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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)

DISCLOSEABLE TRANSACTION

DISCLOSEABLE TRANSACTION



eSun Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 571)

**MAJOR DISPOSAL AND
CONNECTED TRANSACTION**

**JOINT ANNOUNCEMENT
SALE AND PURCHASE AGREEMENT IN RELATION TO
20% INTEREST IN A TARGET COMPANY
AND
PROVISION OF A SHAREHOLDER'S LOAN
TO THE TARGET COMPANY**

eSun Independent Financial Adviser



红日资本有限公司

RED SUN CAPITAL LIMITED

THE TRANSACTION

The LSG Board, the LSD Board and the eSun Board are pleased to announce that on 23 July 2019 (after trading hours), LSD entered into the Sale and Purchase Agreement with the Seller, an indirect wholly-owned subsidiary of eSun, pursuant to which the Seller has agreed to sell, and LSD has agreed to purchase, the Sale Shares for the Consideration upon the terms and conditions set out in the Sale and Purchase Agreement. Prior to Completion, the Target Company is held as to 80% by LFHQ, an indirect wholly-owned subsidiary of Lai Fung, and 20% by the Seller. Subject to and upon Completion, the Target Company will be held as to 80% by LFHQ and 20% by LSD (or its nominee).

The Transaction, being a Restricted Opportunity, was referred by the Lai Fung Board to the Special Committee for review and consideration in accordance with the Deed of Conditional Waiver. A meeting of the Special Committee was held on 23 July 2019 to consider and, if thought fit, approve the sale of the Sale Shares to LSD and to consider whether the waiver by Lai Fung under the Deed of Conditional Waiver applies to the Transaction. The Special Committee has approved the sale of the Sale Shares to LSD and the waiver by Lai Fung under the Deed of Conditional Waiver should apply to the Transaction.

Upon Completion, LSD will make the Shareholder's Loan (in the amount of approximately HK\$280.4 million) (subject to adjustments as agreed between LSD and the Seller upon Completion) to the Target Company. The Shareholder's Loan will be unsecured, interest free and repayable on demand, and it is intended to finance the general working capital of the Target Group.

LISTING RULES IMPLICATIONS

eSun

Major Disposal

The Seller is an indirect wholly-owned subsidiary of eSun. As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Disposal are greater than 25% but less than 75%, the Disposal constitutes a major transaction for eSun under the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Connected Transaction in relation to the Disposal

LSD is the intermediate holding company of eSun and hence a connected person of eSun under the Listing Rules. The Transaction constitutes a connected transaction for eSun and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The eSun Independent Board Committee, comprising all the independent non-executive directors of eSun, has been established to advise and provide recommendations to the eSun Independent Shareholders in respect of the Transaction. The eSun Independent Financial Adviser has been appointed to advise the eSun Independent Board Committee and the eSun Independent Shareholders on the Transaction.

A special general meeting will be held by eSun for the eSun Independent Shareholders to consider and, if thought fit, pass the requisite resolution to approve the Transaction.

A circular containing, among other things, (a) further information on the Transaction, (b) the advice of the eSun Independent Financial Adviser to the eSun Independent Board Committee and the eSun Independent Shareholders, (c) the recommendations of the eSun Independent Board Committee and (d) notice of the special general meeting of eSun, will be despatched to the shareholders of eSun on or before 13 August 2019.

Financial Assistance

As the Guarantees, upon Completion, will become a financial assistance to a connected person and will constitute a continuing connected transaction for eSun under Chapter 14A of the Listing Rules, accordingly, eSun will be subject to the announcement and annual reporting requirements under Chapter 14A of the Listing Rules.

LSD

Discloseable Transaction

As one or more of the applicable percentage ratios in respect of the Transaction are greater than 5% but less than 25% for LSD, the Transaction constitutes a discloseable transaction for LSD. Accordingly, LSD has to comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

LSG

Discloseable Transaction

LSD is a non-wholly-owned subsidiary of LSG. As one or more of the applicable percentage ratios in respect of the Transaction are greater than 5% but less than 25% for LSG, the Transaction constitutes a discloseable transaction for LSG. Accordingly, LSG has to comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE TRANSACTION

The LSG Board, the LSD Board and the eSun Board are pleased to announce that on 23 July 2019 (after trading hours), LSD entered into the Sale and Purchase Agreement with the Seller, an indirect wholly-owned subsidiary of eSun, pursuant to which the Seller has agreed to sell, and LSD has agreed to purchase, the Sale Shares for the Consideration upon the terms and conditions set out in the Sale and Purchase Agreement. Prior to Completion, the Target Company is held as to 80% by LFHQ, an indirect wholly-owned subsidiary of Lai Fung, and 20% by the Seller. Subject to and upon Completion, the Target Company will be held as to 80% by LFHQ and 20% by LSD (or its nominee).

The Transaction, being a Restricted Opportunity, was referred by the Lai Fung Board to the Special Committee for review and consideration in accordance with the Deed of Conditional Waiver. A meeting of the Special Committee was held on 23 July 2019 to consider and, if thought fit, approve the sale of the Sale Shares to LSD and to consider whether the waiver by Lai Fung under the Deed of Conditional Waiver applies to the Transaction. The Special Committee has approved the sale of the Sale Shares to LSD and the waiver by Lai Fung under the Deed of Conditional Waiver should apply to the Transaction.

Upon Completion, LSD will make the Shareholder's Loan (in the amount of approximately HK\$280.4 million) (subject to adjustments as agreed between LSD and the Seller upon Completion) to the Target Company. The Shareholder's Loan will be unsecured, interest free and repayable on demand, and it is intended to finance the general working capital of the Target Group.

THE SALE AND PURCHASE AGREEMENT

Principal terms of the Sale and Purchase Agreement are as follows:

Date: 23 July 2019

The buyer: LSD (or its nominee)

The seller: SHIL

Consideration

The Consideration for the Sale Shares (representing 20% of the total issued share capital of the Target Company), which is HK\$557.25 million, shall be paid by LSD to the Seller (or its nominee) at Completion. The Consideration was determined after arm's length negotiations between LSD and the Seller having taken into account, among other things, the valuation of the Target Group of HK\$2,229.0 million by an independent valuer and the expected business prospects of the Target Group. The Consideration represents a premium of approximately 25% over the market value of the 20% equity interest in the Target Company.

Each of the LSG Board, the LSD Board and the eSun Board (excluding (i) eSun Independent Board Committee whose opinion will be provided after taking into account the opinion and advice of the eSun Independent Financial Adviser and will be set out in eSun's circular to be despatched; and (ii) the Excluded Directors) considers that the Consideration is fair and reasonable and on normal commercial terms and that the Sale and Purchase Agreement is in the interest of LSG, LSD, eSun and their respective shareholders as a whole.

The Consideration to be paid to the Seller (or its nominee) will be financed by the LSD Group's internal resources.

Conditions precedent to the completion of the Sale and Purchase Agreement

Completion is conditional upon:

- (a) the Sale and Purchase Agreement, the Deed of Ratification and Accession and the transactions contemplated under such agreements (being Restricted Opportunities) having been approved and accepted by the Special Committee in accordance with the Deed of Conditional Waiver;
- (b) the Sale and Purchase Agreement and the transactions contemplated under such agreement having been approved by the eSun Independent Shareholders in accordance with the Listing Rules;
- (c) the execution of the Deed of Ratification and Accession by LSD (or its nominee) confirming that it will be bound by the Shareholders' Agreement as a shareholder of the Target Company; and
- (d) if required, each of LSD and eSun having obtained all other necessary consents, approvals, authorisation, licences and waivers (whether corporate, regulatory, governmental or otherwise) required in connection with the Sale and Purchase Agreement, the Deed of Ratification and Accession and the transactions contemplated under such agreements.

If any of the Conditions are not satisfied on or before 31 October 2019, or such later date as the Seller and LSD may agree in writing, the Sale and Purchase Agreement shall terminate in which event all rights and liabilities of the parties thereto under the Sale and Purchase Agreement shall cease and determine immediately upon such termination (save in respect of antecedent breaches).

Completion

Completion shall take place on a date which is within two (2) business days after the date on which all the Conditions having been fulfilled, or such other date as shall be mutually agreed in writing by the Seller and LSD.

Immediately following Completion, LSD (or its nominee) will own 20% shareholding interest of the Target Company and the Seller will cease to have any interest in the Target Company.

DEED OF RATIFICATION AND ACCESSION

Subject to and upon Completion, LSD (or its nominee), as the buyer of the Sale Sales, will execute the Deed of Ratification and Accession under which LSD (or its nominee) agrees to be bound by, and shall be entitled to the benefit of, the Shareholders' Agreement, as if an original party thereto in place of the Seller. For details of the Shareholders' Agreement, please refer to the joint announcement of eSun and Lai Fung dated 25 September 2013.

PROVISION OF A SHAREHOLDER'S LOAN TO THE TARGET COMPANY

Upon Completion, LSD will make the Shareholder's Loan (in the amount of approximately HK\$280.4 million) (subject to adjustments as agreed between LSD and the Seller upon Completion) to the Target Company. The Shareholder's Loan will be unsecured, interest free and repayable on demand, and it is intended to finance the general working capital of the Target Group.

The LSD Directors consider that the provision of the Shareholder's Loan will facilitate the Target Company in meeting its working capital needs, and will facilitate the further business development of the Target Company, in which LSD will have 20% shareholding interest upon Completion.

FINANCIAL ASSISTANCE

The Guarantees

Prior to the Transaction, there were existing banking facilities obtained by the Target Group, and eSun has provided the Guarantees of approximately HK\$507.3 million in favour of the lending banks.

Such facilities were obtained to support the operations of the Target Group, and it is the agreement between eSun and LSD that such facilities be maintained after the Completion. Upon enquiry by the Target Company with the banks, the banks would require a long period of time to review and approve the release of the Guarantees, and therefore it is expected that the Guarantees could not be released immediately upon Completion. As such, to facilitate the Transaction, after arm's length negotiation, eSun and LSD agreed that the Guarantees will continue to take effect after Completion in order to maintain the facilities. LSD is the intermediate holding company of eSun and hence a connected person of eSun under the Listing Rules. Upon Completion, the Target Group will be connected subsidiaries of eSun under Rule 14A.16 of the Listing Rules and thereby a connected person of eSun. The Guarantees to the Target Group upon Completion will constitute financial assistance of eSun to the Target Group under Chapter 14A of the Listing Rules.

In order to protect the interest of eSun Group, LSD has given its undertaking and the counter guarantee in favour of eSun.

LSD's undertaking

Upon Completion, LSD unconditionally and irrevocably undertakes to eSun to procure the release of the Guarantees within six (6) months after the Completion and the replacement guarantees to be executed by LSD, or an entity or person of sufficient financial substance designated by LSD, in favour of the relevant banks.

Counter guarantee

Pursuant to the Sale and Purchase Agreement, at Completion, LSD shall execute a counter guarantee in favour of eSun, pursuant to which LSD shall indemnify eSun against any claims, losses or expenses suffered by eSun in respect of the Guarantees until the Guarantees are fully released and discharged.

FUTURE POTENTIAL CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcements of Lai Fung dated 16 July 2019 and 23 July 2019 regarding the continuing connected transactions under the Property Management Services Agreements and Cost-sharing Agreements.

Property Management Services Agreements

On 16 July 2019, Novotown Business Management and Novotown Creative Culture entered into the Novotown Creative Culture Property Management Services Agreement, pursuant to which Novotown Business Management will provide property management services to Novotown Creative Culture from 1 September 2019 to 31 August 2022.

On 16 July 2019, Novotown Business Management and Novotown Entertainment entered into the Novotown Entertainment Property Management Services Agreement, pursuant to which Novotown Business Management will provide property management services to Novotown Entertainment from 1 August 2019 to 31 July 2022.

On 23 July 2019, Novotown Business Management and Laisun Creative Culture entered into the Laisun Creative Culture Property Management Services Agreement, pursuant to which Novotown Business Management will provide property management services to Laisun Creative Culture from 1 October 2019 to 30 September 2022.

Cost-sharing Agreements

On 16 July 2019, Novotown Business Management and Laisun Creative Culture entered into the Laisun Creative Culture Cost-sharing Agreement, pursuant to which Novotown Business Management and Laisun Creative Culture will share the costs and expenses in connection with the use of the Head Lease Premises as staff quarter on a cost basis from 1 September 2019 to 30 April 2021.

On 16 July 2019, Novotown Business Management and Novotown Creative Culture entered into the Novotown Creative Culture Cost-sharing Agreement, pursuant to which Novotown Business Management and Novotown Creative Culture will share the costs and expenses in connection with the use of the Head Lease Premises as staff quarter on a cost basis from 1 September 2019 to 30 April 2021.

On 16 July 2019, Novotown Business Management and Novotown Entertainment entered into the Novotown Entertainment Cost-sharing Agreement, pursuant to which Novotown Business Management and Novotown Entertainment will share the costs and expenses in connection with the use of the Head Lease Premises as staff quarter on a cost basis from 1 September 2019 to 30 April 2021.

LSD is the intermediate holding company of eSun holding approximately 74.62% shareholding interest in eSun and hence a connected person of eSun. Upon Completion, each of Laisun Creative Culture, Novotown Creative Culture and Novotown Entertainment will become a connected subsidiary of eSun pursuant to Rule 14A.16(2) of the Listing Rules by virtue of being an indirect subsidiary of the Target Company, which will in turn be a connected subsidiary of eSun controlled as to 20% by LSD (or its nominee) directly. As such Laisun Creative Culture, Novotown Creative Culture and Novotown Entertainment will become connected persons of eSun. Novotown Business Management is the indirect non-wholly-owned subsidiary of eSun. Accordingly, each of the Property Management Services Agreements and the Cost-sharing Agreements, further details of which are set out in the Lai Fung Announcements, will constitute a continuing connected transaction of eSun under Chapter 14A of the Listing Rules upon Completion.

According to Rule 14A.60(1) of the Listing Rules, eSun is required to as soon as practicable comply the requirements of annual review and disclosure (including publishing announcement and annual reporting) upon Completion if Laisun Creative Culture, Novotown Creative Culture, Novotown Entertainment and Novotown Business Management continues the transactions under the Property Management Services Agreements and the Cost-sharing Agreements after Completion. If the Property Management Services Agreements and the Cost-sharing Agreements are renewed or the terms thereunder are amended, eSun will further comply with all the applicable requirements under Chapter 14A of the Listing Rules.

For further details of the Property Management Services Agreements and the Cost-sharing Agreements, please refer to the Lai Fung Announcements.

INFORMATION 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 74.62% of the total issued shares of eSun as at the date of this joint announcement.

INFORMATION OF LSG

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 56.07% of the total issued shares of LSD as at the date of this joint announcement.

INFORMATION OF THE SELLER

The Seller is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding.

The Seller is an indirect wholly-owned subsidiary of eSun as at the date of this joint announcement.

INFORMATION 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 of and investment in media and entertainment, music production and distribution, the investment in and production and distribution of television programmes, films and video format products, cinema operation, property development for sale and property investment for rental purposes as well as the development and operation of and investment in cultural, leisure, entertainment and related facilities.

INFORMATION OF THE TARGET GROUP

The Target Company is an investment holding company incorporated in the British Virgin Islands with limited liability.

The Target Group is principally engaged in design, development and operation of Phase I of Novotown project in Hengqin, Zhuhai City, Guangdong Province of the PRC, which is an integrated tourism and entertainment project comprising of two themed indoor experience centres namely “Lionsgate Entertainment WorldTM” and “National Geographic Ultimate Explorer” under the intellectual property licenses granted by “Lionsgate” and “National Geographic”, hotel, offices, serviced apartments, cultural studios and shopping and leisure facilities.

Financial information on the Target Group

Set out below is a summary of unaudited consolidated financial information of the Target Group for the financial years ended 31 July 2017 and 2018 prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants:

	Year ended 31 July	
	2017	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net profit (before taxation)	727,715	738,721
Net profit (after taxation)	547,892	550,960

REASONS FOR, AND THE BENEFITS OF, THE TRANSACTION

The Transaction enables eSun Group to crystallise the value in its investment in the Target Company and recycle the capital for its other obligations. The net proceeds to be received by eSun from the Transaction will enable the eSun Group to reduce its borrowings and to improve its working capital position for future opportunities that may arise.

LSD and LSG would leverage their extensive resources and experience in property investment and development as well as consolidate its exposure in the Hengqin project and thereby strengthen its presence in the Greater Bay Area.

Having taken into account the above reasons and benefits, the LSG Directors, the LSD Directors and the eSun Directors (including the respective independent non-executive directors of LSG and LSD but excluding (i) eSun Independent Board Committee whose opinion will be provided after taking into account the opinion and advice of the eSun Independent Financial Adviser and will be set out in eSun's circular to be despatched; and (ii) the Excluded Directors) are of the view that the terms and conditions of the Transaction are fair and reasonable; and that the Transaction is conducted under normal commercial terms and is in the interests of their respective companies and shareholders as a whole.

FINANCIAL IMPACT OF THE TRANSACTION AND INTENDED USE OF PROCEEDS BY eSUN

Upon Completion, the Target Company will be held as to 80% by LFHQ and 20% by LSD (or its nominee) and remain as an indirect non-wholly-owned subsidiary of Lai Fung. Accordingly, the Target Company will remain as an indirect non-wholly-owned subsidiary of eSun. eSun Group's effective interest in the Target Group will be reduced from 60.44% to 40.44% and the change in the ownership interest in the Target Company will not result in loss of control in the Target Company. Therefore, the Disposal will be accounted for as an equity transaction of the eSun Group. The assets, liabilities and financial results of the Target Group will continue to be included in the consolidated financial statements of the eSun Group, and it will not result in the recognition of any gain or loss in the consolidated income statement of the eSun Group.

eSun expects to receive net proceeds of approximately HK\$503.1 million (after deduction of transaction costs and expenses) from the Disposal, and intends to apply them to repay existing term loan facilities and/or finance the general corporate requirements.

LISTING RULES IMPLICATIONS

eSun

Major Disposal

The Seller is an indirect wholly-owned subsidiary of eSun. As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Disposal are greater than 25% but less than 75%, the Disposal constitutes a major transaction for eSun under the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Connected Transaction in relation to the Disposal

LSD is the intermediate holding company of eSun and hence a connected person of eSun under the Listing Rules. The Transaction constitutes a connected transaction for eSun and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The eSun Independent Board Committee, comprising all the independent non-executive directors of eSun, has been established to advise and provide recommendations to the eSun Independent Shareholders in respect of the Transaction. The eSun Independent Financial Adviser has been appointed to advise the eSun Independent Board Committee and the eSun Independent Shareholders on the Transaction.

A special general meeting will be held by eSun for the eSun Independent Shareholders to consider and, if thought fit, pass the requisite resolution to approve the Transaction.

A circular containing, among other things, (a) further information on the Transaction, (b) the advice of the eSun Independent Financial Adviser to the eSun Independent Board Committee and the eSun Independent Shareholders, (c) the recommendations of the eSun Independent Board Committee and (d) notice of the special general meeting of eSun, will be despatched to the shareholders of eSun on or before 13 August 2019.

Financial Assistance

As the Guarantees, upon Completion, will become a financial assistance to a connected person and will constitute a continuing connected transaction for eSun under Chapter 14A of the Listing Rules, accordingly, eSun will be subject to the announcement and annual reporting requirements under Chapter 14A of the Listing Rules.

LSD

Discloseable Transaction

As one or more of the applicable percentage ratios in respect of the Transaction are greater than 5% but less than 25% for LSD, the Transaction constitutes a discloseable transaction for LSD. Accordingly, LSD has to comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

LSG

Discloseable Transaction

LSD is a non-wholly-owned subsidiary of LSG. As one or more of the applicable percentage ratios in respect of the Transaction are greater than 5% but less than 25% for LSG, the Transaction constitutes a discloseable transaction for LSG. Accordingly, LSG has to comply with the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this joint announcement, unless the content otherwise requires, the following expressions have the following meanings:

“business day”	a day (other than a Saturday or a Sunday or a public holiday) on which licensed banks in Hong Kong are generally open for normal banking business;
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“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the provisions of the Sale and Purchase Agreement;
“Conditions”	conditions precedent to the Sale and Purchase Agreement which must be fully satisfied in order for Completion to take place;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	the amount payable under the Sale and Purchase Agreement as consideration for the Sale Shares in the amount of HK\$557.25 million;
“Cost-sharing Agreements”	collectively, the Laisun Creative Culture Cost-sharing Agreement, Novotown Creative Culture Cost-sharing Agreement, and Novotown Entertainment Cost-sharing Agreement, of which the details are set out in the announcement of Lai Fung dated 16 July 2019;
“Deed of Conditional Waiver”	the deed of conditional waiver dated 30 October 2012 and executed by Lai Fung in favour of LSG and LSD (as supplemented by the supplemental deeds dated 19 November 2012 and 8 March 2019 executed by Lai Fung), details of which are summarised in the circulars of Lai Fung dated 1 December 2012 and 19 March 2019, respectively;
“Deed of Ratification and Accession”	the deed of ratification and accession to be executed by LSD (or its nominee) upon Completion under which LSD (or its nominee) agrees to be bound by the Shareholders’ Agreement as if it is an original party thereto in place of the Seller;
“Disposal”	the disposal of 20% shareholding interest in the Target Company pursuant to the terms and conditions of the Sale and Purchase Agreement;
“eSun”	eSun Holdings Limited (豐德麗控股有限公司), an exempted company incorporated in Bermuda with limited liability and the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 571);
“eSun Board”	the board of directors of eSun, consisting of the eSun Directors;
“eSun Directors”	the directors of eSun;
“eSun Group”	eSun and its subsidiaries;

“eSun Independent Board Committee”	an independent committee of the eSun Board comprising all independent non-executive directors of eSun, formed to advise the eSun Independent Shareholders in respect of the Transaction;
“eSun Independent Financial Adviser”	Red Sun Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed to advise the eSun Independent Board Committee and the eSun Independent Shareholders in respect of the Transaction;
“eSun Independent Shareholders”	the shareholders of eSun who do not have any material interest in the Transaction and who are not required to abstain from voting on resolution(s) approving the Transaction;
“Excluded Directors”	directors of eSun who abstained from voting on the board resolutions approving the Transaction to avoid any conflict of interests;
“Greater Bay Area”	the Guangdong-Hong Kong-Macao Greater Bay Area;
“Guarantees”	the guarantees provided by eSun in favour of the lending banks to guarantee the payment obligations of the Target Group under the banking facilities granted;
“Head Lease Portion 1”	108 rooms of Building 2, No. 2 Pinggong West Road, Nanping Science and Technology Industrial Park, Zhuhai City of the PRC* (中國珠海市南屏科技工業園屏工西路2號第2棟樓);
“Head Lease Portion 2”	186 rooms of Building 1, No. 2 Pinggong West Road, Nanping Science and Technology Industrial Park, Zhuhai City of the PRC* (中國珠海市南屏科技工業園屏工西路2號第1棟樓);
“Head Lease Portion 3”	52 rooms of Building 1, No. 2 Pinggong West Road, Nanping Science and Technology Industrial Park, Zhuhai City of the PRC* (中國珠海市南屏科技工業園屏工西路2號第1棟樓);
“Head Lease Premises”	collectively, Head Lease Portion 1, Head Lease Portion 2, Head Lease Portion 3 and the Potential Head Lease Portions;

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Laisun Creative Culture”	珠海橫琴麗新文創天地有限公司 (Zhuhai Hengqin Laisun Creative Culture City Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Target Company;
“Laisun Creative Culture Cost-sharing Agreement”	the agreement entered into between Laisun Creative Culture and Novotown Business Management on 16 July 2019 in relation to the cost-sharing arrangement, of which details are set out in the announcement of Lai Fung dated 16 July 2019;
“Laisun Creative Culture Property Management Services Agreement”	the agreement entered into between Laisun Creative Culture and Novotown Business Management on 23 July 2019 in relation to the provision of property management services, of which details are set out in the announcement of Lai Fung dated 23 July 2019;
“Lai Fung”	Lai Fung Holdings Limited (麗豐控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1125);
“Lai Fung Announcements”	the announcements of Lai Fung dated 16 July 2019 and 23 July 2019 regarding the continuing connected transaction under the Property Management Services Agreements and Cost-sharing Agreements;
“Lai Fung Board”	the board of directors of Lai Fung, consisting of the directors of Lai Fung;
“LFHQ”	Lai Fung (Hengqin) Development Company Limited (麗豐(橫琴)發展有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Lai Fung;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“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);
“LSD Board”	the board of directors of LSD, consisting of LSD Directors;
“LSD Directors”	the directors of LSD;
“LSD Group”	LSD and its subsidiaries;
“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);
“LSG Board”	the board of directors of LSG, consisting of LSG Directors;
“LSG Directors”	the directors of LSG;
“LSG Group”	LSG and its subsidiaries;
“Macau”	the Macau Special Administrative Region of the PRC;
“Novotown Business Management”	珠海橫琴創新方商業管理有限公司 (Zhuhai Hengqin Novotown Business Management Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Lai Fung;
“Novotown Creative Culture”	珠海橫琴創新方文化創意有限公司 (Zhuhai Hengqin Novotown Creative Culture Co., Ltd.*), a company established in the PRC with limited liability and an indirect 70%-owned subsidiary of the Target Company;
“Novotown Creative Culture Cost-sharing Agreement”	the agreement entered into between Novotown Creative Culture and Novotown Business Management on 16 July 2019 in relation to the cost-sharing arrangement, of which details are set out in the announcement of Lai Fung dated 16 July 2019;

“Novotown Creative Culture Property Management Services Agreement”	the agreement entered into between Novotown Creative Culture and Novotown Business Management on 16 July 2019 in relation to the provision of property management services, of which details are set out in the announcement of Lai Fung dated 16 July 2019;
“Novotown Entertainment”	珠海橫琴創新方娛樂有限公司 (Zhuhai Hengqin Novotown Entertainment Co., Ltd.*), a company established in the PRC with limited liability and an indirect 70%-owned subsidiary of the Target Company;
“Novotown Entertainment Cost-sharing Agreement”	the agreement entered into between Novotown Entertainment and Novotown Business Management on 16 July 2019 in relation to the provision of the cost-sharing arrangement, of which details are set out in the announcement of Lai Fung dated 16 July 2019;
“Novotown Entertainment Property Management Services Agreement”	the agreement entered into between Novotown Entertainment and Novotown Business Management on 16 July 2019 in relation to the provision of property management services, of which details are set out in the announcement of Lai Fung dated 16 July 2019;
“percentage ratio(s)”	has the meaning ascribed to it in Rule 14.07 of the Listing Rules;
“Potential Head Lease Portions”	additional rooms of buildings at No. 2 Pinggong West Road, Nanping Science and Technology Industrial Park, Zhuhai City of the PRC* (中國珠海市南屏科技工業園屏工西路2號);
“PRC”	the People’s Republic of China and for the purpose of this joint announcement, excluding Hong Kong, Macau and Taiwan;
“Property Management Services Agreements”	collectively, the Laisun Creative Culture Property Management Services Agreement, Novotown Creative Culture Property Management Services Agreement and Novotown Entertainment Property Management Services Agreement, of which the details are set out in the Lai Fung Announcements;
“Restricted Opportunity”	has the meaning ascribed to it in the Deed of Conditional Waiver, details of which are summarised in the circulars of Lai Fung dated 1 December 2012 and 19 March 2019;

“Sale and Purchase Agreement”	the share sale and purchase agreement dated 23 July 2019 and entered into between the Seller and LSD in relation to the sale and purchase of the Sale Shares;
“Sale Shares”	20 shares of US\$1.00 each in the share capital of the Target Company, representing 20% of the total issued share capital of the Target Company;
“Seller” or “SHIL”	Sunny Horizon Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of eSun;
“Shareholder’s Loan”	the loan in the amount of approximately HK\$280.4 million (subject to adjustments as agreed between LSD and the Seller upon Completion) to be made by LSD to the Target Company upon Completion;
“Shareholders’ Agreement”	the shareholders’ agreement dated 19 December 2013 in relation to the Target Company entered into between LFHQ, the Seller and the Target Company;
“Special Committee”	an independent board committee of Lai Fung (comprising director(s) who do not have any material interest in the matters to be resolved at the relevant meeting of such committee) set up in accordance with the Deed of Conditional Waiver for considering and, if thought fit, confirming the provision of the waiver in respect of the Transaction under the Deed of Conditional Waiver;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“Target Company”	Rosy Commerce Holdings Limited (業佳控股有限公司), a company incorporated in the British Virgin Islands with limited liability;
“Target Group”	Target Company and its subsidiaries;
“Transaction”	the sale and purchase of the Sale Shares and the execution of the Deed of Ratification and Accession contemplated under the Sale and Purchase Agreement, and LSD’s provision of a Shareholder’s Loan to the Target Company;

“US\$” United States dollars, the lawful currency of the United States of America; and

“%” per cent.

* *All the English translations of certain Chinese names or words in this joint announcement are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

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
Chew Fook Aun
Executive Director and Deputy Chairman

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

Hong Kong, 23 July 2019

As at the date of this joint announcement,

- (a) *the LSG Board 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. Leung Shu Yin, William, Lam Bing Kwan and Chow Bing Chiu;*
- (b) *the LSD Board 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 four independent non-executive directors, namely Messrs. Lam Bing Kwan, Leung Shu Yin, William, Ip Shu Kwan, Stephen and Leung Wang Ching, Clarence; and*
- (c) *the eSun Board comprises four executive directors, namely Messrs. Lui Siu Tsuen, Richard (Chief Executive Officer), Chew Fook Aun, Lam Hau Yin, Lester and Yip Chai Tuck; one non-executive director, namely Madam U Po Chu; 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.*