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



**Rojam Entertainment Holdings Limited**  
*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*  
**(Stock Code: 8075)**

**DISCLOSEABLE  
TRANSACTION**

**PLACING OF  
NEW SHARES**



**Placing Agent**

**Placing of New Shares by the Company**

On 28 July 2011 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent agreed to place up to 2,022,051,522 Placing Shares, on a best effort basis, to not less than six Placees who and whose ultimate beneficial owners will be an Independent Third Party, at a price of HK\$0.20 per Placing Share.

Up to 2,022,051,522 Placing Shares under the Placing, which will be allotted and issued under the General Mandate to be renewed by the Company at its Forthcoming AGM, representing (i) approximately 20% of the Company's existing issued share capital as at the date of this joint announcement; (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares; (iii) approximately 6.74% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares and the Conversion Shares assuming full conversion of the First Completion Convertible Notes; and (iv) approximately 5.31% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares and the Conversion Shares assuming full conversion of the First Completion Convertible Notes and the Second Completion Convertible Notes. The aggregate nominal value of the Placing Shares under the Placing will be approximately HK\$20,220,515.

The price per Placing Share of HK\$0.20 represents (i) no discount to the closing price of HK\$0.20 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of approximately 2.91% to the average closing price of approximately HK\$0.206 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day; (iii) a discount of approximately 6.54% to the average closing price of approximately HK\$0.214 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day; and (iv) a discount of approximately 10.71% to the average closing price of approximately HK\$0.224 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day.

Assuming all the Placing Shares are placed under the Placing Agreement, the estimated net proceeds from the Placing (after deducting the placing commission of 0.75% of the amount equal to the Placing Price multiplied by the number of Placing Shares being placed, professional fees and other related expenses payable by the Company) are approximately HK\$401,095,000 which are intended to be used for building up the Company's media and entertainment businesses including film production, television drama production and distribution, events management, investment in movie cinemas and artiste management, all with the primary focus in the PRC and Macau markets, and for general working capital purposes of the Group.

The Placing is conditional upon, among other things, the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares and the Shareholders' approval on the renewal of General Mandate at the Forthcoming AGM. Application will be made by the Company to the Listing Committee for the granting of the listing of, and permission to deal in, the Placing Shares.

**Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, the Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

#### **Intended Conversion of First Completion Convertible Notes by Perfect Sky**

As at the date of this joint announcement, Perfect Sky, a wholly-owned subsidiary of eSun, owned in aggregate 5,150,425,500 Shares, representing approximately 50.94% of the issued share capital of the Company (i.e. 10,110,257,612 Shares), and the First Completion Convertible Notes in an aggregate principal amount of HK\$163,120,000, which can be converted into a maximum of 10,195,000,000 Conversion Shares.

Since eSun wishes to ensure its indirect interest in the Company will not be diluted as a result of the Placing, Perfect Sky intends to convert such part of the principal amount of the First Completion Convertible Notes into such number of Conversion Shares which shall be issued by the Company to Perfect Sky immediately before any closing of the Placing so that its shareholding interest in the Company will be at least 50.94% of the enlarged issued share capital of the Company immediately after any closing of the Placing. Accordingly, the Company will remain as a subsidiary of eSun immediately after the Placing.

#### **Deemed Disposal of eSun**

Assuming all the Placing Shares are placed under the Placing Agreement, despite the Intended Conversion of the First Completion Convertible Notes by Perfect Sky, the Placing constitutes a deemed disposal transaction of eSun under Chapter 14 of the Listing Rules. As the highest applicable Percentage Ratio is more than 5% but less than 25%, the Placing, therefore, constitutes a discloseable transaction of eSun under Chapter 14 of the Listing Rules.

## **PLACING AGREEMENT**

The principal particulars of the Placing Agreement are as follows:

**Date:**

28 July 2011 (after trading hours)

**Parties:**

The Company and the Placing Agent

**Placing Agent:**

CLSA Limited. To the best of the knowledge, information and belief of the Directors and the directors of eSun, the Placing Agent and its ultimate beneficial owner are Independent Third Parties and are not connected persons of the Company and eSun under the Listing Rules for the purposes of the Placing.

**Placees:**

The Placing Shares will be placed by the Placing Agent at the Placing Price. The Placing Shares will be placed to not less than six institutional, corporate and/or individual investors on a best effort basis.

Each of the Placees and their respective ultimate beneficial owners will be an Independent Third Party.

**Placing Shares:**

Up to 2,022,051,522 Placing Shares, which will be allotted and issued under the General Mandate to be renewed by the Company at the Forthcoming AGM, representing (i) approximately 20% of the Company's issued share capital as at the date of this joint announcement; (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares; (iii) approximately 6.74% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares and the Conversion Shares assuming full conversion of the First Completion Convertible Notes; and (iv) approximately 5.31% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares and the Conversion Shares assuming full conversion of the First Completion Convertible Notes and the Second Completion Convertible Notes. The aggregate nominal value of the Placing Shares under the Placing will be approximately HK\$20,220,515.

**Placing Price:**

The price per Placing Share of HK\$0.20 represents:

- (i) no discount to the closing price of HK\$0.20 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 2.91% to the average closing price of approximately HK\$0.206 per Share as quoted on the Stock Exchange for the last 5 consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 6.54% to the average closing price of approximately HK\$0.214 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day; and

- (iv) a discount of approximately 10.71% to the average closing price of approximately HK\$0.224 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent with reference to the recent market prices, the performance of the Shares and current market conditions.

**Ranking of the Placing Shares:**

The Placing Shares will rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

**Mandate for issue of the Placing Shares:**

The Placing Shares will be allotted and issued under the General Mandate to allot and issue up to 2,022,051,522 Shares, being 20% of the aggregate nominal amount of the issued share capital of the Company, for the period from 20 August 2011 to the next annual general meeting of the Company (the "**Period**") to be granted to the Directors by a resolution of the then Shareholders to be passed at the Forthcoming AGM.

As at the date of this joint announcement, the General Mandate for the Period has not yet been granted by the Shareholders to the Directors and no Shares have been issued pursuant to the General Mandate to be granted under the Forthcoming AGM.

**Conditions of the Placing:**

Completion of the Placing is conditional upon the fulfilment of all the following conditions:-

- (A) the Placing Agent being reasonably satisfied with the results of its due diligence on the Group on or before 20 August 2011;
- (B) the Company having renewed the General Mandate to issue the Shares for the Period at its Forthcoming AGM;
- (C) the execution of the Placing Supplement by the Company and the Placing Agent;
- (D) the grant of the listing of and permission to deal in the Placing Shares by the Listing Committee of GEM (and such listing and permission not subsequently revoked prior to the delivery of valid and definitive share certificate(s) representing the Placing Shares to HKSCC);
- (E) the Bermuda Monetary Authority approving the issue of the Placing Shares and the subsequent transfer of the same to and between persons regarded as non-residents of Bermuda for exchange control purposes for so long as the Placing Shares are listed on the Stock Exchange (where applicable);
- (F) all relevant approvals and consents from governmental or other competent authority or in accordance with applicable Laws have been obtained for the Placing Agreement;
- (G) there not having occurred prior to the Placing any breach of, or any event rendering untrue or incorrect, any of the representations and warranties under the Placing Agreement; and
- (H) the delivery to the Placing Agent of a legal opinion dated as of the Closing Date by Bermuda legal counsel for the Company, in form and substance reasonably satisfactory to the Placing Agent, covering, amongst others, the due incorporation of the Company and the valid issuance of the Placing Shares.

### **Completion of the Placing and Long Stop Date:**

Subject to the fulfilment of the above conditions, the Placing shall take place at one or more closings on a date to be agreed between the Company and the Placing Agent prior to the Long Stop Date after which the Placing Agreement shall lapse irrespective of whether all the Placing Shares have been fully placed by the Placing Agent. Under the Placing Agreement, the Long Stop Date is the earlier of (i) the date falling on the expiration of three months from the date of the Company renewing the General Mandate; or (ii) the Closing Date of the final tranche of the Placing by which all the Placing Shares would have been placed to the Placees, or such later date as agreed between the Company and the Placing Agent.

### **Termination of the Placing:**

If at any time on or prior to the Long Stop Date:

- (A) there is (i) any significant change in financial, political, military, economic or market (including stock market) conditions or currency exchange rates or exchange controls in Hong Kong, the United States, any country of the European Union or the PRC or (ii) any cancellation of the listing of the Shares on GEM or (iii) any adverse announcement, determination or ruling of any governmental or other regulatory body on the Company or any Group member, which would (in any case mentioned in (i), (ii) or (iii) of this paragraph), in the sole opinion of the Placing Agent, be likely to prejudice materially the success of the Placing;
- (B) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Long Stop Date which (i) if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in any material respect; or (ii) in the opinion of the Placing Agent, materially and adversely affects the financial position or business of the Group taken as a whole, or there has been a material breach by the Company of, or failure to perform, any other provision of the Placing Agreement;
- (C) any of the following events having occurred at any time prior to the Long Stop Date:
  - (i) any event, or series of events in Hong Kong, the United States, any countries of the European Union or the PRC beyond the reasonable control of the Placing Agent (including, without limitation, acts of government, strikes, labour disputes, lock-outs, fire, explosion, flooding, civil commotion, economic sanctions, epidemic, terrorism, outbreak or escalation of hostilities, acts of war and acts of God); or
  - (ii) any material adverse change, or development in Hong Kong, the United States, any countries of the European Union or the PRC (including, without limitation, the introduction of any new law or regulation or change in existing laws or regulations (or the judicial interpretation thereof) or any other similar event) (whether or not permanent) involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company or the Group as a whole, whether or not arising in the ordinary course of business,

which, in the sole opinion of the Placing Agent, is likely to prejudice materially the success of the Placing;

- (D) there is any litigation, claim of material importance to the business, financial or operations of the Group, any breach of applicable Laws by any member of the Group in connection with the Placing, any revocation, suspension or cancellation of any authorization, licence or approval in connection with the Placing, or any adverse change in the financial position of the Group, which in the sole opinion of the Placing Agent is material in the context of the Placing; or
- (E) any moratorium, suspension or material restriction has been imposed on the trading in the shares or securities generally on the Stock Exchange, the New York Stock Exchange, Inc., or the stock exchanges in the United Kingdom, or any member of the European Union due to exceptional financial circumstances or otherwise at any time prior to the Long Stop Date,

then and in any such case, the Placing Agent shall be entitled to, at its sole discretion, terminate the Placing Agreement by giving notice in writing to the Company.

In the event that the Placing Agent terminates the Placing Agreement, all obligations of the Company and the Placing Agent under the Placing Agreement shall cease and determine and neither the Company nor the Placing Agent shall have any claim against the other in respect of any matter arising out of or in connection with the Placing Agreement except for:-

- (i) any antecedent breach of any obligation under the Placing Agreement; and
- (ii) the Company's liabilities for fees, commissions and expenses towards the Placing Agent to the extent incurred and indemnity obligations under the Placing Agreement.

The Directors are not aware of the occurrence of any of such events as at the date of this joint announcement.

**Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, the Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

#### **INTENDED CONVERSION OF FIRST COMPLETION CONVERTIBLE NOTES BY PERFECT SKY**

As at the date of this joint announcement, Perfect Sky, a wholly-owned subsidiary of eSun, owned in aggregate 5,150,425,500 Shares, representing approximately 50.94% of the issued share capital of the Company (i.e. 10,110,257,612 Shares), and the First Completion Convertible Notes in an aggregate principal amount of HK\$163,120,000, which can be converted into a maximum of 10,195,000,000 Conversion Shares.

Assuming the maximum number of the Placing Shares (i.e. 2,022,051,522) will be allotted and issued by the Company, the total number of the issued Shares will increase to 12,132,309,134. Accordingly, the shareholding interest of Perfect Sky in the Company would be diluted from approximately 50.94% to approximately 42.45% upon completion of the Placing.

Since eSun wishes to ensure that its indirect shareholding interest in the Company will not be diluted as a result of the Placing, Perfect Sky intends to convert such part of the principal amount of the First Completion Convertible Notes into such number of Conversion Shares which the Company has agreed in principle that such Conversion Shares shall be issued by the Company to Perfect Sky immediately before any closing of the Placing so that its shareholding interest in the Company will be at least 50.94% of the enlarged issued share capital of the Company immediately after any closing of the Placing (the "**Intended Conversion**"). Accordingly, the Company shall remain as a subsidiary of eSun immediately after the Placing.

Perfect Sky and the Company have also agreed in principle that the Company shall notify Perfect Sky the number of Placing Shares which are subject to each tranche of the Placing immediately upon notification being given by the Placing Agent to the Company. The Company will issue to Perfect Sky the relevant Conversion Shares under the specific mandate obtained at the special general meeting of the Company held on 12 May 2011.

#### **DEEMED DISPOSAL OF eSUN**

Assuming all the Placing Shares are placed under the Placing Agreement, despite the Intended Conversion of the First Completion Convertible Notes by Perfect Sky, the Placing constitutes a deemed disposal transaction of eSun under Chapter 14 of the Listing Rules. As the highest applicable Percentage Ratio is more than 5% but less than 25%, the Placing, therefore, constitutes a discloseable transaction of eSun under Chapter 14 of the Listing Rules.

#### **FINANCIAL INFORMATION OF THE COMPANY**

The following table sets out the consolidated net loss of the Company for the years ended 31 March 2010 and 2011 according to the 2009/2010 and 2010/2011 annual reports of the Company (prepared under Hong Kong Financial Reporting Standards):

	For the years ended 31 March	
	2010 (Audited) HK\$'000	2011 (Audited) HK\$'000
Net loss before tax and non-controlling interests for the year	(17,021)	(45,736)
Net loss after tax and non-controlling interests for the year	(16,920)	(43,887)

According to the 2010/2011 annual report of the Company, the audited consolidated net assets of the Company attributable to owners of the Company amounted to HK\$24,624,000 as at 31 March 2011.

#### **FINANCIAL IMPACT OF THE PLACING AND THE INTENDED CONVERSION OF THE FIRST COMPLETION CONVERTIBLE NOTES BY PERFECT SKY TO eSUN**

As at the date of this joint announcement, eSun has approximately 50.94% shareholding interest in the Company. eSun's shareholding percentage interest will be diluted to approximately 42.53% immediately upon completion of the Placing, assuming there are no other changes to the issued share capital of the Company. Since eSun wishes to ensure its indirect shareholding interest in the Company will not be diluted as a result of the Placing, it is intended that Perfect Sky will convert such part of the principal amount of the First Completion Convertible Notes into such number of Conversion Shares which the Company has agreed in principle to issue to Perfect Sky immediately before any closing of the Placing so that its shareholding interest in the Company will be at least 50.94% of the enlarged issued share capital of the Company after any closing of the Placing.

As the overall net change in eSun's ownership interest in the Company will not result in loss of control in the Company, according to the prevailing accounting standards, there will be no material gain or loss expected to accrue to eSun's consolidated income statement as a result of the deemed disposal arising from the Placing and the Intended Conversion of the First Completion Convertible Notes by Perfect Sky. The movement in the consolidated net assets of eSun arising from the Placing and the Intended Conversion of the First Completion Convertible Notes will be dealt with in the equity of eSun. The above accounting treatment will be subject to review by the independent auditors of eSun.

## CHANGES TO THE SHAREHOLDING STRUCTURE AS A RESULT OF THE PLACING

The shareholding structure of the Company (i) as at the date of this joint announcement; (ii) immediately after the completion of the Placing taking into account of the Intended Conversion (assuming no issue of the Shares between the date of this joint announcement and the date of the Placing and no conversion of the First Completion Convertible Notes other than the Intended Conversion); (iii) immediately after the allotment and issue of the Conversion Shares assuming full conversion of the First Completion Convertible Notes and the completion of the Placing; and (iv) upon the Second Completion (assuming the completion of the Placing, full conversion of the First Completion Convertible Notes and the Second Completion Convertible Notes and no issue of new Shares between the First Completion and the Second Completion), is or will be as follows:

Name of Shareholders	(i) as at the date of this joint announcement		(ii) immediately after the completion of the Placing taking into account of the Intended Conversion (assuming no issue of Shares between the date of this joint announcement and the date of the Placing and no conversion of the First Completion Convertible Notes other than the Intended Conversion)		(iii) upon full conversion of the First Completion Convertible Notes and the completion of the Placing		(iv) upon the Second Completion (assuming the completion of the Placing, full conversion of the First Completion Convertible Notes and the Second Completion Convertible Notes and no issue of new Shares between the First Completion and the Second Completion)	
	Number of Shares	Approximate % of the total issued Shares	Number of Shares	Approximate % of the total issued Shares	Number of Shares	Approximate % of the total issued Shares	Number of Shares	Approximate % of the total issued Shares
Perfect Sky	5,150,425,500	50.94%	7,275,425,500 (Note 2)	51.03%	15,345,425,500	51.17%	20,845,425,500	54.77%
Sun Great	1,100,000,000	10.88%	1,100,000,000	7.72%	1,530,000,000	5.10%	1,530,000,000	4.02%
Next Gen	576,098,633	5.70%	576,098,633	4.04%	5,127,769,033	17.10%	7,062,798,426	18.55%
Memestar	92,244,576	0.91%	92,244,576	0.65%	912,419,354	3.04%	1,256,732,496	3.30%
On Chance	-	-	-	-	782,073,732	2.61%	1,077,199,282	2.83%
Grace Promise	-	-	-	-	1,077,199,282	3.59%	1,077,199,282	2.83%
Perfect Sky and the parties acting in concert with it	6,918,768,709	68.43%	9,043,768,709	63.44%	24,774,886,901	82.61%	32,849,354,986	86.30%
The Directors	9,900,000	0.09%	9,900,000	0.07%	9,900,000	0.03%	9,900,000	0.03%
Mr. Chan Chun Kuen (Note 1)	697,000,000	6.89%	697,000,000	4.89%	697,000,000	2.33%	697,000,000	1.83%
Other public Shareholders	2,484,588,903	24.59%	4,506,640,425	31.60%	4,506,640,425	15.03%	4,506,640,425	11.84%
<b>Total</b>	<b>10,110,257,612</b>	<b>100.00%</b>	<b>14,257,309,134</b>	<b>100.00%</b>	<b>29,988,427,326</b>	<b>100.00%</b>	<b>38,062,895,411</b>	<b>100.00%</b>
Total public Shareholders	3,273,833,479	32.38%	6,395,885,001	44.86%	9,505,332,793	31.70%	10,144,771,485	26.65%



Notes:

1. 688,000,000 Shares are held by Golden Coach Limited which is wholly and beneficially owned by Mr. Chan Chun Kuen. In addition, Mr. Chan Chun Kuen is personally interested in 9,000,000 Shares.
2. The number of shares includes 2,125,000,000 Shares assumed to be issued by conversion of the First Completion Convertible Notes by Perfect Sky so that its shareholding interest in the Company will be at least 50.94% of the enlarged issued share capital of the Company immediately after any closing of the Placing.

The shareholdings of the Directors (i) as at the date of this joint announcement; (ii) immediately after the completion of the Placing taking into account of the Intended Conversion (assuming no issue of the Shares between the date of this joint announcement and the date of the Placing and no conversion of the First Completion Convertible Notes other than the Intended Conversion); (iii) immediately after the allotment and issue of the Conversion Shares assuming full conversion of the First Completion Convertible Notes and the completion of the Placing; and (iv) upon the Second Completion (assuming the completion of the Placing, full conversion of the First Completion Convertible Notes and the Second Completion Convertible Notes and no issue of new Shares between the First Completion and the Second Completion), is or will be as follows:

Name of Directors	(i) as at the date of this joint announcement		(ii) immediately after the completion of the Placing taking into account of the Intended Conversion (assuming no issue of the Shares between the date of this joint announcement and the date of the Placing and no conversion of the First Completion Convertible Notes other than the Intended Conversion)		(iii) upon full conversion of the First Completion Convertible Notes and the completion of the Placing		(iv) upon the Second Completion (assuming the completion of the Placing, full conversion of the First Completion Convertible Notes and the Second Completion Convertible Notes and no issue of new Shares between the First Completion and the Second Completion)	
	Number of Shares	Approximate % of the total issued Shares	Number of Shares	Approximate % of the total issued Shares	Number of Shares	Approximate % of the total issued Shares	Number of Shares	Approximate % of the total issued Shares
Ms. Etsuko Hoshiyama	3,000,000	0.03%	3,000,000	0.02%	3,000,000	0.01%	3,000,000	0.01%
Mr. Chan Chi Yuen	2,300,000	0.02%	2,300,000	0.016%	2,300,000	0.007%	2,300,000	0.007%
Mr. Yeung Wai Hung, Peter	2,300,000	0.02%	2,300,000	0.016%	2,300,000	0.007%	2,300,000	0.007%
Mr. Wong Kam Choi	2,300,000	0.02%	2,300,000	0.016%	2,300,000	0.007%	2,300,000	0.007%
<b>Total</b>	<b>9,900,000</b>	<b>0.09%</b>	<b>9,900,000</b>	<b>0.07%</b>	<b>9,900,000</b>	<b>0.03%</b>	<b>9,900,000</b>	<b>0.03%</b>

## **REASONS FOR THE PLACING**

The Directors believe that the terms of the Placing which have been negotiated on an arm's length basis and in accordance with normal commercial terms, are fair, reasonable and in the interests of the Company and the Shareholders as a whole.

The Company is an investment holding company. The Group is principally engaged in the development and licensing of software and technology for use in connection with the provision of value added telecommunication services in respect of digital distribution of ringtones, games and media content to mobile phone users in the PRC; the sale of music recorded in digital format; and the entertainment business.

With the recent Share Subscription and CN Subscription exercise, the entertainment business of the Group has been strengthened after the new Shareholders, in particular, eSun who has brought opportunities to the Group to gradually diversify its entertainment business into other sectors such as music, film, artiste management, internet content licensing and television drama with primary focus in the PRC and Macau markets. The management of the Group has endeavoured to explore those opportunities to broaden the Group's income stream through business and/or assets acquisition.

The Placing, apart from bringing new capital to the Group for further development of its existing business and acquisition(s) of business and/or asset should suitable opportunities arise, will also broaden the shareholder base of the Company.

## **SUBSEQUENT EVENT**

Subsequent to the signing of the Placing Agreement, the Placing Agent has informed the Company that Tencent and Atlantis have agreed to participate in the Placing.

The Company is pleased to note that the Group may leverage on the experience and expertise of Tencent in the internet industry to strengthen the Group's development in other sectors such as new media and internet content operation.

To the best of the knowledge, information and belief of the Directors, Tencent and Atlantis and their respective ultimate beneficial owners are Independent Third Parties.

## **USE OF PROCEEDS**

Assuming all the Placing Shares are placed under the Placing Agreement, the estimated net proceeds from the Placing (after deducting the placing commission of 0.75% of the amount equal to the Placing Price multiplied by the number of Placing Shares being placed, professional fees and other related expenses payable by the Company) are approximately HK\$401,095,000 which are intended to be used for building up the Company's media and entertainment businesses including film production, television drama production and distribution, events management, investment in movie cinemas and artiste management, all with the primary focus in the PRC and Macau markets, and for general working capital purposes of the Group.

## FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Set out below are the particulars of the fund raising activities completed by the Company in the 12-month period immediately preceding the date of this joint announcement:

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds</b>	<b>Proposed use of the net proceeds</b>	<b>Actual use of net proceeds</b>
31 March 2011 and 9 June 2011	The allotment and issue of 6,918,343,209 Shares for a total consideration of HK\$118,613,358 and the issue of the First Completion Convertible Notes with an aggregate principal amount of HK\$371,386,642	Approximately HK\$475,000,000	Net Proceeds of approximately HK\$475,000,000 were intended to be used for (i) film production, (ii) television drama production and distribution in the PRC, (iii) events management, (iv) investment in movie cinemas in the PRC, (v) artiste management, and (vi) general working capital	Being used as intended

Save as disclosed above, the Company has not conducted any fund raising activities by way of issuing equity securities in the 12-month period immediately preceding the date of this joint announcement.

## GENERAL INFORMATION

An application will be made by the Company to the Stock Exchange for the grant of approval for the listing of, and permission to deal in, the Placing Shares.

### Information of eSun

eSun is an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange. eSun acts as an investment holding company and the principal business activities of its subsidiaries include the development and operation of and investment in media, entertainment as well as music production and distribution, the investment in and production and distribution of film and video format products, the provision of advertising agency services and the sale of cosmetics products. eSun also owns a 40.58% shareholding interest in Lai Fung Holdings Limited, an investment holding company listed on the Main Board of the Stock Exchange and the principal business activities of whose subsidiaries are property investment and development in the PRC.

### Information of the Company

The Company is an investment holding company, the issued shares of which are listed and traded on the GEM of the Stock Exchange. The Company and its subsidiaries are principally engaged in the development and licensing of software and technology for use in connection with the provision of value-added telecommunication services in respect of digital distribution of ringtones, games and media content to mobile phone users in the PRC; the sale of music recorded in digital format; and the entertainment business.

## DEFINITIONS

In this joint announcement, the following expressions have the respective meanings set out below unless the context otherwise requires:

“acting in concert”	has the same meaning ascribed to it in the Takeovers Code
“associate(s)”	has the same meaning ascribed to it in the GEM Listing Rules or the Listing Rules (as the case may be), unless otherwise specified
“Atlantis”	Atlantis Investment Management (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday and public holiday) on which licensed banks in Hong Kong and the PRC are generally open for business in Hong Kong and the PRC
“BVI”	British Virgin Islands
“Closing Date”	each date on which any tranche of the Placing Shares will be allotted and issued to the Placees in exchange for the payment of the net proceeds of that particular tranche of the Placing to the Company, which shall be the date falling two Business Days after the fulfilment of all the conditions referred to in the Placing Agreement; provided that no Closing Date shall be later than the Long Stop Date unless mutually agreed between the Company and the Placing Agent
“CN Subscription”	subscription of the convertible notes in accordance with the terms of the Subscription Agreement
“Company”	Rojam Entertainment Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda as an exempted company with limited liability, the issued Shares of which are listed and traded on the GEM (Stock Code: 8075)
“connected person(s)”	has the same meaning ascribed to it under the GEM Listing Rules or the Listing Rules (as the case may be)
“Conversion Share(s)”	any Share(s) to be issued by the Company pursuant to the conversion of the First Completion Convertible Notes or the exercise of the Share Options
“Director(s)”	the director(s) of the Company
“eSun”	eSun Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 571)
“First Completion Convertible Notes”	the 3 years to maturity, zero coupon convertible notes issued by the Company on 9 June 2011 with an aggregate principal amount of HK\$371,386,642 outstanding

“First Completion Date”	9 June 2011
“Forthcoming AGM”	the forthcoming annual general meeting of the Company to be held on 20 August 2011 to, amongst other matters, receive and adopt the audited financial statements and the reports of the Directors and independent auditors of the Company for the year ended 31 March 2011
“GEM”	the Growth Enterprise Market the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“General Mandate”	the mandate to be granted to the Directors by the Shareholders at the Forthcoming AGM to allot, issue and deal with up to 20% of the issued share capital of the Company as at the date of the Forthcoming AGM
“Grace Promise”	Grace Promise Limited, a company incorporated in the BVI with limited liability
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a party(ies) who is/are independent of and is/are not connected with any of the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates
“Last Trading Day”	28 July 2011, being the last trading date of the Shares on the GEM prior to the release of this joint announcement
“Laws”	any rules, regulations or requirements of GEM, SFC or any applicable law, decree, judgement, legislation, order, regulation, statute, ordinance, treaty or other legislative measure
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the earlier of (i) the date falling on the expiration of three months from the date of the Company renewing the General Mandate; or (ii) the Closing Date of the final tranche of the Placing by which all the Placing Shares would have been placed to the Placees, or such later date as agreed between the Company and the Placing Agent

“Macau”	the Macau Special Administrative Region of the PRC
“Memestar”	Memestar Limited, a company incorporated in the BVI with limited liability
“Next Gen”	Next Gen Entertainment Limited, a company incorporated in the BVI with limited liability
“On Chance”	On Chance Inc., a company incorporated in the BVI with limited liability
“Percentage Ratio(s)”	the percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“Perfect Sky”	Perfect Sky Holdings Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of eSun
“Placee(s)”	any institutional, corporate or individual investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the terms of the Placing Agreement
“Placing”	the placing of up to 2,022,051,522 Placing Shares by the Placing Agent pursuant to the terms of the Placing Agreement
“Placing Agent”	CLSA Limited
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 28 July 2011 in relation to the Placing
“Placing Price”	HK\$0.20 per Placing Share
“Placing Share(s)”	up to 2,022,051,522 Share(s) to be placed by the Placing Agent pursuant to the Placing Agreement
“Placing Supplement”	one or more supplementary agreements to be entered into between the Company and the Placing Agent to record and confirm the final number of the Placing Shares and the settlement mechanics for each tranche of the Placing, substantially in the form as set out in the Placing Agreement unless otherwise agreed between the Company and the Placing Agent
“PRC”	the People’s Republic of China but for the purpose of this joint announcement, excluding Hong Kong, Macau and Taiwan
“Second Completion”	completion of the subscription of the Second Completion Convertible Notes

“Second Completion Convertible Notes”	the 3 years to maturity, zero coupon convertible notes with an aggregate principal amount of HK\$224,873,937 to be issued by the Company on the Second Completion Date
“Second Completion Date”	the first anniversary of the First Completion Date
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option(s)”	the options granted by the Company on 15 November 2010 under the Share Option Scheme to subscribe for an aggregate of 230,600,000 Shares at an initial price of HK\$0.198 per Share (subject to adjustment), 135,800,000 Shares of which have been exercised, 25,800,000 Shares have lapsed and 69,000,000 Shares have been cancelled
“Share Option Scheme”	the share option scheme of the Company approved by the Shareholders on 19 November 2009
“Share Subscription”	subscription of the Shares in accordance with the terms of the Subscription Agreement
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Investor(s)”	corporate investor(s) which, in the Placing Agent’s reasonable opinion, is/are international renowned companies with the capability of adding value to the business prospects of the Group
“Subscription Agreement”	the subscription agreement dated 23 March 2011 amongst the Company, Perfect Sky, Sun Great, Next Gen, Memestar, On Chance and Grace Promise
“subsidiary”	has the same meaning ascribed to it in the Listing Rules
“Sun Great”	Sun Great Investments Limited, a company incorporated in the BVI with limited liability
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Tencent”	Tencent Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 700)

“United States”

the United States of America

“%”

per cent.

By order of the board  
**eSun Holdings Limited**  
**Kwok Siu Man**  
*Company Secretary*

By order of the Board  
**Rojam Entertainment Holdings Limited**  
**Lui Siu Tsuen, Richard**  
*Executive Director*

Hong Kong, 28 July 2011

*As at the date of this joint announcement, the Board comprises seven executive directors, namely Dr. Lam Kin Ngok, Peter (Chairman), Mr. Yu Feng, Mr. Lui Siu Tsuen, Richard, Mr. Chan Chi Kwong, Ms. Etsuko Hoshiyama, Mr. Chan Chi Ming, Alvin and Mr. Luk Hong Man, Hammond; and four independent non-executive directors, namely Mr. Chan Chi Yuen, Mr. Zhang Xi, Mr. Yeung Wai Hung, Peter and Mr. Wong Kam Choi.*

*This joint announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge, information and belief, the information contained in this joint announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this joint announcement misleading.*

*As at the date of this joint announcement, the board of directors of eSun comprises four executive directors, namely Dr. Lam Kin Ngok, Peter and Messrs. Lui Siu Tsuen, Richard (Chief Executive Officer), Cheung Wing Sum, Ambrose and Cheung Sum, Sam; five non-executive directors, namely Mr. Low Chee Keong (Chairman), Madam U Po Chu, Mr. Lo Kwok Kwei, David, Mr. Albert Thomas da Rosa, Junior and Miss Leung Churk Yin, Jeanny; and three independent non-executive directors, namely Mr. Tong Ka Wing, Carl (Deputy Chairman), Mr. Alfred Donald Yap and Dr. Ng Lai Man, Carmen.*

*The members of the board of directors of eSun jointly and severally accept full responsibility for the accuracy of the joint information contained in this joint announcement (other than those relating to the Group and the Placing) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Group and the Placing) 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.*