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eSun Holdings Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 571)



LAI SUN DEVELOPMENT
Lai Sun Development Company Limited
(Incorporated in Hong Kong with limited liability)
(Stock Code: 488)

**DISCLOSEABLE AND POSSIBLE DISCLOSEABLE
TRANSACTION OF eSUN
SALE AND POSSIBLE REPURCHASE OF ONE-THIRD INTEREST IN
EAST ASIA SATELLITE TELEVISION (HOLDINGS) LIMITED
JOINT VENTURE ARRANGEMENT**

THE TRANSACTION

On 8 December 2006, the respective boards of LSD and eSun jointly announced that the Cyber One SPA had completed pursuant to which East Asia disposed of 40 per cent. of the shares in issue of Cyber One to New Cotai, an independent third party. Pursuant to the Cyber One SPA, East Asia's immediate parent company (the Seller) was entitled to effect a Qualified Third Party Sale within one month of the Cyber One Closing in respect of the Sale Shares to a third party to which New Cotai had (in its sole discretion) consented in writing. The respective boards of LSD and eSun now jointly announce that New Cotai has consented in writing to the Purchaser, an indirect wholly-owned subsidiary of CapitaLand, being the third party purchaser under the Qualified Third Party Sale and, more generally, to the Qualified Third Party Sale. East Asia and New Cotai have now agreed an extension of the one month deadline referred to above, in which the Qualified Third Party Sale is to be completed, to 30 April 2007.

Failure to close the Qualified Third Party Sale at or before the extended deadline or the exercise of the Put Option will again entitle New Cotai to exercise the right to acquire an additional 10 per cent. of the issued and outstanding share capital of Cyber One on the terms otherwise disclosed in the Circular.

The respective boards of LSD and eSun are now pleased to jointly announce that, on 9 January 2007, eSun entered into the Share Purchase Agreement with the Seller, an indirect subsidiary of eSun (as seller), the Purchaser (as purchaser) and CapitaLand Commercial and Integrated Development Limited (as guarantor), pursuant to which with the Seller agreed to sell to the Purchaser, and the Purchaser agreed to purchase from with the Seller, the Sale Shares (representing, as of the Closing Date, one-third of the East Asia Shares in issue) for a consideration of HK\$658,756,800. This Share Purchase Agreement materialises the Qualified Third Party Sale.

If, from time to time, prior to the three year anniversary of the New Cotai Closing Date, the Seller delivers, or causes to be delivered, to the Purchaser a copy, certified to be true by an attorney (or equivalent legal practitioner) authorised to practice in Macau, of a GFA Increasing Land Grant Modification and accompanying notice of demand (concerning any Additional Premium payable in respect thereof), the Purchaser shall pay to the Seller an Additional Sum, calculated by reference to the increase in gross floor area and the Purchaser's economic interest therein. Assuming that the Purchaser's economic interest in Cyber One remains the same (at 20 per cent.), the maximum additional consideration the Seller could receive from the Purchaser would be HK\$529,243,200.

Any consideration or other mandatory sums paid or payable to East Asia flowing from the New Cotai transaction is expressly acknowledged in the Share Purchase Agreement to be for the account of the Seller and, further upstream, eSun. The Purchaser shall not be entitled to receive any part of such payments and shall, subject to being indemnified as to costs, take any such action to facilitate the distribution of such monies to the Seller.

Under the Share Purchase Agreement, the Seller has granted the Purchaser a right to sell or put back to the Seller all of the shares in East Asia then held by the Purchaser at that time, in exchange for the return of the purchase consideration paid for such shares and any associated joint venture capital contributions made up to that time, in each case net of any monies, assets or other tangible benefits had or received by the Purchaser in respect of such shareholding. This put is exercisable only in specific limited circumstances.

On Closing, the Seller, the Purchaser and East Asia will enter into the Tax Covenant and the Joint Venture Agreement which will, inter alia, establish the governance of the business and affairs of East Asia including, in particular, the management of its investment in the Project.

The terms of the Transaction were negotiated on an arm's length basis and the eSun Directors consider that the Transaction and its terms are fair and reasonable and are in the interests of eSun and the eSun Shareholders as a whole.

The Transaction has been treated as a discloseable and a possible discloseable transaction for eSun by the Stock Exchange under Chapter 14 of the Listing Rules. LSD, a substantial shareholder of eSun, has an interest in eSun equal to approximately 34.83 per cent. as at the date of this announcement. The board of LSD considers that the Transaction is price-sensitive information and therefore makes this announcement pursuant to Rule 13.09(1) of the Listing Rules.

GENERAL

A circular containing, among other things, details of the Transaction will be dispatched to eSun Shareholders as soon as possible.

INTRODUCTION

New Cotai Transaction:

Reference is made to the First Joint Announcement, the Second Joint Announcement and the Circular.

On 21 April 2006, the respective boards of LSD and eSun jointly announced that eSun (together with East Asia, an indirect subsidiary of eSun) entered into the Cyber One SPA on 8 April 2006, pursuant to which East Asia disposed of the Cyber One Sale Shares (which represented, as of the Cyber One Closing Date, 40 per cent. of the shares in issue of Cyber One) to New Cotai, an independent third party and Unconnected Person. At the Cyber One Closing, each of East Asia and New Cotai, as the sole shareholders of Cyber One, executed the Cyber One JVA with Cyber One, pursuant to which each such shareholder will, inter alia, direct MacauCo, an entity directly and indirectly owned and controlled by Cyber One, to develop the Project on the Cotai Site, subject at all times to Macau government approval. Also at Cyber One Closing, MacauCo entered into an option deed with an affiliate of New Cotai, pursuant to which MacauCo granted such affiliate two call options to enter into the Entertainment Use of Commercial Space Agreements in respect of the Cotai Site for the purposes of developing the Project. The first of these options will not be exercised until after a detailed Master Plan in respect of the construction phases of the Project has been determined between the parties in accordance with the Cyber One JVA.

The Cyber One Closing proceeded on the basis of approval from the Macau government in respect of the Stage One Modification. However, such approval has not yet been published in the Macau government gazette which was a strict requirement of the Stage One Modification condition set out in the Cyber One SPA. To facilitate Cyber One Closing, New Cotai agreed to close without requiring the publication of the Stage One Modification.

Project Update:

As disclosed in the First Joint Announcement and the Circular, Cyber One was granted land-use rights in respect of the Cotai Site by the Macau government in October 2001 pursuant to a contract having a term of 25 years commencing from 17 October 2001, such term being capable of renewal by MacauCo up to 19 December 2049 subject to terms to be negotiated with the Macau government at the time of renewal.

Since the publication of the Circular, and in conjunction with seeking the Stage One Modification, MacauCo has submitted revised development plans to the Macau government in line with the contemplated uses of the Cotai Site in respect of the Project. While MacauCo has received approval from the Macau government in respect of the Stage One Modification, it is still waiting for publication of the Stage One Modification (and the associated land use modifications) by the Macau government in its gazette. In anticipation thereof and pursuant

to the terms of the approval received, MacauCo has paid HK\$183.3 million by way of an initial instalment of the total land premium that has been levied for such land grant modification and HK\$2.5 million as security deposit. Pursuant to the Cyber One SPA, any premium charged by the Macau government in respect of the Stage One Modification shall be borne by East Asia.

Qualified Third Party Sale:

Pursuant to the Cyber One SPA and as previously disclosed in the First Announcement and the Circular, East Asia's immediate parent company (the Seller) is entitled to effect a Qualified Third Party Sale within one month of the Cyber One Closing in respect of the Sale Shares to a third party to which New Cotai may (in its sole discretion) consent in writing.

The respective boards of LSD and eSun now jointly announce that New Cotai has consented in writing to the Purchaser, an indirect wholly-owned subsidiary of CapitaLand, being the third party purchaser under the Qualified Third Party Sale and, more generally, to the Qualified Third Party Sale. East Asia and New Cotai have also agreed an extension of the one month deadline referred to above, in which the Qualified Third Party Sale is to be completed, to 30 April 2007. Failure to close the Qualified Third Party Sale at or before the extended deadline or the exercise of the Put Option will again entitle New Cotai the right to acquire an additional 10 per cent. of the issued and outstanding share capital of Cyber One on the terms otherwise disclosed in the Circular. If New Cotai were to acquire the additional 10 per cent. of shares, its new shareholding in Cyber One would depend on its current shareholding in Cyber One at the time of acquisition of such shares and the then issued share capital of Cyber One. If there has been no change in shareholding and no change in share capital from their present values, New Cotai would hold 50 per cent. of the issued share capital of Cyber One following the exercise of its right.

On 9 January 2007, the Seller, the Purchaser, eSun and CapitaLand Commercial and Integrated Development Limited entered into the Share Purchase Agreement with a view to materialising the Qualified Third Party Sale. The purpose of this announcement is to provide the shareholders of LSD and eSun with information on the Share Purchase Agreement and related matters in accordance with the Listing Rules.

SHARE PURCHASE AGREEMENT

Date: 9 January 2007

Parties: (1) the Seller
(2) the Purchaser
(3) eSun
(4) CapitaLand Commercial and Integrated Development Limited

Subject Matter of Disposal:

The Seller has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Seller, the Sale Shares.

Simultaneously with Closing, each of the Seller, the Purchaser and East Asia will enter into the Joint Venture Agreement which will determine the governance of the business and affairs of East Asia and will also contain a number of restrictions on transfers, pertaining to both direct transfers of interests in East Asia and also transfers of indirect or upstream interests in East Asia. Further particulars of the Joint Venture Agreement (including the aforementioned restrictions on transfers) are set out below.

Also at Closing, each of the Seller, the Purchaser and eSun will enter into a Tax Covenant, pursuant to which the Seller and eSun shall (jointly and severally) indemnify the Purchaser for certain tax liabilities of East Asia, Cyber One and its subsidiaries, including any tax liabilities associated with the proceeds paid by New Cotai to East Asia at the Cyber One Closing.

Consideration:

The consideration for the purchase of the Sale Shares is HK\$658,756,800, which shall be payable by the Purchaser to the Seller in the following manner:

- (i) an amount of HK\$65,875,680 shall be payable in cash into an escrow account within three Business Days after the date of the Share Purchase Agreement by way of a deposit; and
- (ii) an amount of HK\$592,881,120 shall be payable in cash on Closing, into an account notified by the Seller to the Purchaser at least five Business Days prior to Closing.

If, from time to time, prior to the three year anniversary of the New Cotai Closing Date, the Seller delivers, or causes to be delivered, to the Purchaser a copy, certified to be true by an attorney (or equivalent legal practitioner) authorised to practice in Macau, of a GFA Increasing Land Grant Modification and accompanying notice of demand (concerning any Additional Premium payable in respect thereof), the Purchaser shall pay to the Seller an Additional Sum.

In respect of each Additional Sum (if any) referred to in the paragraph above, one quarter shall be payable within each of: (i) 1 month; (ii) 6 months; (iii) 12 months; and (iv) 18 months, of the date on which the Purchaser receives the copy of the GFA Increasing Land Grant and accompanying notice of demand (mentioned above) from the Seller. Any default on the part of the Purchaser in discharging its obligations to pay any Additional Sum will automatically result in the Purchaser being required to transfer such number of East Asia Shares as is equal to the amount of the Additional Sum not paid divided by 80 per cent. of the fair market value of such shares at the time of the default. The Purchaser's shareholding would then be reduced accordingly.

Save in respect of certain circumstances disclosed in the Circular, pursuant to the Cyber One SPA, any Additional Premium charged by the Macau government in respect of any subsequent Land Grant Modification shall be paid or discharged by New Cotai (but only to the extent that such Additional Premium has been deducted from any additional consideration that New Cotai must also pay).

Should New Cotai elect not to make some or all of its respective payments, East Asia is entitled, pursuant to the Cyber One SPA, to elect to assume the whole and not part of such payment obligation by subscribing the total amount of such obligation by way of a share subscription in Cyber One, in exchange for the issue of new Cyber One Shares equal to the amount so subscribed divided by 80 per cent. of the fair market value of such shares at that time. If East Asia elects to assume and make any such premium payment, each of the Purchaser and the Seller has the right (but not the obligation) to contribute its pro rata share of such payment to East Asia, by way of shareholder loans, in proportion to their relevant interest in East Asia. Should either the Purchaser or the Seller elect not to put East Asia in requisite funds, the non-defaulting party contributing any such shortfall shall benefit from similar dilution mechanics (this time without a 20 per cent. discount to fair market value) upstream in respect of shares in East Asia.

The consideration of HK\$658,756,800 was determined by reference to an effective 20 per cent. economic interest (attributable to the one-third interest in East Asia that the Purchaser will acquire at Closing) in the estimated value of the Cotai Site (assuming, as was the case for New Cotai, HK\$900 per square foot) with an approved gross floor area of 3,659,760 square feet for the purposes of the Project. The price per square foot was negotiated and determined by the Purchaser and the Seller on an arm's length basis, assuming that either New Cotai or, failing which, the Seller and not the Purchaser will ultimately bear the cost of any Additional Premium payable in respect of such Gross Floor Area to be used in connection with the Project. While such Additional Premium shall be borne by the Seller (from an economic standpoint), such payments shall be paid or discharged by New Cotai as a deduction off the additional consideration payments to be made by it under the Cyber One SPA. To the extent that such Additional Premium has been deducted from any such additional consideration that New Cotai must pay, and the amount of "Additional Sum" (as defined in the Circular) is negative, the Seller shall be responsible for the payment and discharge of such premium (to the extent of the deficit). In this instance, such premium payments shall be funded from internal resources. This price was agreed after taking into account the Savills Valuation and Professional Services Limited valuation (indicating a value of HK\$920.8 per square foot) included in the Circular. After careful consideration, the Board is of the view that HK\$900 per square foot (the price also paid by New Cotai) was negotiated at arm's length between two Unconnected Persons and is fair and reasonable under the circumstances.

In addition, the Seller shall receive:

- (i) a sum of US\$20 million, representing one-third of the US\$60 million working capital contributions already made to Cyber One (by East Asia) pursuant to the Cyber One JVA in exchange for assigning the debt owed from Cyber One in relation to this amount; and
- (ii) additional consideration, payable in the future, if there is a GFA Increasing Land Grant Modification, such additional amount or amounts to be equal to the product of: (i) the

Purchaser's effective interest in Cyber One; (ii) HK\$900; and (iii) the Gross Floor Area Differential. Assuming that the Purchaser's effective interest in Cyber One remains at 20 per cent. and that the GFA Increasing Land Grant Modification approves a Gross Floor Area of 6.6 million square feet, the maximum additional consideration payable would be HK\$529,243,200.

In the event that a GFA Increasing Land Grant Modification is granted in respect of 6.6 million square feet of Gross Floor Area, the aggregate consideration payable by the Purchaser (including the US\$20 million working capital reimbursement) to the Seller shall be HK\$1.344 billion.

Both the value of, and the actual or potential liabilities in connection with, the carrying on of any business: (i) under the television and broadcasting licence held by MacauCo; or (ii) any business through East Asia HK, have been excluded in the calculation of the consideration, since the licence and the business operated by East Asia HK do not form part of the Transaction and will be transferred to eSun Group following Closing.

The Group's carrying book value in respect of the interest in Cyber One immediately before Closing is estimated to be HK\$653.8 million (please refer to the section headed "Financial Information of East Asia and Financial Effects to eSun in respect of the Disposal of Interest in East Asia" below for further information).

No Conditions:

The Transaction has been determined to be a discloseable and possible discloseable transaction under the Listing Rules (see further details set out under the heading "Listing Rules Implications" below). Accordingly, no shareholder approval is required. Therefore, there are no conditions to Closing.

Closing:

Closing shall take place 60 days from the date of the Share Purchase Agreement or at such other date as may be agreed between the Purchaser and the Seller.

Termination and Liquidated Damages:

If the Purchaser fails to pay the deposit in accordance with paragraph (i) under the heading "Consideration" above, the Seller shall have the right (without prejudice to the right to claim general damages, but otherwise to the exclusion of the right to specific performance, an injunction or other non-monetary orders) to terminate the Share Purchase Agreement prior to Closing.

In certain circumstances, the Share Purchase Agreement provides for either the Purchaser or the Seller to have the right to terminate before Closing if there has been a material breach of certain warranties and obligations (each customary for a transaction of this nature) set out in the Share Purchase Agreement.

If the Purchaser is entitled to terminate the Share Purchase Agreement prior to Closing, the Purchaser shall be entitled to have the amount then standing to the credit of the escrow account referred to in paragraph (i) under the heading “Consideration” above released to it and to receive a further amount from the Seller equal to such deposit, as liquidated damages, in lieu of all other remedies.

If the Seller is entitled to terminate the Share Purchase Agreement prior to Closing, the Seller shall be entitled to have the amount then standing to the credit of the escrow account referred to in paragraph (i) under the heading “Consideration” released to it, as liquidated damages, in lieu of all other remedies.

Seller’s Retained Interest:

Any consideration paid or payable to East Asia flowing from the New Cotai transaction, together with any monetary award of damages that may become owing to East Asia from any breach by New Cotai of the Cyber One SPA (except to the extent such damages result from New Cotai failing to pay the Additional Premium) (the “**Cyber One SPA Payments**”), is expressly acknowledged in the Share Purchase Agreement to be for the account of the Seller and, further upstream, eSun. The Purchaser shall not be entitled to receive any part of such Cyber One SPA Payments and shall, subject to being indemnified as to costs, take any such action as is required to facilitate the distribution of such monies to the Seller.

Possible Discloseable Transaction:

Under the Share Purchase Agreement, the Seller has granted the Purchaser a right (but not the obligation) to sell or put back (the “**Put Option**”) to the Seller all (and not some) of the East Asia Shares then held by the Purchaser at that time, in exchange for the return of the purchase consideration paid for such shares and any associated joint venture capital contributions (whether in respect of East Asia or Cyber One) made up to that time, in each case net of any monies, assets or other tangible benefits had or received by the Purchaser (including, without limitation, any consideration received from a sell down of any of its Sale Shares, dividends or other distributions) in respect of such shareholding. The Put Option shall only be exercisable by the Purchaser within 30 days of the date that the Purchaser first becomes entitled to exercise the Put Option. In any event, the Put Option shall only be exercisable in certain discrete circumstances, namely if:

- (i) the first of the Entertainment Use of Commercial Space Agreements (please refer to the Circular for further details), or a suitable replacement or alternative agreement, has not been entered into within 18 months of the expiry of the First Option; or
- (ii) the Occupation Permit (in respect of the Project) has not been issued solely due to the failure of the Macau government to publish in its gazette the Stage One Modification, within 54 months of Closing.

As soon as practicable following the exercise of the Put Option (if any), LSD and eSun will issue a joint announcement (published in the newspapers). If, at the time of exercise of the Put Option (if any), the actual monetary value of the total consideration payable to the Purchaser and any other relevant information is materially different or, in respect of the

monetary value, greater than the disclosure contained herein and to be made subsequently in the possible discloseable transaction circular, eSun will, if required, make any additional disclosures and seek any shareholder approval necessary (if any) for the exercise of the Put Option. In the event that the Put Option is exercised, the Seller will satisfy its payment obligations from internal resources.

Moreover, the Board confirms that the Put Option is an integral part of and inextricably linked to the transactions contemplated by the Share Purchase Agreement and that the parties would not have entered into this agreement without the Put Option. As disclosed below, the Purchaser, an indirect subsidiary of CapitaLand, is viewed by the Board as being a suitable strategic joint venture partner (having relevant experience in the region) to develop the Project, complementing the skills of New Cotai. As at the date of this announcement and assuming that the Purchaser retains a one-third interest in East Asia, the maximum amount payable by the Seller upon exercise of the Put Option by the Purchaser shall be equal to HK\$1.656 billion.

The Put Option is only a possible discloseable transaction at this stage as the Put Option may never be exercised.

Guarantees:

CapitaLand Commercial and Integrated Development Limited has undertaken to the Seller that it will procure and guarantee the due and punctual performance by the Purchaser of all its obligations, commitments and undertakings under or pursuant to the Share Purchase Agreement.

eSun has undertaken to the Purchaser that it will procure and guarantee the due and punctual performance by the Seller of all its obligations, commitments and undertakings under or pursuant to the Share Purchase Agreement.

JOINT VENTURE AGREEMENT

Management of the Joint Venture:

Cyber One, directly and indirectly through its wholly-owned subsidiary, Cyber Neighbour, owns MacauCo, which in turn owns a leasehold interest in the Cotai Site under the Land Grant. As at the date of this announcement, Cyber One is owned as to 60 per cent. by East Asia and as to 40 per cent. by New Cotai. On Closing, the Seller, the Purchaser and East Asia will enter into the Joint Venture Agreement which will, inter alia, establish the governance of the business and affairs of East Asia including, in particular, the management of its investment in the Project.

The business and affairs of East Asia will be managed by East Asia's board of directors, which will consist of six directors. The Seller shall initially be entitled to appoint four directors and the Purchaser shall initially be entitled to appoint two directors, though each party's proportional representation will be adjusted from time to time if either party's

shareholding interest in East Asia is altered (further details of which are set out below). Each party will also have proportional representation on each of the boards of Cyber One and its subsidiaries. None of the directors of East Asia will have a casting vote, nor does any representative of East Asia on the boards of Cyber One and its subsidiaries.

Any resolution submitted for approval at a meeting of the board of East Asia may be approved by the affirmative vote of a majority of disinterested members of the board. Shareholder Reserved Matters shall require the approval of both the Seller and the Purchaser (in their capacity as shareholders).

Deadlock Matters:

Any resolution submitted for approval at a meeting of the shareholders of East Asia that is not approved by an affirmative vote of both the Seller and the Purchaser may nonetheless be deemed approved if:

- (i) such resolution concerns a Sun Deadlock Matter, in which case only the affirmative vote of the Seller shall be required; and
- (ii) such resolution concerns a discrete sub-set of Shareholder Reserved Matters, in which case either shareholder may refer such matter for expert determination in accordance with the provisions of the Joint Venture Agreement (such determination to be binding on the shareholders and sufficient in order to pass the requisite resolution),

with any other resolution (save for Shareholder Reserved Matters not falling within the above mentioned sub-set) simply requiring the affirmative vote of the majority of the disinterested shareholders present (in person or by proxy) at such meeting (or adjourned meeting).

In the event that the Seller and the Purchaser cannot agree on whether or not the subject matter of any resolution submitted for approval of either the board or the shareholders of East Asia concerns:

- (i) a Shareholder Reserved Matter (including the relevant category of Shareholder Reserved Matter); or
- (ii) a Sun Deadlock Matter,

then either party may refer such matter for expert determination in accordance with the provisions of the Joint Venture Agreement (such determination to be binding on the shareholders).

Overriding Obligation:

The Seller and the Purchaser have agreed to exercise, and to procure that their directors or representatives (subject to their fiduciary duties) exercise, their respective voting rights in such a way as to enable East Asia to perform its obligations under the Cyber One JVA and the Cyber One SPA.

Additional Funding:

Each of the Seller and the Purchaser have agreed, subject to the terms and conditions of the Joint Venture Agreement, to provide additional funding (by way of shareholder loans) to East Asia in respect of:

- (i) working capital and project financing contributions made or to be made by East Asia to Cyber One pursuant to the Cyber One JVA proportional to their shareholding interest in East Asia. In particular, the Purchaser has agreed to contribute (i) a sum of US\$20 million in respect of one third of the US\$60 million working capital contribution already made to Cyber One (by East Asia) pursuant to the Cyber One JVA; and (ii) one third of any additional project finance that East Asia committed to inject into Cyber One, capped (at this stage) at an additional US\$20 million;
- (ii) general working capital requirements of East Asia in connection with ongoing or administration costs and expenses; and
- (iii) acquisition opportunities (if any) that may arise from the Cyber One JVA in order to increase East Asia's economic interest or representation on its board of directors, capped (for the Purchaser) at an additional US\$20 million.

Subject to certain exceptions, the liability of the Purchaser in respect of the above mentioned funding obligations is capped at US\$60 million (exclusive of any penalty interest or other payments that the Purchaser could be required to make). The relevant shareholdings in East Asia and each party's effective interest in Cyber One shall be adjusted to reflect the contributions made or not made (as the case may be).

Transfer Restrictions:

The Joint Venture Agreement contains various restrictions on the transfer of securities, both in respect of East Asia Shares and also in respect of upstream interests of both the Seller and the Purchaser. These transfer restrictions include:

- (i) **general prohibition:** save as otherwise provided in the Joint Venture Agreement, a prohibition on either party encumbering, selling or agreeing to sell (or granting any option in respect thereof) or entering into voting arrangements in respect of any of the East Asia Shares held by it;
- (ii) **lock-up:** a lock-up or total prohibition on any transfers to a third party for a period of one year from Closing;
- (iii) **pre-emption:** rights of pre-emption given to one party (the remaining shareholder) in the event that the other party (the transferring shareholder) intends to sell to a third party; and
- (iv) **tag along:** in the event that one party intends to sell to a third party, such sale may only be consummated if the remaining party is afforded the right to participate in such sale in respect of its commensurate proportion of East Asia Shares,

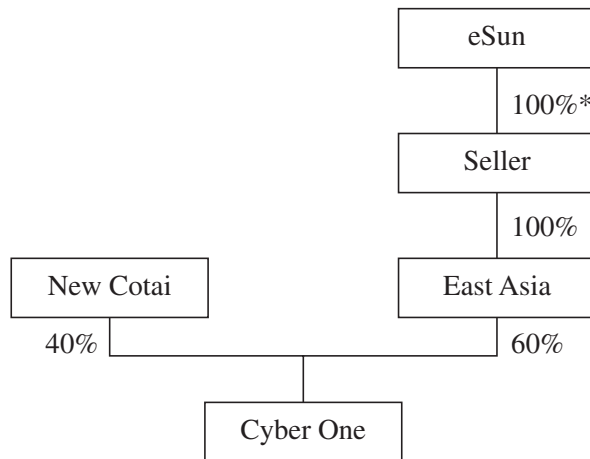
in each case, subject at all times to the transfer restrictions and related obligations set out in the Cyber One JVA (details of which were disclosed in the Circular).

Profit Sharing and Distribution:

The payment or declaration of any dividend or other distribution will be pro-rata to each shareholder’s interest in the shares of East Asia (save as it relates to Cyber One SPA Payments). Subject to the board of East Asia making reasonable provisions and transfers to reserves, unless otherwise unanimously agreed by the Seller and the Purchaser, East Asia shall distribute (by way of dividend payments) as much of East Asia’s net profits (after taxation and excluding the Cyber One SPA Payments) as practicable, but in no event less than 75 per cent. of such net profits in each financial year. Each such payment or declaration of any dividend shall be on a pro-rata basis according to the respective shareholdings of the Seller and the Purchaser in East Asia.

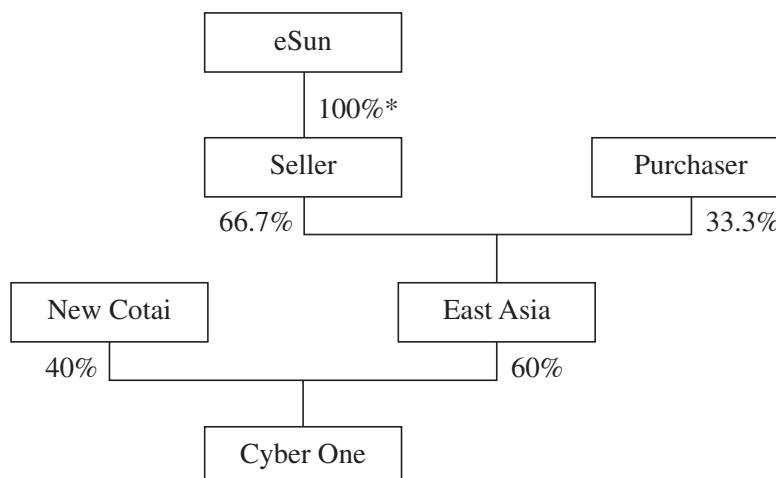
SHAREHOLDING STRUCTURE OF CYBER ONE AND EAST ASIA

1 Simplified current shareholding structure of Cyber One and East Asia before the disposal of the Sale Shares



* *Indirect interest*

2 Simplified shareholding structure of Cyber One and East Asia following completion of the sale of the Sale Shares



* *Indirect interest*

INFORMATION ON EAST ASIA AND THE COTAI SITE

East Asia is an investment holding company which is an indirect wholly-owned subsidiary of eSun as at the date of this announcement. The main asset of East Asia is its 60 per cent. interest in Cyber One, which in turn owns the entire economic and legal interest in the Cotai Site.

The Cotai Site is located in close proximity of the Lotus Bridge border crossing between Macau and Zhuhai and to The Venetian Macao, a major integrated resort currently under development. The eSun Directors believe that the geographical location of the Cotai Site make it visible and accessible to visitors/tourists entering Macau by land and capable of benefiting from any growth in the tourism industry in Macau. It is the intention of the eSun Directors to develop and construct entertainment/leisure facilities on the Cotai Site that complement the facilities expected to be offered on the adjacent pieces of land. Please refer to the Circular for further details on the Cotai Site.

INFORMATION ON THE SELLER AND eSUN

The Seller is an investment holding company which is an indirect wholly-owned subsidiary of eSun.

The principal activities of the eSun Group comprise the development and operation of and investment in film production and distribution, live entertainment and concert staging and promotion, artist management, music production and distribution, advertising agency services, satellite television operations and development of the Cotai Site into a multiuse complex.

eSun also currently owns an approximately 37.33 per cent. shareholding interest in Media Asia Entertainment Group Limited, a company incorporated in Bermuda which is engaged in film production and distribution and which is listed on Singapore Exchange Securities Trading Limited's Dealing and Automated Quotation System. eSun also holds an interest in LSD equal to approximately 36.72 per cent. as at the date of this announcement. LSD has an interest in eSun equal to approximately 34.83 per cent. as at the date of this announcement.

INFORMATION ON THE PURCHASER AND CAPITALAND

The Purchaser is an investment holding company which is an indirect wholly-owned subsidiary of CapitaLand. CapitaLand Commercial and Integrated Development Limited (as guarantor of the Purchaser's obligations under the Share Purchase Agreement) is a direct wholly-owned subsidiary of CapitaLand, incorporated in Singapore.

CapitaLand is one of the largest listed real estate companies in Asia. Headquartered in Singapore, the multinational company's core businesses in real estate, hospitality and real estate financial services are focused in gateway cities in Asia Pacific, Europe and the Middle East.

The company's real estate and hospitality portfolio spans more than 80 cities in 20 countries. CapitaLand also leverages on its significant real estate asset base and market knowledge to develop real estate financial products and services in Singapore and the region. The listed subsidiaries and associates of CapitaLand include The Ascott Group, CapitaMall Trust, CapitaCommercial Trust, Ascott Residence Trust, CapitaRetail China Trust, Quill Capita Trust and Australand.

The Purchaser, CapitaLand Commercial and Integrated Development Limited, New Cotai and, as the case may be, their respective ultimate parent entities, affiliates and ultimate controlling shareholders are Unconnected Persons.

FINANCIAL INFORMATION OF EAST ASIA AND FINANCIAL EFFECTS TO eSUN IN RESPECT OF THE DISPOSAL OF INTEREST IN EAST ASIA

The unaudited consolidated net profit (both before tax and after tax) of East Asia for the year ended 31 December 2006 was approximately HK\$990.0 million. The audited consolidated net loss (both before tax and after tax) of East Asia for the year ended 31 December 2005 attributable to eSun's audited consolidated income statement was approximately HK\$30.9 million. The unaudited consolidated net loss (both before tax and after tax) of East Asia for the year ended 31 December 2006, after taking out the net loss of East Asia HK and gain on disposal of 40 per cent. of Cyber One to New Cotai was approximately HK\$4.6 million. The audited consolidated net loss (both before tax and after tax) of East Asia for the year ended 31 December 2005, after taking out the net loss of East Asia HK attributable to the eSun's audited consolidated income statement was approximately HK\$1.3 million.

As at 31 December 2006, the unaudited consolidated net asset value of East Asia was approximately HK\$255.4 million.

As at 31 December 2006, the unaudited consolidated net asset value of East Asia after taking out the unaudited net asset value of East Asia HK was approximately HK\$507.0 million.

The carrying book value of the Sale Shares (excluding East Asia HK and the accrued liability in connection with New Cotai's 40 per cent. share of the unpaid portion of the Additional Premium payable in respect of the Stage One Modification) as at 31 December 2006 was approximately HK\$217.9 million.

The gain on the disposal of the Sale Shares that is expected to accrue to eSun's consolidated accounts, is estimated to be HK\$523.2 million. The gain is equal to the sum of HK\$658.8 million (being the initial consideration) and US\$20 million (being the working capital reimbursement) less the estimated carrying book value of the Sale Shares (excluding East Asia HK and the accrued liability in connection with New Cotai's 40 per cent. share of the unpaid portion of the Additional Premium payable in respect of the Stage One Modification) and the Purchaser's effective interest in the unpaid portion of the Additional Premium payable in respect of the Stage One Modification. Since eSun owns an approximate 36.72 per cent. equity interest in LSD (which in turn owns an approximate 34.83 per cent. equity interest in eSun), an additional share of profit arising from this cross-holding effect of approximately HK\$76.7 million is expected to accrue to eSun's consolidated accounts upon Closing. The total estimated gain expected to accrue to eSun's consolidated accounts upon Closing as a result of the disposal of the Sale Shares before expenses (after taking into account the cross-holding effect) is approximately HK\$599.9 million. The amount of gain on disposal of the Sale Shares will need to be recalculated based on the actual consolidated net asset value of East Asia as at the date of Closing and is expected to be different from the amount disclosed above. The above estimated figures are prepared based on financial information available as at the date of this announcement.

eSun intends to use the majority of the net proceeds of the disposal of the Sale Shares to finance the Project with the remaining balance being used towards eSun Group's general working capital requirements.

East Asia will continue to be a subsidiary of eSun following Closing.

FINANCIAL EFFECTS TO LSD IN RESPECT OF THE DISPOSAL OF INTEREST IN EAST ASIA

Since LSD has an approximate 34.83 per cent. equity interest in eSun, which in turn has an approximate 36.72 per cent. equity interest in LSD, an estimated gain of approximately HK\$208.9 million would be recognised in the consolidated income statement of LSD in respect of eSun's disposal of the Sale Shares. Such amounts will need to be recalculated based on the actual gain on disposal to accrue to eSun's consolidated accounts, and is expected to be different from the amount disclosed above.

REASONS FOR AND BENEFITS OF THE TRANSACTION

As mentioned in eSun's interim report 2005, the eSun Group in May 2005 received conditional approval in respect of its proposed development plans for the construction on the Cotai Site of various facilities with a total Gross Floor Area of approximately 340,000 square metres. As disclosed in the First Joint Announcement, in 2006, eSun has introduced New Cotai as a strategic partner to develop the Project, by selling a 40 per cent. strategic stake in Cyber One to New Cotai. To further take the Project forward, eSun has decided, subject to the terms and conditions mentioned earlier in this announcement, to sell a strategic stake in East Asia to the Purchaser, forming an upstream joint venture to further explore and develop opportunities in Macau using the Cotai Site.

The Board intends to responsibly allocate resources to focus on the development of the Project as a priority. The Board considers the Purchaser to be a suitable strategic partner. In selecting the Purchaser as a strategic partner, consideration was given to: (a) its existing financial resources, together with its ability to raise external funding; and (b) the management team's relevant knowledge and experience in the entertainment/hotel/retail industry and in developing and completing integrated projects, including planning, logistical and execution capability. The Board believes that the Purchaser meets these criteria.

In this regard, at or before Closing, the Seller and the East Asia will enter into the Joint Venture Agreement with the Purchaser in respect of the Project. As a joint venture partner, the Purchaser will contribute capital, expertise (both financial and operational) and appropriate human resources to the Project. The main contributions of the eSun Group to the Project are the Cotai Site and its experience in development, hospitality and entertainment business in Hong Kong, Macau and mainland China. The eSun Directors believe that the Transaction represents a good opportunity for eSun to pursue the development of the Project.

The Board (including the non-executive eSun directors) also believe that the terms of the Transaction are fair and reasonable and in the best interests of the eSun Shareholders as a whole.

LISTING RULES IMPLICATIONS

The relevant percentage ratios for the Transaction are less than 25 per cent., therefore it constitutes a discloseable transaction under the Listing Rules. However, when aggregated with the sale of the Cyber One Shares which completed in December 2006, the Transaction constitutes a major transaction under the Listing Rules. In view of the circumstances in which the Cyber One Shares were sold and having particular regard to the fact that the sale of the Cyber One Shares had previously been approved by the Company's shareholders as a major transaction, and that the acquisition pursuant to the Transaction, when aggregated with the sale of the Cyber One Shares would still only be a major transaction, the Exchange has allowed the Transaction to be treated as a discloseable transaction. Accordingly, no shareholder approval is required. The Put Option is treated as a possible discloseable transaction at this stage, as it may never be exercised. The Company will issue further announcements to keep the shareholders and investing public informed regarding the Put Option.

To the best knowledge of the eSun Directors, save as disclosed below, no eSun Shareholder has a material interest in the Transaction and none of LSD or its associates has an interest in the Transaction which is different from the interests of the other eSun Shareholders.

PRICE-SENSITIVE INFORMATION FOR LSD

LSD, a substantial shareholder of eSun, has an interest in eSun equal to approximately 34.83 per cent. as at the date of this announcement. The board of LSD considers that the Transaction is price-sensitive information and therefore makes this announcement pursuant to Rule 13.09(1) of the Listing Rules.

DEFINITIONS

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

“Additional Premium”	the aggregate amount of land premium payable to the Macau government in respect of any Land Grant Modification (as determined by the Macau governmental at the time of granting such Land Grant Modification);
“Additional Sum”	the amount equal to the product of: (a) the percentage of the East Asia Shares then held by the Purchaser; (b) the percentage of the then issued and outstanding common shares owned by East Asia in Cyber One; (c) HK\$900; and (d) the Gross Floor Area Differential with respect to such GFA Increasing Land Grant;
“Board”	the board of the directors of eSun;
“Business Day”	a day which is not a Saturday, a Sunday or a public holiday in Hong Kong or Singapore;
“CapitaLand”	CapitaLand Limited, a limited liability company whose shares are listed on the SGX-ST;
“Circular”	the circular issued by eSun dated 30 May 2006;
“Closing”	means the completion of the sale and purchase of the Sale Shares pursuant to the Share Purchase Agreement;
“Cotai Site”	all that piece or parcel of land with an area of approximately 140,789 square metres (or approximately 1.52 million square feet) known as Zona de Aterro entre Taipa e Coloane, Lotes G300, G310 e G400, Estrada Flôr de Lotus, Macau, as marked on the plan gazetted as page 5731 on No. 42-17-10-2001 “Boletim Oficial da Região Administrativa Especial de Macau — II Serie”;

“Cyber Neighbour”	Cyber Neighbour Limited, a company incorporated in the British Virgin Islands which is a wholly-owned subsidiary of Cyber One;
“Cyber One”	Cyber One Agents Limited, a company incorporated in the British Virgin Islands which is a 60 per cent. joint controlled entity of East Asia;
“Cyber One Closing”	the completion of the sale and purchase of the Cyber One Sale Shares pursuant to the Cyber One SPA;
“Cyber One Closing Date”	6 December 2006
“Cyber One JVA”	the joint venture agreement entered into on 8 December 2006 between East Asia, New Cotai and Cyber One which sets out the terms of their agreement in respect of the management and ownership and the governance of the business and affairs of Cyber One;
“Cyber One Sale Shares”	40 per cent. of the Cyber One Shares in issue as of the Cyber One Closing Date;
“Cyber One Shares”	ordinary shares of US\$1.00 each in the issued share capital of the Cyber One;
“Cyber One SPA”	the share purchase agreement entered into by eSun, East Asia and New Cotai on 8 April 2006 in relation to the sale and purchase of a strategic interest in Cyber One (as amended);
“Cyber One SPA Payments”	the payments made by New Cotai to East Asia from New Cotai more particularly described in the section titled “Seller’s Retained Interest” in this announcement;
“East Asia”	East Asia Satellite Television (Holdings) Limited, a company incorporated in the British Virgin Islands which is an indirect wholly-owned subsidiary of eSun;
“East Asia Shares”	means ordinary shares of US\$1.00 each, in the issued share capital of East Asia;
“East Asia HK”	East Asia Satellite Television Limited, a Hong Kong company wholly-owned by East Asia which will be transferred from East Asia to the Company or its nominee within a certain time frame in accordance with the Share Purchase Agreement.

“Entertainment Use of Commercial Space Agreements”	the two separate lease or licence agreements and related rental or fee agreements in respect of the Cotai Site for the purposes of developing the Project;
“eSun” or “the Company”	eSun Holdings Limited (Stock Code: 571), a company incorporated in Bermuda whose shares are listed on the Main Board of the Stock Exchange;
“eSun Directors”	the directors of eSun;
“eSun Group”	eSun and each subsidiary of eSun from time to time;
“eSun Shareholders”	the shareholders of eSun;
“First Joint Announcement”	the joint announcement issued by LSD and eSun dated 21 April 2006;
“First Option”	the option granted to New Cotai Entertainment, LLC (an affiliate of New Cotai) by MacauCo on 6 December 2006 to enter into the first of the Entertainment Use of Commercial Space Agreements;
“GFA Increasing Land Grant Modification”	any Land Grant Modification (other than the Stage One Modification) issued or approved by the Macau government that results in or creates a Gross Floor Area Differential of greater than zero and after giving effect to which: (i) the Gross Floor Area is greater than 3,659,760 square feet; (ii) the Gross Floor Area is not more than the Maximum GFA; (iii) there are no restrictions on the alienation of MacauCo’s leasehold interest in any lot designated on the Cotai Site, except that, prior to completion of construction of the buildings authorised to be constructed in respect of such Land Grant Modification, MacauCo may only assign such leasehold interest once in respect of each lot designated in the Land Grant without further Macau government approval; (iv) the construction period in respect of the Project ends no sooner than 17 April 2011; and (v) leasehold mortgages for the purpose of raising construction finance over the Cotai Site may be created in favour of a bank or banks that may include banks not having its head office or a branch office in Macau;
“Gross Floor Area”	the gross floor area in square feet of the buildings authorised to be constructed on the Cotai Site by the Macau government pursuant to the Land Grant or any Land Grant Modification, excluding the gross floor area in square feet of any portion of the Cotai Site designated as parking or outdoor areas;

“Gross Floor Area Differential”	means, with respect to any Land Grant Modification, the excess, if any, of: (i) the lesser of: (a) the Gross Floor Area after giving effect to such Land Grant Modification; and (b) the Maximum GFA over (ii) the greater of (x) the Gross Floor Area immediately prior to such Land Grant Modification and (y) 3,659,760 square feet;
“Joint Venture Agreement”	the joint venture agreement (the terms of which are currently in agreed form) to be entered into on Closing between the Seller, the Purchaser and East Asia which sets out the terms of their agreement in respect of the management and ownership, and the governance of the business and affairs of, East Asia;
“Land Grant”	the contract under which the Cotai Site is granted to MacauCo by the Macau government by way of lease for a term of 25 years from 17 October 2001, renewable under the applicable laws of Macau until 19 December 2049 and all modifications, variations or supplements thereto from time to time made;
“Land Grant Modification”	any modification to the Land Grant;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“LSD”	Lai Sun Development Company Limited (Stock Code: 488), a company incorporated in Hong Kong whose shares are listed on the Main Board of the Stock Exchange;
“Macau”	the Macau Special Administrative Region of the People’s Republic of China;
“MacauCo”	East Asia-Televisão Por Satélite, Limitada, incorporated under the laws of Macau (registered in the Macau Commercial and Moveable Properties Registry), whose registered address is Avenida Dr. Mário Soars, n° 323, Edifício Banco China, 32° andar C, em Macau;
“Master Plan”	the master layout plan for the Cotai Site, to be determined pursuant to the Cyber One JVA;

“Maximum GFA”	means the Gross Floor Area from time to time provided that in no event shall the Maximum GFA exceed: (i) 6,000,000 square feet, without the prior written consent of New Cotai and the board of directors of the Company; and (ii) for the purposes of determining any Additional Sum, 6,600,000 square feet;
“New Cotai”	New Cotai, LLC, a Delaware limited liability company;
“Occupation Permit”	the permanent occupation permit issued by any relevant governmental entity of the Macau government certifying that the buildings and structures erected on the Cotai Site contemplated in the Stage One Modification is fit or otherwise suitable for occupation;
“Project”	the project to be developed by Cyber One on the Cotai Site in accordance with the Master Plan, which the parties to the Share Purchase Agreement expect will include, without limitation, the development and building of hotels, hotel apartments, condohotels, timeshare, meeting centre, conference centre, retail facilities, entertainment facilities, production studios, concert halls, theatres, cinemas and other tourist and entertainment related facilities as may be agreed between East Asia and New Cotai, in each case whether within a hotel or physically separate or legally separate therefrom;
“Purchaser”	CapitaLand Integrated Resorts Pte. Ltd., an indirect wholly-owned subsidiary of CapitaLand;
“Put Option”	the option granted to the Seller by the Purchaser under the Share Purchase Agreement more particularly described in the section titled “Possible Discloseable Transaction” in this announcement;
“Qualified Third Party Sale”	the sale by East Asia’s immediate parent company within one month from Cyber One Closing of shares representing one third of the ordinary share capital of East Asia, issued and outstanding at the time of such sale to a third party to which New Cotai may (in its sole discretion) consent in writing;
“Sale Shares”	means 100 East Asia Shares representing one third of the East Asia Shares in issue as of the Closing Date;
“Second Joint Announcement”	the joint announcement issued by LSD and eSun dated 8 December 2006;

“Seller”	Boom Faith Ltd., a company incorporated in the British Virgin Islands which is an indirect wholly-owned subsidiary of eSun;
“SGX-ST”	the Singapore Exchange Securities Trading Limited;
“Shareholder Reserved Matters”	certain matters specified in the Joint Venture Agreement which shall require the approval of both the Seller and the Purchaser;
“Share Purchase Agreement”	the share purchase agreement entered into by the Seller, the Purchaser, eSun and CapitaLand Commercial and Integrated Development Limited on 9 January 2007 in relation to the sale and purchase of the Sale Shares;
“Stage One Modification”	a Land Grant Modification being sought by MacauCo, to be issued or approved by the Macau government, after giving effect to which: (i) the Gross Floor Area is not less than 3,659,760 square feet; (ii) there are no restrictions on the alienation of MacauCo’s leasehold interest in any lot designated on the Cotai Site, except that, prior to completion of construction of the buildings authorised to be constructed in respect of the Stage One Modification, MacauCo may only assign such leasehold interest once in respect of each lot designated in the Land Grant without further Macau government approval; (iii) the construction period in respect of the Project ends no sooner than 17 April 2011; and (iv) leasehold mortgages for the purpose of raising construction finance over the Cotai Site may be created in favour of a bank or banks that may include banks not having its head office or a branch office in Macau;
“Stock Exchange” or “Exchange”	The Stock Exchange of Hong Kong Limited;
“Sun Deadlock Matters”	certain resolutions which can be approved by the Seller in the absence of an affirmative vote of both the Seller and Purchaser;
“Tax Covenant”	the deed of tax covenant, to be entered into at Closing by the Seller, eSun and the Purchaser;

“Transaction”

the disposal by the Seller of the Sale Shares, the grant and exercise (if any) of the Put Option (including any repurchase of East Asia Shares following the exercise of the Put Option) and the execution of the Joint Venture Agreement and the Tax Covenant, including, in each case, the performance of the transactions contemplated therein or pursuant to the Share Purchase Agreement;

“Unconnected Person”

a person who is, to the best of the knowledge and belief of the Board, having made all reasonable enquiries, an independent third party not connected with the directors, chief executive, substantial shareholders of eSun or its subsidiaries or any of their respective associates.

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

By Order of the Board
Lai Sun Development Company Limited
Yeung Kam Hoi
Company Secretary

Hong Kong, 9 January 2007

As at the date of this announcement, the executive directors of eSun are Mr. Lien Jown Jing, Vincent, Mr. Lee Po On, Mr. Lam Kin Ngok, Peter, Mr. Liu Ngai Wing and Mr. Cheung Wing Sum, Ambrose; the non-executive directors are Mr. Lam Kin Ming, Madam Tam Wai Chu, Maria and Madam U Po Chu and the independent non-executive directors are Mr. Alfred Donald Yap, Mr. Low Chee Keong and Mr. Tong Ka Wing, Carl.

As at the date of this announcement, the executive directors of LSD are Mr. Lam Kin Ngok, Peter, Mr. Lau Shu Yan, Julius, Mr. Tam Kin Man, Kraven and Mr. Cheung Wing Sum, Ambrose; the non-executive directors are Mr. Lam Kin Ming and Madam U Po Chu, and the independent non-executive directors are Mr. David Tang, Mr. Lam Bing Kwan and Mr. Leung Shu Yin, William.

Please also refer to the published version of this announcement in South China Morning Post and The Standard.