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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)

Joint Announcement
Acquisition of 5% Equity Interest in
Shanghai Hu Xin Real Estate Development Company Limited

The respective Boards of Lai Fung and eSun are pleased to announce that upon the expiry of an open tender process, Kingscord was notified by SUAEE on 4 January 2015 that it was the sole bidder of the Sale Equity Interest.

Kingscord will target to enter into the Equity Transfer Agreement with Tibet Urban on or before 11 February 2015 and upon completion of the Acquisition, Kingscord will hold 60% equity interest in Shanghai Hu Xin while Lai Fung will indirectly hold 100% equity interest in Shanghai Hu Xin.

eSun is the ultimate holding company of Lai Fung. As one of the applicable Percentage Ratios for eSun in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for eSun under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under Rule 14.34 of the Listing Rules.

As none of the applicable Percentage Ratios for Lai Fung exceeds 5%, the Acquisition does not constitute a notifiable transaction for Lai Fung and is therefore not subject to the disclosure requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The respective Boards of Lai Fung and eSun are pleased to announce that upon the expiry of an open tender process, Kingscord was notified by SUAEE on 4 January 2015 that it was the sole bidder of the Sale Equity Interest.

Kingscord will target to enter into the Equity Transfer Agreement with Tibet Urban on or before 11 February 2015 and upon completion of the Acquisition, Kingscord will hold 60% equity interest in Shanghai Hu Xin while Lai Fung will indirectly hold 100% equity interest in Shanghai Hu Xin.

PROPOSED TERMS OF THE EQUITY TRANSFER AGREEMENT

The Equity Transfer Agreement is expected to be entered into between the following parties on or before 11 February 2015:

Parties:

Vendor: Tibet Urban (a state-owned enterprise established in the PRC and holder of the Sale Equity Interest as at the date of this joint announcement)

Purchaser: Kingscord (an indirect wholly-owned subsidiary of Lai Fung and holder of 55% equity interest in Shanghai Hu Xin as at the date of this joint announcement)

The respective directors of Lai Fung and eSun, having made all reasonable enquiries, confirm that to the best of their knowledge, information and belief, Tibet Urban and its ultimate beneficial owner are third parties independent of Lai Fung and eSun and their respective connected persons.

Subject matter:

5% equity interest in Shanghai Hu Xin

Consideration:

Approximately RMB43.77 million (equivalent to approximately HK\$55.40 million)

The consideration was determined based on the open tender price at SUAEE and will be satisfied in cash by the Lai Fung Group.

Payment terms:

According to the rules and regulations in the PRC governing disposal of state-owned assets by way of open tender, the transferee is required to pay the deposit within three business days after SUAEE has confirmed that the transferee is a qualified bidder. If the bid is successful, the deposit will be applied as part payment of the amount of the bid. On 7 January 2015, Kingscord paid a total amount of approximately RMB13.13 million, being 30% of the open tender price, as the deposit to a bank account designated by SUAEE for the intended purchase of the Sale Equity Interest.

The remaining consideration of approximately RMB30.64 million will be paid to a bank account designated by SUAEE within five business days after the date of entering into the Equity Transfer Agreement.

Completion of the Acquisition:

Completion of the Acquisition shall take place upon completion of the relevant regulatory procedures for the transfer of the Sale Equity Interest from Tibet Urban to Kingscord.

INFORMATION ON SHANGHAI HU XIN

Shanghai Hu Xin is a sino-foreign joint venture enterprise incorporated in the PRC on 23 April 1995. It is the developer of Shanghai May Flower Plaza which is a mixed-use project located at the junction of Da Tong Road and Zhi Jiang Xi Road in Su Jia Xiang in the Zhabei District in Shanghai in the PRC. As at the date of this joint announcement, Shanghai Hu Xin is a subsidiary of Lai Fung, owned as to 55% by Kingscord, 40% by Fore Bright and 5% by Tibet Urban.

FINANCIAL INFORMATION OF SHANGHAI HU XIN

Shanghai Hu Xin recorded an unaudited net profit (before and after taxation and extraordinary items) of approximately HK\$336.39 million and HK\$311.23 million for the year ended 31 July 2014, and approximately HK\$637.04 million and HK\$347.98 million for the year ended 31 July 2013, respectively.

The unaudited net assets of Shanghai Hu Xin as at 31 July 2014 was approximately HK\$909.39 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Board of Lai Fung considers that the Acquisition will represent a good opportunity for the Lai Fung Group to buyout the minority interest in Shanghai Hu Xin and gain full control of Shanghai Hu Xin so as to enjoy the economic benefit of Shanghai Hu Xin in full in the future.

Lai Fung is a non-wholly-owned subsidiary of eSun. Pursuant to the Acquisition, eSun continues to maintain an indirect interest in Shanghai Hu Xin through Lai Fung.

The respective Boards of Lai Fung and eSun believe that the terms of the Equity Transfer Agreement are on normal commercial terms, the terms of which are fair and reasonable and that the Acquisition is in the respective interests of Lai Fung and eSun and their respective shareholders as a whole.

INFORMATION ON KINGSCORD, TIBET URBAN, LAI FUNG AND eSUN

Kingscord is an investment holding company incorporated under the laws of Hong Kong with limited liability.

Tibet Urban is a state-owned enterprise established under the laws of the PRC and an independent third party. Tibet Urban is principally engaged in the development and sale of real estate.

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 activity of Lai Fung is investment holding. The principal activities of the Lai Fung Group include property development for sale and property investment for rental purposes in the PRC.

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 its subsidiaries include the development, operation of and investment in media, entertainment, music production and distribution, the investment in and production and distribution of television programmes, film and video format products, cinema operation, the provision of advertising agency services, the sale of cosmetic products as well as property development for sale and property investment for rental purposes. As at the date of this joint announcement, eSun owns approximately 51.39% of the total issued shares of Lai Fung.

IMPLICATIONS UNDER THE LISTING RULES

Lai Fung is a non-wholly-owned subsidiary of eSun. As one of the applicable Percentage Ratios in respect of the Acquisition is more than 5% but less than 25% for eSun, the Acquisition constitutes a discloseable transaction under Chapter 14 of the Listing Rules and eSun has to comply with the notification and announcement requirements under Rule 14.34 of the Listing Rules.

As none of the applicable Percentage Ratios exceeds 5% for Lai Fung, the Acquisition does not constitute a notifiable transaction for Lai Fung and is therefore not subject to the disclosure requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

- “Acquisition” the acquisition of the 5% Sale Equity Interest by Kingscord from Tibet Urban;
- “Board” the board of directors of Lai Fung and/or eSun, as the case may be;
- “business day” any day other than Saturday, Sunday and public holidays in the PRC;
- “Equity Transfer Agreement” the equity transfer agreement to be entered into between Kingscord and Tibet Urban for the Acquisition;
- “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);
- “Fore Bright” Fore Bright Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Lai Fung;
- “HK\$” Hong Kong dollars, the lawful currency of Hong Kong;
- “Hong Kong” the Hong Kong Special Administrative Region of the PRC;

“Kingscord”	Kingscord Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Lai Fung;
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Percentage Ratios”	has the meaning ascribed to it under Rule 14.07 of the Listing Rules;
“PRC”	the People’s Republic of China and for the purpose of this joint announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shanghai Hu Xin”	上海滬欣房地產發展有限公司 (Shanghai Hu Xin Real Estate Development Company Limited), a limited liability company established and validly existing under the laws of the PRC and owned as to 55% by Kingscord, 40% by Fore Bright and 5% by Tibet Urban as at the date of this joint announcement;
“Sale Equity Interest”	5% equity interest in Shanghai Hu Xin;
“Shanghai May Flower Plaza”	a mixed-use project located at the junction of Da Tong Road and Zhi Jiang Xi Road in Su Jia Xiang in the Zhabei District in Shanghai in the PRC, comprising a retail podium, a hotel, residential and office apartments, and is entirely held by Shanghai Hu Xin;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“SUAEE”	上海聯合產權交易所 (Shanghai United Assets and Equity Exchange), being the administer of the tender relating to the Sale Equity Interest;
“subsidiary”	has the meaning ascribed to it under the Listing Rules;
“Tibet Urban”	西藏城市發展投資股份有限公司 (Tibet Urban Development and Investment Co.,LTD), a state-owned enterprise established under the laws of the PRC; and
“%”	per cent.

For the purpose of illustration only and unless otherwise stated, conversion of RMB into HK\$ in this joint announcement is based on the exchange rate of RMB1 to HK\$1.2656. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate(s).

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

Hong Kong, 7 January 2015

As at the date of this joint announcement,

- (a) *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; and*
- (b) *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. Lucas Ignatius Loh Jen Yuh and Mr. Chan Boon Seng (also alternate to Mr. Lucas Ignatius Loh Jen Yuh); 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.*