and*
- (e) the Board of MAGHL comprises six executive directors, namely Dr. Lam Kin Ngok, Peter (Chairman), Mr. Yu Feng, Mr. Choi Chiu Fai, Stanley, Mr. Jeffrey Soong, Mr. Lui Siu Tsuen, Richard and Mr. Chan Chi Kwong; and three independent non-executive directors, namely Mr. Chan Chi Yuen, Mr. Zhang Xi and Mr. Ng Chi Ho, Dennis.*

This joint announcement, for which the directors of MAGHL collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to MAGHL. The directors of MAGHL, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this joint announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this joint announcement misleading.

This joint announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days after its posting and on the website of MAGHL at <http://www.mediaasia.com>.