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LAI SUN GARMENT

Lai Sun Garment (International) Limited
(Incorporated in Hong Kong with limited liability)

(Stock Code: 191)



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)



LAI FUNG HOLDINGS

Lai Fung Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1125)

Transtrend Holdings Limited

(Incorporated in Hong Kong with limited liability)

JOINT ANNOUNCEMENT

eSUN OFFERS HAVING BECOME UNCONDITIONAL IN ALL RESPECTS AND SATISFACTION OF THE PRE-CONDITION TO THE LAI FUNG OFFERS

(1) VOLUNTARY GENERAL CASH OFFER

BY HSBC ON BEHALF OF THE OFFEROR, A WHOLLY-OWNED SUBSIDIARY OF LSD, TO ACQUIRE ALL OF THE ISSUED SHARES OF eSUN (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY LSD, THE OFFEROR OR THEIR RESPECTIVE SUBSIDIARIES) AND TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF eSUN

(2) MANDATORY GENERAL CASH OFFER

BY HSBC ON BEHALF OF THE OFFEROR, A WHOLLY-OWNED SUBSIDIARY OF LSD, TO ACQUIRE ALL OF THE ISSUED SHARES OF LAI FUNG (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY LSD, THE OFFEROR, eSUN OR THEIR RESPECTIVE SUBSIDIARIES) AND TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF LAI FUNG

(3) VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION OF LSD

(4) VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION OF LSG

Financial Adviser to LSD and the Offeror



INTRODUCTION

Reference is made to (i) the joint announcement dated 27 May 2018 published by Lai Sun Garment (International) Limited (“**LSG**”), Lai Sun Development Company Limited (“**LSD**”), Transtrend Holdings Limited (the “**Offeror**”), eSun Holdings Limited (“**eSun**”) and Lai Fung Holdings Limited (“**Lai Fung**”) in respect of, among others, (1) the then conditional voluntary general cash offer to be made by The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) on behalf of the Offeror, a wholly-owned subsidiary of LSD, to acquire all of the issued shares of eSun (other than those already owned or agreed to be acquired by LSD, the Offeror or their respective subsidiaries) (the “**eSun Share Offer**”) and to cancel all the outstanding share options of eSun (the “**eSun Option Offer**”, and together with the eSun Share Offer, the “**eSun Offers**”) and (2) the then possible unconditional mandatory general cash offer to be made by HSBC on behalf of the Offeror to acquire all of the issued shares of Lai Fung (other than those already owned or agreed to be acquired by LSD, the Offeror, eSun or their respective subsidiaries) and to cancel all the outstanding share options of Lai Fung; (ii) the composite offer and response document jointly issued by LSD, the Offeror and eSun dated 23 July 2018 in relation to the eSun Offers (“**eSun Composite Document**”); (iii) the joint announcement issued by LSD, the Offeror and eSun dated 22 July 2018 in relation to the despatch of the eSun Composite Document and the letter dated 23 July 2018 issued by HSBC on behalf of the Offeror to the holders of outstanding share options of eSun; (iv) the joint announcement issued by LSD, the Offeror and eSun dated 25 July 2018 in relation to the eSun Share Offer having become unconditional as to acceptances; (v) the announcement of LSG dated 8 August 2018 in relation to the poll results of the general meeting of LSG (the “**LSG Poll Results Announcement**”); and (vi) the announcement of LSD dated 8 August 2018 in relation to the poll results of the general meeting of LSD (the “**LSD Poll Results Announcement**”, and together with the LSG Poll Results Announcement, the “**Poll Results Announcements**”).

Unless otherwise defined herein, capitalised terms used herein shall have the meanings ascribed to them in the eSun Composite Document.

1. THE eSUN OFFERS HAVING BECOME UNCONDITIONAL IN ALL RESPECTS

Conditions to the eSun Share Offer

As set out in the eSun Composite Document, the eSun Share Offer is subject to (among other things) the following Conditions:

“(a) *the approval:*

- (i) *by the Independent LSD Shareholders of the Offers as a very substantial acquisition of LSD; and*
- (ii) *by the Non-Connected LSD Shareholders of the making of one or more of the Offers to any connected person of LSD which is a connected transaction of LSD subject to the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules,*

in each case, in accordance with the Listing Rules;

(b) *the approval:*

- (i) *by the Independent LSG Shareholders of the Offers as a very substantial acquisition of LSG; and*
- (ii) *by the Non-Connected LSG Shareholders of the making of one or more of the Offers to any connected person of LSG which is a connected transaction of LSG subject to the independent shareholders' approval requirement under Chapter 14A of the Listing Rules,*

in each case, in accordance with the Listing Rules;

...

- (d) *the eSun Shares remaining listed and traded on the Main Board of the Stock Exchange up to and including the eSun Share Offer Closing Date (save for any temporary suspension of trading of the eSun Shares pending any announcement in connection with the Offers) and no indication being received on or before the eSun Share Offer Closing Date from the SFC and/or the Stock Exchange to the effect that the listing of the eSun Shares on the Stock Exchange is or is likely to be withdrawn or suspended;*
- (e) *the Lai Fung Shares remaining listed and traded on the Main Board of the Stock Exchange up to and including the Lai Fung Share Offer Closing Date (save for any temporary suspension of trading of the Lai Fung Shares pending any announcement in connection with the Offers) and no indication being received on or before the Lai Fung Share Offer Closing Date from the SFC and/or the Stock Exchange to the effect that the listing of the Lai Fung Shares on the Stock Exchange is or is likely to be withdrawn or suspended”.*

eSun Share Offer having become unconditional in all respects

As disclosed in the Poll Results Announcements, all resolutions in relation to the Offers proposed at the general meetings of LSG and LSD held on 8 August 2018 were duly passed by way of poll. Accordingly, Conditions (a) and (b) to the eSun Share Offer have been fulfilled. Following such fulfilment, the Offeror has waived Conditions (d) and (e).

All of the other Conditions to the eSun Share Offer, namely Conditions (c), (f), (g), (h), (i) and (j), have also been fulfilled. Accordingly, all of the Conditions to the eSun Share Offer have been fulfilled or waived by the Offeror and the eSun Share Offer has become unconditional in all respects on 8 August 2018.

eSun Option Offer having become unconditional in all respects

As the eSun Share Offer has become unconditional in all respects on 8 August 2018, the eSun Option Offer has also become unconditional in all respects on 8 August 2018.

Level of acceptances of the eSun Offers

As at 4:00 p.m. on the date of this joint announcement, the Offeror had received:

- (A) valid acceptances of the eSun Share Offer by approximately 0.59% in number of the holders of eSun Offer Shares as at the date of the eSun Composite Document (i.e. 23 July 2018) in respect of 245,208,533 eSun Offer Shares, representing approximately 26.06% of the eSun Offer Shares and approximately 16.44% of the issued share capital and voting rights of eSun as at the date of this joint announcement; and

- (B) valid acceptances of the eSun Option Offer in respect of 13,145,696 eSun Options, representing 40.02% of the eSun Options as at the date of this joint announcement (of which valid acceptances in respect of 6,216,060 eSun Options were from the Offeror Concert Parties, representing 18.92% of the eSun Options as at the date of this joint announcement).

All of the 245,208,533 eSun Offer Shares validly tendered for acceptance under the eSun Share Offer were tendered by the Disinterested eSun Shareholders, representing approximately 26.22% of the Disinterested eSun Shares. No eSun Offer Share was tendered for acceptance by the Offeror Concert Parties.

None of the Offeror or the Offeror Concert Parties has purchased any eSun Shares after the posting of the eSun Composite Document (other than under the eSun Share Offer) up to the date of this joint announcement.

Interests of the Offeror and the Offeror Concert Parties in eSun

Immediately before 27 May 2018 (being the commencement date of the eSun Offer Period), (i) the Offeror held, controlled or directed 551,040,186 eSun Shares, representing approximately 36.94% of the issued share capital of eSun as at the Announcement Date; (ii) the Offeror Concert Parties held, controlled or directed 5,588,886 eSun Shares, representing approximately 0.37% of the issued share capital of eSun as at the Announcement Date; and (iii) the Offeror and the Offeror Concert Parties held, controlled or directed 556,629,072 eSun Shares in aggregate, representing approximately 37.32% of the issued share capital of eSun as at the Announcement Date.

As at 4:00 p.m. on the date of this joint announcement, the eSun Shares in respect of which valid acceptances had been received under the eSun Share Offer, together with the eSun Shares held by the Offeror and LSD and their respective subsidiaries, amount to 796,248,719 eSun Shares, representing approximately 53.37% of the issued share capital of eSun.

Save as disclosed above, none of the Offeror or the Offeror Concert Parties: (i) held, controlled or directed any eSun Shares and rights over eSun Shares before the eSun Offer Period; (ii) has acquired or agreed to acquire any eSun Shares, other securities of eSun or rights over eSun Shares during the eSun Offer Period; or (iii) has borrowed or lent any eSun Shares or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of eSun during the eSun Offer Period (save for any borrowed eSun Shares or such relevant securities which have been either on-lent or sold).

The following sets out the Offeror Concert Parties' holdings of the eSun Options immediately before 27 May 2018 (being the commencement date of the eSun Offer Period) and as at the date of this joint announcement:

Name	Relationship with the Offeror	Number of eSun Options held immediately before 27 May 2018	Number of eSun Options held as at the date of this joint announcement
Dr. Peter Lam	Offeror Director, a deputy chairman and an executive director of LSG, the chairman and an executive director of LSD and the ultimate controlling shareholder of LSG, LSD and the Offeror	1,243,212	1,243,212
Mr. Lester Lam	Offeror Director, an executive director of LSG and LSD and Dr. Peter Lam's son	12,432,121	12,432,121
Mr. FA Chew	Offeror Director, a deputy chairman and an executive director of LSG and the deputy chairman and an executive director of LSD	6,216,060	0

eSun Offers to remain open for not less than 14 days

Pursuant to Rule 15.3 of the Takeovers Code, the eSun Share Offer Closing Date should be no less than fourteen (14) days after the date on which the eSun Offers become or are declared unconditional in all respects. Accordingly (and unless the Offeror revises or extends the eSun Offers in accordance with the Takeovers Code), the eSun Offers will remain open for acceptance until 4:00 p.m. on Wednesday, 22 August 2018 (the “**Revised eSun Share Offer Closing Date**”) and the latest date for despatch of cheques for payment of the amounts due under the eSun Offers in respect of valid acceptances received on the Revised eSun Share Offer Closing Date will be Friday, 31 August 2018.

Pursuant to the terms of the eSun Share Option Schemes, the eSun Optionholders will be entitled to exercise the eSun Options in full (to the extent not already exercised) at any time before the close of the eSun Share Offer and any eSun Option not so exercised will lapse (following which the holder of such eSun Option will not be able to accept the eSun Option Offer in respect of such eSun Option). However, in the case of any eSun Option granted under the share option scheme adopted by eSun on 11 December 2015 (being the 400,000 eSun Options with the exercise price of HK\$1.360 per eSun Share), if, before the close of the eSun Share Offer, the Offeror becomes entitled to exercise rights of compulsory acquisition of the eSun Offer Shares and gives its notice of compulsory acquisition, such eSun Option will remain exercisable (provided that its option period has not yet expired) until one (1) month from the date of such notice and, to the extent that such eSun Option has not been so exercised, will lapse.

Settlement of consideration

Settlement of the consideration in respect of an acceptance of the eSun Offers will be made as soon as possible and in any event within seven (7) Business Days of (i) the date of receipt of the complete and valid acceptance of the relevant eSun Offer Shareholder or eSun Optionholder or (ii) the date of this joint announcement (being the date on which the eSun Offers have become unconditional in all respects), whichever is the later.

Save as set out above, all other terms and conditions of the eSun Offers as set out in the eSun Composite Document and the eSun Forms of Acceptance remain unchanged. eSun Offer Shareholders and eSun Optionholders are advised to refer to the eSun Composite Document and the eSun Forms of Acceptance for details of the acceptance procedures should they wish to accept the eSun Offers.

2. SATISFACTION OF THE PRE-CONDITION TO THE LAI FUNG OFFERS

As set out in the eSun Composite Document, the Lai Fung Offers are subject to the pre-condition of the eSun Share Offer becoming or being declared unconditional in all respects. As disclosed above, the eSun Share Offer has become unconditional in all respects on 8 August 2018. Accordingly, the Offeror is required to make (or procure to be made on its behalf) the Lai Fung Offers pursuant to the Takeovers Code.

It is expected that the Lai Fung Composite Document will be despatched within seven (7) days after 8 August 2018 (being the date of the satisfaction of the pre-condition to the Lai Fung Offers) in accordance with the Takeovers Code, that is, on or before 15 August 2018. A further announcement will be made on the date of despatch of the Lai Fung Composite Document.

By order of the board
Lai Sun Garment (International) 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

By order of the board
Lai Sun Development Company Limited
Lau Shu Yan, Julius
Executive Director and Chief Executive Officer

By order of the board
Lai Fung Holdings Limited
Chew Fook Aun
Chairman

By order of the board
Transtrend Holdings Limited
Chew Fook Aun
Director

Hong Kong, 8 August 2018

As at the date of this joint announcement:

- (a) *the board of directors of LSG 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 Kin Hong, Matthew and Mr. Lam Hau Yin, Lester (also alternate to Madam U Po Chu); 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.*
- (c) *the Offeror Board comprises four directors, namely Dr. Lam Kin Ngok, Peter and Messrs. Chew Fook Aun, Lau Shu Yan, Julius and Lam Hau Yin, Lester.*
- (d) *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; two non-executive directors, namely Madam U Po Chu and Mr. Andrew Y. Yan; and four independent non-executive directors, namely Messrs. Low Chee Keong (Chairman), Lo Kwok Kwei, David and Alfred Donald Yap and Dr. Ng Lai Man, Carmen.*
- (e) *the Lai Fung Board comprises seven executive directors, namely Mr. Chew Fook Aun (Chairman), Dr. Lam Kin Ming (Deputy Chairman), Mr. Lam Kin Hong, Matthew (Executive Deputy Chairman), Mr. Lam Hau Yin, Lester (Chief Executive Officer), Madam U Po Chu, Mr. Cheng Shin How and Mr. Lee Tze Yan, Ernest; two non-executive directors, namely Mr. Lucas Ignatius Loh Jen Yuh and Mr. Puah Tze Shyang (also alternate to Mr. Lucas Ignatius Loh Jen Yuh); and five independent non-executive directors, namely Messrs. Lam Bing Kwan, Ku Moon Lun, Law Kin Ho, Mak Wing Sum, Alvin and Shek Lai Him, Abraham.*

The directors of LSG jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement relating to the LSG Group (other than information relating to the LSD Group, the eSun Group or the Lai Fung Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement by the LSG Group (other than opinions expressed by the LSD Group, the eSun Group or the Lai Fung Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

The LSD Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the LSG Group (excluding the LSD Group), the eSun Group or the Lai Fung Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the LSG Group (excluding the LSD Group), the eSun Group or the Lai Fung Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

The Offeror Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the LSG Group (excluding the LSD Group), the eSun Group or the Lai Fung Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the LSG Group (excluding the LSD Group), the eSun Group or the Lai Fung Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

The eSun Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement relating to the eSun Group (other than information relating to the Lai Fung Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement by the eSun Group (other than opinions expressed by the Lai Fung Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

The Lai Fung Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement relating to the Lai Fung Group and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement by the Lai Fung Group have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.