

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.



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)

MAJOR TRANSACTION

DISCLOSEABLE TRANSACTION

JOINT ANNOUNCEMENT AGREEMENT IN RELATION TO ACQUISITION OF PROPERTY

The respective Boards of Lai Fung and eSun are pleased to announce that, on 30 September 2015 (after trading hours), Shanghai Zhabei Plaza, being an indirect non-wholly-owned subsidiary of Lai Fung and eSun, Zhabei Trade Union and Lai Fung entered into the Agreement, pursuant to which Shanghai Zhabei Plaza conditionally agreed to acquire and Zhabei Trade Union conditionally agreed to sell the Property at the Consideration of approximately RMB355.1 million (equivalent to approximately HK\$433.5 million).

As one of the applicable percentage ratios in respect of the Acquisition is more than 5% but less than 25% for Lai Fung, the Acquisition constitutes a discloseable transaction for Lai Fung and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Lai Fung is a 51.30%-owned subsidiary of eSun as at the date of this joint announcement. As one of the applicable percentage ratios in respect of the Acquisition is more than 25% but less than 100% for eSun, the Acquisition constitutes a major transaction for eSun and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. The SGM will be held to consider, and if thought fit, pass the requisite resolution(s) to approve the Agreement and the transactions contemplated thereunder by way of poll.

To the best knowledge, information and belief of the directors of eSun, as at the date of this joint announcement, neither the shareholders of eSun nor any of their close associates has a material interest in the Acquisition. No shareholder of eSun is therefore required to abstain from voting on the proposed resolution(s) to approve the Agreement and the transactions contemplated thereunder in the SGM.

A circular containing, among other things, further details of the Acquisition and the notice convening the SGM to approve the Acquisition will be despatched to the shareholders of eSun on or before 23 October 2015.

INTRODUCTION

The respective Boards of Lai Fung and eSun are pleased to announce that, on 30 September 2015 (after trading hours), Shanghai Zhabei Plaza, being an indirect non-wholly-owned subsidiary of Lai Fung and eSun, Zhabei Trade Union and Lai Fung entered into the Agreement, pursuant to which Shanghai Zhabei Plaza conditionally agreed to acquire and Zhabei Trade Union conditionally agreed to sell the Property at the Consideration of approximately RMB355.1 million (equivalent to approximately HK\$433.5 million).

THE AGREEMENT

Set out below is a summary of the principal terms and conditions of the Agreement:

Date

30 September 2015

Parties

Vendor: Zhabei Trade Union

Purchaser: Shanghai Zhabei Plaza, an indirect non-wholly-owned subsidiary of Lai Fung and eSun

Guarantor: Lai Fung

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

Subject matter

Pursuant to the Agreement, Shanghai Zhabei Plaza conditionally agreed to acquire and Zhabei Trade Union conditionally agreed to sell the Property.

Consideration and related terms

The Consideration shall be approximately RMB355.1 million (equivalent to approximately HK\$433.5 million) and it shall be payable by Shanghai Zhabei Plaza to Zhabei Trade Union as follows:

- (1) A Deposit of approximately RMB53.3 million (equivalent to approximately HK\$65.0 million), being 15% of the Consideration, shall be paid within 15 working days upon signing of the Agreement.
- (2) Subject to and upon satisfaction of the Conditions:
 - (a) the Deposit shall be taken as the first instalment payment of the Consideration under the Agreement;

- (b) a second instalment of approximately RMB142.0 million (equivalent to approximately HK\$173.4 million), being 40% of the Consideration, shall be paid within 15 working days; and
 - (c) Shanghai Zhabei Plaza and Zhabei Trade Union shall enter into the Formal Sale and Purchase Agreement within 15 working days after full payment of the first and second instalments.
- (3) A third instalment of approximately RMB142.0 million (equivalent to approximately HK\$173.4 million), being 40% of the Consideration, shall be paid within 15 working days after a receipt of acknowledgement has been issued by the Real Estate Trading Centre* (房地產交易中心) in relation to the application for the transfer and registration of the Property in its name (“**registration procedures**”), and subject to the following steps having been implemented in advance:
- (a) Shanghai Zhabei Plaza or Zhabei Trade Union (as the case may be) taking the necessary steps to proceed with the procedures required to effect the change in the nature of land use rights of the Property from allocated land use rights to transferable land use rights. In this connection, Shanghai Zhabei Plaza has agreed to be responsible to pay the fees or compensation required by the PRC governmental authorities for the change in nature of land use rights of the Property, the amount of which will have to be negotiated with the relevant PRC governmental authorities;
 - (b) Zhabei Trade Union arranging for the vacation of occupants of the Property and delivering vacant possession of the Property to Shanghai Zhabei Plaza and completing related procedures. In this connection, Zhabei Trade Union has agreed to deliver vacant possession on or before 30 April 2016, save for units subject to litigation with occupants (if any) where vacant possession may be delivered on or before 31 March 2017; and
 - (c) Shanghai Zhabei Plaza and Zhabei Trade Union proceeding with the transfer and registration procedures in respect of the Property within 15 working days after completion of the procedures in (3)(a) and (b) above.
- (4) The final instalment of approximately RMB17.8 million (equivalent to approximately HK\$21.7 million), being 5% of the Consideration, shall be paid within 15 working days upon Shanghai Zhabei Plaza receiving the new ownership certificate of the Property in its name incorporating the change in nature of land use rights mentioned above.

The Consideration was determined after arm’s length negotiation between Shanghai Zhabei Plaza and Zhabei Trade Union, with reference to, among other things, the market value of the Property, the increased potential of the Property when consolidated with the existing properties held by the Lai Fung Group in Northgate Plaza I and Northgate Plaza II as explained in the section headed “REASONS FOR AND BENEFITS OF THE ACQUISITION” below.

The Consideration will be satisfied by the internal resources of the Lai Fung Group.

Conditions

The Agreement shall take effect upon satisfaction of the following conditions:

- (1) Zhabei Trade Union obtaining approval from the Federation of Trade Unions of Shanghai* (上海市總工會) and at a meeting of the relevant Standing Committee of the Chinese Communist Party* (區委常委會);
- (2) the shareholders of eSun approving the Acquisition and Lai Fung acting as a guarantor and assuming liability in relation to the obligations of Shanghai Zhabei Plaza under the Agreement; and
- (3) (if necessary) eSun having obtained all necessary approvals as required by the Listing Rules.

Termination and related liabilities

(a) *Failure to satisfy the Conditions*

If the Conditions cannot be fully satisfied on or before 31 March 2016, the Agreement shall be terminated. In the event that the failure to satisfy the Conditions is on the part of Shanghai Zhabei Plaza or Lai Fung (including where approvals required from the shareholders of eSun have not been obtained), Zhabei Trade Union shall be entitled to forfeit the Deposit; and if the Deposit is not sufficient to cover all losses incurred by Zhabei Trade Union, Shanghai Zhabei Plaza shall be liable to pay damages to Zhabei Trade Union.

(b) *Refusal by PRC authorities*

If the relevant authorities refuse to proceed with the transfer procedures or the change in nature of the land use rights in respect of the Property on or before 31 March 2017, Shanghai Zhabei Plaza and Zhabei Trade Union shall enter into friendly negotiation and, if such negotiation efforts fail, either party shall be entitled to terminate the Agreement. If the relevant authorities' refusal is on account of Shanghai Zhabei Plaza, Zhabei Trade Union shall be entitled to unilaterally terminate the Agreement and claim damages against Shanghai Zhabei Plaza. If such refusal is not on the part of Shanghai Zhabei Plaza, Shanghai Zhabei Plaza or Zhabei Trade Union may terminate the Agreement, upon which Zhabei Trade Union shall, after deducting all relevant expenses and losses, return to Shanghai Zhabei Plaza all amounts that have been paid by Shanghai Zhabei Plaza without interest.

(c) *Failure to deliver vacant possession*

Without prejudice to any other claim for damages and unless otherwise specified in the Agreement, if Zhabei Trade Union fails to deliver vacant possession of the Property in accordance with the Agreement and within 15 working days after Shanghai Zhabei Plaza issuing a written notice, Shanghai Zhabei Plaza shall be entitled to demand compensation from Zhabei Trade Union with reference to the prevailing market rent of the Property. If Zhabei Trade Union's failure to deliver vacant possession of the Property results in the parties to the Agreement not being able to achieve their objectives thereunder, Shanghai Zhabei Plaza shall be entitled to unilaterally terminate the Agreement, upon which Zhabei Trade Union shall return to Shanghai Zhabei Plaza all amounts that have been paid by Shanghai Zhabei Plaza.

(d) *Failure of payment or other obligations*

Without prejudice to any other claim for damages and unless otherwise specified in the Agreement, if Shanghai Zhabei Plaza fails to pay the Consideration in accordance with the Agreement, or complete any procedure or provide any required information, Shanghai Zhabei Plaza shall be subject to a daily fine of an amount equivalent to 0.05% of the amount payable. If Shanghai Zhabei Plaza fails to rectify the breach within 15 working days after Zhabei Trade Union issuing a written notice, Zhabei Trade Union shall be entitled to unilaterally terminate the Agreement by written notice and forfeit all amounts that have been paid by Shanghai Zhabei Plaza.

(e) *Other material breaches*

Unless otherwise specified in the Agreement, if any party to the Agreement is in a material breach of any undertaking, representation or warranty under the Agreement or if any breach of the Agreement results in the inability to perform the Agreement, the observant party shall be entitled to unilaterally terminate the Agreement by written notice, and the defaulting party shall be liable to pay damages of an amount equivalent to 20% of the Consideration to the observant party and indemnify the observant party against all actual losses incurred by the observant party.

INFORMATION ABOUT THE PROPERTY

The Property comprises 6th to 11th floors of Hui Gong Building* (匯貢大廈), which is situated at No. 99 Tian Mu Road West, Zhabei, Shanghai, the PRC, together with the corresponding land use rights and the right to use 20 car-parking spaces in the basement. Hui Gong Building* (匯貢大廈) is a mixed-use building, and the Property, which is of a total gross floor area of approximately 10,345 sq.m., comprises various shops and office apartments. The land use rights of the Property were designated for recreation and entertainment.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Property is physically connected to Northgate Plaza I which is 99% owned by the Lai Fung Group. The Board of Lai Fung considers that the Acquisition will represent a good opportunity for the Lai Fung Group to consolidate its interest of a property that it already owns. It will facilitate the redevelopment plan of Northgate Plaza I and the adjacent Northgate Plaza II and enhance the overall value of the combined development once they are redeveloped.

Lai Fung is a non-wholly-owned subsidiary of eSun. eSun will maintain an indirect interest in the Property through Lai Fung upon completion of the Acquisition.

The respective Boards of Lai Fung and eSun believe that the terms of the Agreement are on normal commercial terms and 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 ABOUT ZHABEI TRADE UNION

Zhabei Trade Union is an organisation established under the Trade Union Law of the PRC* (中華人民共和國工會法), principally engaging in the organisation of cultural and training activities and the provision of recreational facilities and services.

INFORMATION ABOUT SHANGHAI ZHABEI PLAZA, LAI FUNG AND eSUN

Shanghai Zhabei Plaza is principally engaged in property development and investment. As at the date of this joint announcement, Lai Fung and eSun indirectly held 99% and 50.79% of the registered capital of Shanghai Zhabei Plaza, respectively.

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. As at the date of this joint announcement, eSun indirectly held approximately 51.30% of the total issued shares of Lai Fung.

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.

IMPLICATIONS UNDER THE LISTING RULES

Lai Fung

As one of the applicable percentage ratios in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for Lai Fung and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

eSun

Lai Fung is a 51.30%-owned subsidiary of eSun as at the date of this joint announcement. As one of the applicable percentage ratios in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for eSun and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. The SGM will be held to consider, and if thought fit, pass the requisite resolution(s) to approve the Agreement and the transactions contemplated thereunder by way of poll.

To the best knowledge, information and belief of the directors of eSun, as at the date of this joint announcement, neither the shareholders of eSun nor any of their close associates has a material interest in the Acquisition. No shareholder of eSun is therefore required to abstain from voting on the proposed resolution(s) to approve the Agreement and the transactions contemplated thereunder in the SGM.

A circular containing, among other things, further details of the Acquisition and the notice convening the SGM to approve the Acquisition will be despatched to the shareholders of eSun on or before 23 October 2015.

DEFINITIONS

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

“Acquisition”	the acquisition of the entire interest in the Property pursuant to the terms and conditions of the Agreement;
“Agreement”	the conditional agreement dated 30 September 2015 and entered into among Zhabei Trade Union as vendor, Shanghai Zhabei Plaza as purchaser and Lai Fung as guarantor in relation to the Acquisition;
“Board”	the board of directors of Lai Fung and/or eSun, as the case may be;
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Conditions”	conditions of the Agreement which must be fully satisfied in order for the Agreement to take effect;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	the consideration payable by Shanghai Zhabei Plaza to Zhabei Trade Union in relation to the Acquisition;
“Deposit”	the deposit payable by Shanghai Zhabei Plaza to Zhabei Trade Union in accordance with the Agreement;
“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);

“Formal Sale and Purchase Agreement”	the formal sale and purchase agreement to be entered into between Zhabei Trade Union as vendor and Shanghai Zhabei Plaza as purchaser in relation to the sale and purchase of the Property;
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“percentage ratio(s)”	has the meaning ascribed to it in Rule 14.07 of the Listing Rules;
“PRC”	the People’s Republic of China, and for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Property”	6th to 11th Floors, Hui Gong Building* (匯貢大廈), No. 99 Tian Mu Road West, Zhabei, Shanghai, the PRC, together with the corresponding land use rights and the right to use 20 car-parking spaces in the basement;
“RMB”	Renminbi, the lawful currency of the PRC;
“SGM”	a special general meeting of eSun to be convened and held for approving the Agreement and the transactions contemplated thereunder;
“Shanghai Zhabei Plaza”	Shanghai Zhabei Plaza Real Estate Development Company Limited* (上海閘北廣場房地產發展有限公司), a limited liability company established and validly existing under the laws of the PRC and an indirect non-wholly-owned subsidiary of Lai Fung and eSun;
“sq.m.”	square metre;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;

“Zhabei Trade Union” Federation of Trade Union of Zhabei District of Shanghai* (上海市閘北區總工會), an organisation established under the Trade Union Law of the PRC* (中華人民共和國工會法); and

“%” per cent.

** for identification purpose only*

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\$1.2209. 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, 30 September 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. Cheng Shin How and Mr. Lee Tze Yan, Ernest; 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.*