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

ANNOUNCEMENT PURSUANT TO LISTING RULE 13.09

PRICE SENSITIVE INFORMATION RELATING TO THE PLACING

TERMINATION OF PLACING AGREEMENT

The Company announces that the placing agreement terminated on 9 January 2009 due to the non-fulfilment of one or more conditions in respect of the Placing.

Reference is made to the announcement of eSun Holdings Limited (Stock Code: 571) (the “Company”) issued on 6 January 2009 concerning the setting down of an inter partes hearing for 22 January 2009 between, inter alia, the Company and Passport Special Opportunities Master Fund, LP and Passport Global Master Fund SPC Limited (together “Passport”), in aggregate, substantial shareholder(s) in the Company, in respect of the proposed placing by the Company (“Placing”) of shares representing approximately 8.82% of the Company’s enlarged issued share capital (“Placing Shares”), attaching warrants, on a 1-for-1 basis in respect of each Placing Share entitling the holder of each warrant to subscribe for one new share which would represent approximately 8.10% of the Company’s then enlarged issued share capital.

In light of the recent increases in the Company’s share price and uncertainty resulting from the continuation of the interim injunction, the board of the Company (the “Board”) has determined that it is unable to agree to a further extension of the long-stop date, being 9 January 2009, in respect of the Placing. Accordingly, as one or more conditions in respect of the Placing had not been fulfilled by the long-stop date, the placing agreement terminated on 9 January 2009.

Notwithstanding such termination, the Company’s rights against Passport continue, in which regard the Board believes that the interim injunction in favour of Passport should not have been granted. The Company and its executive directors (against whom Passport has commenced proceedings alleging breach of fiduciary duty) will continue vigorously to pursue their respective rights and remedies against Passport at the inter partes hearing on 22 January 2009 and otherwise. In this regard, the Board notes that Passport has been ordered by the Court to fortify its undertaking in damages by the provision of a bank guarantee in the sum of HK\$120 million to compensate any loss to, amongst others, the Company, as may be decided by the Court. In addition to the above action, Passport has issued a petition against the Company and its executive directors, also to restrain the Company from proceeding with the Placing, based on

allegations of conduct unfairly prejudicial to Passport and/or the Company. Notwithstanding termination of the Placing, the propriety of these proceedings will also be vigorously challenged.

The Board further believes that the reasons for the Placing, being to strengthen the capital base of the Company and to finance the Company's media and entertainment business and otherwise the general working capital of the Company, remain valid and that there is a continued need to raise such funds to develop that business. Hence, the Company will consider, and if appropriate pursue, plans for a placing or other funding options in due course. In the meantime, the Board is satisfied that the termination of the placing agreement will not have any immediate material adverse financial impact on current operations.

The Company will make further announcement(s) concerning the legal proceedings as and when appropriate.

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

Hong Kong, 9 January 2009

As at the date of this announcement, the executive directors of the Company are Mr. Lam Kin Ngok, Peter, Miss Leung Churk Yin, Jeanny, Mr. Cheung Wing Sum, Ambrose and Mr. Low Kit Leong; the non-executive directors are Mr. Lien Jown Jing, Vincent, Mr. Lam Kin Ming 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.