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)

JOINT ANNOUNCEMENT

VERY SUBSTANTIAL ACQUISITION FOR eSUN
Proposed purchase of further shares in and privatisation of Media Asia Entertainment Group Limited

CONNECTED TRANSACTION FOR eSUN
Possible purchase of Media Asia Shares from a director of eSun

On 26 February 2007, the eSun Board resolved to procure that Skymaster International Inc., a wholly-owned subsidiary of eSun, as Offeror, should make a voluntary conditional offer to acquire all of the issued ordinary shares of Media Asia not already owned by the Offeror. Media Asia is a company listed on the SGX-SESDAQ. Approximately 37.33% of the Media Asia Shares are already held by the Offeror.

The making of the Offer is conditional upon eSun obtaining the consent of its shareholders in general meeting. If such consent is obtained, and the Offer duly made, it will be a voluntary cash offer for all of the Offer Shares made at the Offer Price. The Offer itself will be conditional upon the Offeror having received valid acceptances in respect of at least 90% of the Offer Shares as at the close of the Offer, or such lesser percentage as the Offeror may decide in accordance with the Singapore Code. It is eSun's intention to privatise Media Asia and accordingly, to take advantage of the compulsory acquisition provisions under Bermuda law, being the law of the place of incorporation of Media Asia.

Pursuant to the Listing Rules, the largest of the Applicable Percentage Ratios for eSun is more than 100%, therefore the Proposed Transaction constitutes a very substantial acquisition for eSun under the Listing Rules and is subject to the approval of the eSun Shareholders in general meeting. Accordingly, eSun will convene the SGM to approve the Proposed Transaction, and the making of the Offer pursuant thereto. The eSun Directors are not aware of any reason why any eSun Shareholder would need to abstain from voting at the SGM, as they are not aware of any eSun Shareholder having any interest in relation to the Proposed Transaction.

One of the eSun Directors, Mr. Lam Kin Ngok, Peter, holds Media Asia Shares representing approximately 0.96% of the issued share capital of Media Asia. Any transfer of those shares by that director to the Offeror pursuant to the Offer would constitute a connected transaction for eSun, but one that is exempt from the independent shareholders' approval requirements under the Listing Rules.

A circular containing, amongst other things, the notice of the SGM and further details of the proposed transaction will be despatched by eSun to the eSun Shareholders as soon as practicable.

The LSD Directors regard eSun's intention to privatise Media Asia as a matter that is price sensitive to LSD in the light of LSD's interest of approximately 34.83% in eSun. Accordingly, LSD has joined in on the making of this announcement for the purposes of making disclosure pursuant to Listing Rule 13.09.

Trading in the shares of eSun and LSD was, at the respective requests of each, suspended with effect from 9:30a.m. on 27 February 2007 pending publication of this announcement. Each has made an application to the Stock Exchange for resumption of trading in its shares with effect from 9:30 a.m. on 28 February 2007.

INTRODUCTION

The eSun Board and the LSD Board wish to announce that on 26 February 2007, the eSun Board resolved to procure that Skymaster International Inc, a wholly-owned subsidiary of eSun, as Offeror, should make a voluntary cash offer for all the issued ordinary shares of HK$0.10 each in the capital of Media Asia not already owned by the Offeror. Media Asia is a company listed on the SGX-SESDAQ. It has issued a total of 240,000,000 Media Asia Shares. The Offeror already holds in aggregate 89,591,568 Media Asia Shares, representing approximately 37.33% of the issued share capital of Media Asia.

THE OFFER

The Offeror will, subject to the pre-condition referred to below, make the Offer in accordance with the Singapore Code on the following basis:-

Offer Price: S$0.265 in cash (equivalent to approximately HK$1.35) for each Offer Share.

The Offer Price represents:-

(i) a premium of approximately 39.5% over the last transacted price of S$0.19 per Media Asia Share (equivalent to approximately HK$0.969) on the SGX-SESDAQ on 23 February 2007, being the latest trading date prior to the date of this announcement;

(ii) a premium of approximately 40.2% over S$0.1890 (equivalent to approximately HK$0.9639), the volume weighted daily average closing prices of the Media Asia Shares on the SGX-SESDAQ over the past one month prior to but including 23 February 2007, being the latest trading date prior to the date of this announcement; and

(iii) a premium of approximately 30.2% over S$0.2036 (equivalent to approximately HK$1.0384), over the volume weighted daily average closing prices of the Media Asia Shares on the SGX-SESDAQ for last six months prior to but including 23 February 2007, being the latest trading date prior to the date of this announcement.

The Offer Price has been arrived at after taking into account, inter alia, the liquidity and share price performance of Media Asia, its net tangible assets and earnings performance, the cost and benefits of maintaining a listing for Media Asia and the increased flexibility accorded to eSun in deploying the privatised Media Asia's resources within the Group. These matters are discussed further below under the heading "Reasons for and Benefits of the Proposed Transaction".

The Offer would be made to all holders of the Media Asia Shares (excluding, for these purposes, the Offeror itself). To the best of the eSun Directors' knowledge, information and belief, such shareholders are third parties independent of eSun and are not connected persons of eSun (save as regards the Media Asia Shares owned by Mr. Lam Kin Ngok, Peter, a director of eSun, to which further reference is made below).

Pre-Condition to the making of the Offer

The Proposed Transaction and the making of the Offer pursuant thereto is conditional upon eSun obtaining the consent of the eSun Shareholders in general meeting. It is eSun's intention to privatise Media Asia such that it would become a wholly-owned subsidiary of eSun.

The eSun Directors are not aware of any reason why any eSun Shareholder would need to abstain from voting at the SGM to approve the Offer as they are not aware of any eSun Shareholder having any interest in relation to the Proposed Transaction.

Acceptance Condition in respect of the Offer

The Offer, if made, will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of at least 90% of the Offer Shares as at the close of the Offer or such lesser percentage as the Offeror may decide and as may be approved by the Securities Industry Council of Singapore, provided that any revision of the aforesaid acceptance condition by the Offeror to a lesser percentage shall be subject to the following further conditions being fulfilled:

(a) the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Offer Shares owned, controlled or agreed to be acquired by the Offeror or parties acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and parties acting in concert with it holding such number of Offer Shares carrying more than 50% of the voting rights attributable to the issued share capital of Media Asia as at the close of the Offer;

(b) the revised Offer remaining open for another 14 days following the revision of the acceptance level; and

(c) Media Asia Shareholders who have accepted the Offer being permitted to withdraw their acceptance within eight days of notification of the revision of the acceptance level.

Accordingly, the Offer, if made, will not become or be capable of being declared unconditional as to acceptances until:

(i) the Offeror has received, by the close of the Offer, valid acceptances in respect of at least 90% of the Offer Shares as at the close of the Offer. For the avoidance of doubt, "Offer Shares" do not include the Media Asia Shares owned, controlled or agreed to be acquired directly or indirectly by the Offeror; or

(ii) where the acceptance condition has been revised to a lesser percentage, the Offeror has received acceptances in respect of such number of Offer Shares which are not less than such lesser percentage subject to the fulfillment of the further conditions set out in sub-paragraphs (a), (b) and (c) above.

IRREVOCABLE UNDERTAKINGS

Neither the Offeror nor any party acting in concert with it has received any irrevocable undertaking from any other party to accept or reject the Offer, if made.

COMPULSORY ACQUISITION AND DELISTING

The Offeror intends to pursue any rights of compulsory acquisition that arise under the Bermuda Act as a result of the Offer, if made.

Pursuant to Section 102(1) of the Bermuda Act, if within 4 months of the making of the Offer, the Offer is accepted by holders (excluding the Offeror, its subsidiaries, nominees for the Offeror or its subsidiaries) of at least nine-tenths in value of the Offer Shares, and which also represent 75% in number of the holders of the Offer Shares, the Offeror may compulsorily acquire the remaining Offer Shares at the Offer Price within two months beginning with the date on which the said nine-tenths in value threshold was reached, unless an application is made by dissentient shareholders to the Court for a ruling on the compulsory acquisition.

Under Section 103 of the Bermuda Act, the Offeror and parties acting in concert with it, may compulsorily acquire all the Offer Shares not tendered to the Offer if the Offeror has received acceptances in respect of such number of Offer Shares which, when taken together with the Media Asia Shares owned, controlled or agreed to be acquired by the Offeror or parties acting in concert with it will result in the Offeror and parties acting in concert with it holding 95% of the Media Asia Shares. If such rights are exercised, dissentient Media Asia Shareholders will acquire appraisal rights whereby they can apply to the Court to have the Court assess the fair value of their Media Asia Shares.

The Offeror intends to exercise its rights to compulsorily acquire all the Offer Shares not tendered to the Offer, if made, pursuant to either Section 102(1) or Section 103 of the Bermuda Act if it is entitled to do so. If the Offeror is able to proceed with the compulsory acquisition, an application will be made by the Offeror to delist Media Asia from the

SGX-SESDAQ as it is not the intention of the Offeror to preserve the listing status of Media Asia or to take steps for any trading suspension of the Offer Shares to be lifted. Accordingly, pending completion of such compulsory acquisition, it is possible for trading in any outstanding Offer Shares to remain indefinitely suspended.

REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTION

Media Asia was listed on the SGX-SESDAQ in November 2004. Since its listing, no equity or debt fund raising exercise has been carried out by Media Asia. Such limitation could possibly be the result of Media Asia's thin trading volume and volatile financial performance.

As a result of the change in business strategy of Media Asia (in 2006) which is intended to produce a greater number of large budget films requiring longer production time, the releases of such films will tend to be more sporadic and the revenue and earnings of Media Asia is anticipated to become more and more volatile.

Since listing, the shares of Media Asia have long been trading at below its initial public offer price of S$0.25 (HK$1.28) per share. Between 3 November 2004 to 23 February 2007, the highest closing price per share of S$0.315 (HK$1.61) was recorded on 13 April 2006 and the lowest closing price per share S$0.110 (HK$0.56) was recorded on 1 December 2005. Over the past two months, the shares of Media Asia were trading in the range of S$0.170 (HK$0.87) to S$0.195 (HK$0.99). The unaudited consolidated net asset value per share of Media Asia as at 31 December 2006 was approximately HK$1.267 (S$0.25), of which the cash backing accounts for about 63% of the current share price (based on approximately HK$147 million cash and cash equivalent as at 31 December 2006 recorded by Media Asia).

In addition, the administrative and compliance expenses required to maintain a separate listing are high.

Following the completion of the Proposed Transaction, it is expected that eSun would be able to enjoy greater autonomy over Media Asia's business direction and better control over deployment and utilisation of resources. The Group has, for many years, held interests in entities engaged in media and entertainment businesses and the eSun Directors believe that increasing eSun's interest in Media Asia will enhance the Group's portfolio of interests in this area. In particular, the eSun Directors anticipate the prospect of synergies within other business units of the Group including in relation to the Macao Studio City project and the Group's interest in artiste management.

In view of the past performance of the share price and thin trading volume of Media Asia as mentioned in the paragraph headed "The Offer" above, the eSun Directors believe that the Offer Price is a fair and reasonable price to pay for the Offer Shares. eSun (through the Offeror) has no intention of revising the Offer Price if the Offer is made.

Taking into account the reasons and factors mentioned above, the eSun Directors believe that an acquisition of all of the outstanding shares in Media Asia not presently under the indirect ownership of eSun, thereby increasing eSun's ownership stake from approximately 37.33% to 100% in Media Asia, is in the best interests of eSun and its shareholders. In addition, the eSun Directors are of the view that the implementation of the Offer is fair and reasonable and in the interests of eSun and the eSun Shareholders as a whole.

FINANCIAL RESOURCES AND EFFECTS

The total consideration payable in relation to the Offer, is estimated to amount to approximately HK$203 million (excluding expenses associated with the making of the Offer). As Media Asia is free from third party borrowings and the Offer will be funded by internal resources of the Group, there will be no impact on the Group's gearing. Following the completion of the Offer, Media Asia will become a subsidiary of eSun and its results will be consolidated into the Group.

IMPLICATIONS UNDER THE LISTING RULES

The Proposed Transaction has been approved by the eSun Directors.

Pursuant to the Listing Rules, the largest of the Applicable Percentage Ratios for eSun is more than 100%, therefore the Proposed Transaction constitutes a very substantial acquisition for eSun under the Listing Rules and is subject to the approval of the eSun Shareholders at a general meeting of eSun. eSun will convene a SGM to approve the Proposed Transaction and the making of the Offer pursuant thereto. The eSun Directors are not aware of any reason why any eSun Shareholder would need to abstain from voting at the SGM to approve the Offer as they are not aware of any eSun Shareholder having a material interest in relation to the Proposed Transaction. A circular containing, amongst other things, the notice of the SGM and further details of the Offer will be despatched to the eSun Shareholders as soon as practicable.

Mr. Lam Kin Ngok, Peter is a director of eSun and a shareholder of Media Asia (but not a shareholder of eSun). He owns 2,300,000 Media Asia Shares, representing approximately 0.96% of the existing issued share capital of Media Asia. Any transfer of these Media Asia Shares by Mr. Lam Kin Ngok, Peter to the Offeror pursuant to the Offer will constitute a connected transaction for eSun. However, such a connected transaction would be de-minimis in nature and exempt from the independent shareholders' approval requirements of the Listing Rules by virtue of Listing Rule 14A.33(3). The eSun Directors are informed that Mr. Lam Kin Ngok, Peter paid approximately S$0.1655 per Media Asia Share (representing an aggregate acquisition cost of approximately S$380,650) for his shareholding in Media Asia, all such shares having been acquired on market. The eSun Directors are also informed that no associates of Mr. Lam Kin Ngok, Peter, hold any shares in eSun.

Apart from Mr. Lam Kin Ngok, Peter, so far as the eSun Directors are aware, no other directors of eSun or its subsidiaries hold any Media Asia Shares.

From LSD's perspective, the LSD Directors regard eSun's intention to privatise Media Asia as a matter that is price sensitive to LSD in light of LSD's interest of approximately 34.83% in eSun. Accordingly, LSD has joined in on the making of this announcement for the purposes of making disclosure pursuant to Listing Rule 13.09.

INFORMATION ON THE GROUP INCLUDING eSUN AND THE OFFEROR

The Group is principally engaged in the development and operation of and investment in media, entertainment, music production and distribution businesses, advertising agency services, satellite television operations and the development of the Cotai site into a multi-purpose complex comprising retail, entertainment and world-class hotels in the name of "Macao Studio City". eSun is the holding company of the Group. eSun also holds an interest in LSD equal to approximately 36.72% as at the date of this announcement.

The Offeror is a company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of eSun. The principal activity of the Offeror is to act as an investment holding entity for eSun's interest in Media Asia.

INFORMATION ON MEDIA ASIA

Media Asia is a company incorporated in Bermuda with limited liability and its securities are listed for trading on SGX-SESDAQ. Media Asia and its subsidiaries are principally engaged in the investment, production and distribution of films and related products. Media Asia is also engaged in the sale of video and digital discs of films and local concerts.

The unaudited consolidated net asset value of Media Asia as at 31 December, 2006 was approximately HK$304 million. The unaudited consolidated profits (both before and after tax and extraordinary items) of Media Asia for the year ended 31 December, 2006 were approximately HK$6 million. The audited consolidated profit before tax and extraordinary items and the audited consolidated profit after tax and extraordinary items of Media Asia for the year ended 31 December 2005 were approximately HK$18 million and HK$24 million, respectively.

The following entities have disclosed their ownership of Media Asia Shares in excess of 5% of the issued share capital of Media Asia (as at 31 January 2007): -

Name	Number of Media Asia Shares	Percentage (%)
Skymaster International Inc.	89,591,568	37.33
Asset Managers (China) Fund Co., Ltd	26,494,000	11.04
Rainbow City Ltd	18,050,066	7.52

RESUMPTION OF TRADING

Trading in the shares of eSun and LSD was, at the respective requests of each, suspended with effect from 9:30a.m. on 27 February 2007 pending publication of this announcement. Each has made an application to the Stock Exchange for resumption of trading in its respective shares with effect from 9:30 a.m. on 28 February 2007.

The Proposed Transaction may or may not proceed. eSun Shareholders and potential investors are advised to exercise caution when dealing in shares of eSun.

DEFINITIONS

"associate(s)"	has the meaning ascribed to it in Chapter 1 of the Listing Rules;
"Applicable Percentage Ratios"	the percentage ratios (all as defined in Rule 14.04(9) of the Listing Rules) applicable to the Proposed Transaction in accordance with Chapter 14 of the Listing Rules;
"Bermuda Act"	the Companies Act 1981 of Bermuda;
"Board"	the board of directors of eSun;
"Court"	the Supreme Court of Bermuda;
"eSun"	eSun Holdings Limited, a company incorporated in Bermuda the shares of which are listed on the Stock Exchange;
"eSun Board"	the board of directors of eSun;
"eSun Directors"	the directors of eSun;
"eSun Shareholders"	holder(s) of shares in the capital of eSun;
"Group"	eSun and its subsidiaries;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"LSD"	Lai Sun Development Company Limited, a company incorporated in Hong Kong the shares of which are listed on the Stock Exchange;
"LSD Board"	the board of directors of LSD;
"LSD Directors"	the directors of LSD;
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange;
"Macao Studio City"	a multi-purpose complex comprising retail, entertainment and world-class hotels to be developed in Cotai, Macau;
"Media Asia"	Media Asia Entertainment Group Limited, a company incorporated in Bermuda the shares of which are listed on SGX-SESDAQ;
"Media Asia Shareholders(s)"	holder(s) of shares in the capital of Media Asia;

"Media Asia Shares"	shares of HK$0.10 each in the capital of Media Asia;
"Offer"	the conditional voluntary cash offer for all of the Offer Shares;
"Offeror"	Skymaster International Inc, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of eSun, owning approximately 37.33% of the issued Media Asia Shares;
"Offer Shares"	Media Asia Share(s) not already owned, controlled or agreed to be acquired, directly or indirectly by the Offeror;
"Offer Price"	S$0.265 (equal to approximately HK$1.35) per Offer Share;
"Proposed Transaction"	the proposed transaction by which eSun intends to privatise Media Asia pursuant to the Offer;
"SGM"	the special general meeting of eSun to be convened for the purposes of approving the Proposed Transaction and the making of the Offer pursuant thereto;
"S$"	Singapore dollars, the lawful currency of Singapore;
"Singapore Code"	Singapore Code on Take-overs and Mergers;
"SGX-SESDAQ"	Singapore Exchange Securities Trading Limited Dealing and Automated Quotation System;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited; and
"%"	per cent.

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, 27 February 2007

This announcement contains translations of certain S$ amounts into HK$ amounts at the rate of S$1.00 = HK$5.10. The translations have been provided solely for the convenience of the readers of this announcement and no representation is made that any of the S$ amounts actually represent the HK$ amounts or could have been or could be converted into HK$ at the specified rate, at any particular rate or at all.

As at the date of this announcement, the executive directors of eSun are Mr. Lien Jown Jing, Vincent, 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 The Standard.