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

DISCLOSEABLE TRANSACTIONS CO-FINANCING AND DISTRIBUTION AGREEMENT AND PROVISION OF CORPORATE GUARANTEE

The Directors announce that on 31 March 2009, Ballcrown, an indirect wholly-owned subsidiary of eSun, entered into a co-financing and distribution agreement with StudioCanal. Pursuant to the terms of the Agreement, Ballcrown and StudioCanal agreed to co-invest in the production of a film to be produced by StudioCanal, subject to certain approval and consultation rights of Ballcrown. Also on the same day, Media Asia Films, an indirect wholly owned subsidiary of eSun, entered into a corporate guarantee with StudioCanal pursuant to which Media Asia Films agreed to provide a guarantee in favour of StudioCanal in respect of all the obligations and liabilities of Ballcrown under the Agreement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, StudioCanal is an independent third party not connected with the Company or connected persons of the Company as defined under the Listing Rules. The Agreement and the Guarantee constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under Rule 14.33 of the Listing Rules.

CO-FINANCING AND DISTRIBUTION AGREEMENT

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The estimated production budget of the Film will be in the range of approximately US\$35million to US\$39million, determined by Ballcrowne and StudioCanal after taking into account all costs and expenses related to the Film (including for example, actors fees and film support services). The investment contribution ratio in the Film for StudioCanal is 50% of the estimated production budget (i.e. no more than US\$19.5 million, or HK\$152.1 million), and for Ballcrowne, 50% of the estimated production budget (i.e. no more than US\$19.5 million, or HK\$152.1 million) (the "Investment Contribution Ratio"). Subject to all conditions precedent being fulfilled, the investment contribution of US\$19.5 million is payable by each party immediately prior to commencement of pre-production of the Film which is expected to be on or before 30 September 2009.

Subject to Ballcrowne and StudioCanal co-financing the Film in accordance with the Agreement (i.e. each party contribute 50% of the investment), Ballcrowne and StudioCanal shall each own 50% of the copyright and all other intellectual property rights in and to the Film.

Pursuant to the Agreement, Ballcrowne shall have the sole and exclusive right to distribute and exploit the Film in countries and territories in Asia whereas StudioCanal shall have the sole and exclusive right to distribute and exploit the Film in the remaining territories of the world. Further, StudioCanal shall have, solely and exclusively, all allied, ancillary and subsidiary rights in the Film throughout the world except that Ballcrowne shall have certain ancillary rights in the Film in Japan. Notwithstanding the above, revenues (net of distribution fees and expenses) from the exploitation of the Film, including the allied and ancillary rights, shall be contributed towards the proceeds of the Film for the profit sharing purposes.

The profit sharing ratio of the proceeds in the Film, after repaying the investment contribution of the parties, will be on the same basis as the Investment Contribution Ratio, except that once Ballcrowne and StudioCanal have both received a premium equal to 25% of their respective contributions, StudioCanal will be entitled to receive an additional amount from the proceeds of the Film up to 5% of its costs (capped at US\$1.5 million, or HK\$11.7 million) to compensate its preparation work done in relation to the production of the Film prior to signing of the Agreement. Thereafter, any remaining proceeds in the Film shall be shared on a 50/50 basis between Ballcrowne and StudioCanal. The investment contribution will be payable in cash by eSun and will be funded from its internal resources.

THE CORPORATE GUARANTEE

On 31 March 2009, Media Asia Films, an indirect wholly-owned subsidiary of eSun, as guarantor and StudioCanal, as beneficiary, entered into the Guarantee, whereby Media Asia Films will provide an unconditional guarantee in favour of StudioCanal relating to all the obligations and liabilities of Ballcrowne under the Agreement.

REASONS FOR THE TRANSACTION

The Media Asia Group is engaged in film production and the distribution of copyright and film rights and has a reputation as a leading distributor of Chinese language films worldwide. StudioCanal is a major player in France and Europe in the financing, acquisition and distribution of cinema films. Supported by a very comprehensive catalogue which comprises more than 5000 French, English, American and German films, StudioCanal has acquired a unique position in all lines of business including cinema distribution, video, television and international sales.

By sharing the costs of production, all parties are able to produce the Film on the basis of a larger budget than any of them might have been willing to fund had they chosen to proceed alone. In addition, by fostering connections with StudioCanal, the eSun Directors believe that Media Asia will benefit not just from cost sharing, but also from the ability to access and recruit production and acting talent and film supporting services for the subject and possibly future films and to extend its market coverage to worldwide.

The eSun Directors consider that both the Agreement and Guarantee are on normal commercial terms, are fair and reasonable, in the interests of eSun and its shareholders as a whole and a normal business practice for the Media Asia Group to enter into the Agreement and Guarantee.

LISTING RULES IMPLICATIONS

The Agreement and Guarantee constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules as one or more of the applicable percentage ratios exceeds 5% but are less than 25% of the applicable percentage ratios.

INFORMATION ON THE PARTIES

The principal activities of the eSun Group comprise the development and operation of and investment in media, entertainment, music production and distribution, production, investment in and distribution of films and video format products, and advertising agency services, and development of a site in Cotai, Macau into a multi-use complex.

The principal activities of StudioCanal, a wholly-owned subsidiary of the French based Canal+ Group, include film production and distribution.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, StudioCanal is an independent third party not connected with the Company or connected persons of the Company as defined under the Listing Rules.

DEFINITIONS

The following defined terms are used in this announcement:

- "Agreement" the co-financing and distribution agreement entered into on 31 March 2009 between Ballcrown and StudioCanal;
- "Backstop Date" 30 September 2009
- "Ballcrown" Ballcrown Limited, a company registered under the laws of England and Wales, and an indirectly wholly-owned subsidiary of eSun;
- "Board" the board of Directors of eSun;
- "Directors" the directors of eSun;
- "eSun" or “the Company” eSun Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on the Stock Exchange;

"eSun Group"	eSun and its subsidiaries;
"Film"	the film to be co-financed and distributed pursuant to the Agreement;
"Guarantee"	the corporate guarantee entered into on 31 March 2009 between Media Asia Films as guarantor and StudioCanal as beneficiary;
"HK\$"	Hong Kong dollar(s);
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Media Asia"	Media Asia Entertainment Group Limited;
"Media Asia Films"	Media Asia Films Limited;
"Media Asia Group"	Media Asia and its subsidiaries, including Media Asia Films;
"Shares"	ordinary shares of HK\$0.50 each in the share capital of eSun;
"Shareholder(s)"	holder(s) of the Shares;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"StudioCanal"	StudioCanal S.A., a company registered under the laws of France; and
"US\$"	United States dollar(s).

For illustration purposes only, amounts denominated in US\$ have been converted into HK\$ at a rate of US\$1.00 = HK\$7.80.

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

Hong Kong, 31 March 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, Madam U Po Chu and Mr. Lo Kwok Kwei, David; and the independent non-executive directors are Mr. Alfred Donald Yap, Mr. Low Chee Keong, Mr. Tong Ka Wing, Carl and Dr. Ng Lai Man, Carmen.