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## LAI FUNG HOLDINGS

Lai Fung Holdings Limited  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 1125)

### PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform that the Group is expected to record a consolidated loss attributable to the owners of the Company for the six months ended 31 January 2020 as compared to a consolidated profit for the six months ended 31 January 2019, which is primarily due to the decrease in fair value of the investment properties held by the Group, which will result in the recognition of a significant fair value loss arising from revaluation of the Group's investment properties for the six months ended 31 January 2020.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by Lai Fung Holdings Limited (“**Company**”, and together with its subsidiaries, “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance, Chapter 571, the Laws of Hong Kong (“**SFO**”).

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries include property development for sale, property investment, and development and operation of and investment in cultural, leisure, entertainment and related facilities in the People's Republic of China. Based on the preliminary unaudited consolidated management accounts of the Group, the board of directors of the Company (“**Board**” and “**Directors**”, respectively) wishes to inform shareholders of the Company (“**Shareholders**”) and potential investors that the Group is expected to record a consolidated loss attributable to the owners of the Company for the six months ended 31 January 2020 (“**Period**”) as compared to a consolidated profit for the six months ended 31 January 2019.

The decline in the Group's results for the Period is primarily due to the decrease in fair value of the investment properties held by the Group, which will result in the recognition of a significant fair value loss arising from revaluation of the Group's investment properties for the Period.

As the Group's unaudited interim results for the Period have not yet been finalised, the information contained in this announcement is based on information that is currently available and the preliminary unaudited consolidated management accounts of the Group which have not yet been reviewed by the Company's audit committee. The unaudited interim results of the Group for the Period are expected to be published in late March 2020.

Reference is made to the announcement ("**Rule 3.5 Announcement**") jointly issued by Lai Sun Garment (International) Limited, Lai Sun Development Company Limited, Holy Unicorn Limited (as the Offeror), eSun Holdings Limited and the Company on 21 February 2020 in relation to, among other things, the LF Offers (as defined in the Rule 3.5 Announcement).

The profit warning included in this announcement ("**Profit Warning**") constitutes a profit forecast under Rule 10 of The Code on Takeovers and Mergers of Hong Kong ("**Takeovers Code**") issued by the Securities and Futures Commission of Hong Kong and should be reported on by the Company's financial adviser and auditors or accountants in accordance with Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and the Inside Information Provisions, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code.

Under Rule 10.4 of the Takeovers Code, if the Profit Warning is published first in an announcement, it must be repeated in full, together with the reports from the Company's financial advisers and auditors or accountants on the said profit forecast, in the next document to be sent to the Shareholders. The Profit Warning will be reported on by the Company's financial advisers and auditors or accountants as soon as possible in compliance with the Takeovers Code and such reports will be contained in the next document to be issued by the Company to the Shareholders ("**Shareholders' Document**"). However, if the interim results announcement for the six months ended 31 January 2020 which fall within the ambit of Rule 10.9 of the Takeovers Code have been published by the time of release of the next Shareholders' Document and the relevant results together with the notes to the financial statements are included in the next Shareholders' Document, the requirements to report on the Profit Warning under Rule 10.4 of the Takeovers Code will no longer apply.

**Shareholders and potential investors of the Company should note that the Profit Warning has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the LF Offers (as defined in the Rule 3.5 Announcement). Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 20 March 2020

*As at the date of this announcement, the Board comprises eight 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 and Messrs. Cheng Shin How, Lee Tze Yan, Ernest and Tham Seng Yum, Ronald; 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 jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*