

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## LAI FUNG HOLDINGS

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

### **RENEWAL OF CONTINUING CONNECTED TRANSACTION LAISUN CREATIVE CULTURE PROPERTY MANAGEMENT SERVICES AGREEMENT**

Reference is made to the Company's announcement dated 23 July 2019 in relation to, among other things, the Previous Laisun Creative Culture Property Management Services Agreement.

In contemplation of the expiry of the Previous Laisun Creative Culture Property Management Services Agreement on 30 September 2022, the Board announces that on 30 September 2022, Novotown Business Management and Laisun Creative Culture entered into the Laisun Creative Culture Property Management Services Agreement to renew the continuing connected transactions contemplated under the Previous Laisun Creative Culture Property Management Services Agreement for a term of one year commencing from 1 October 2022 to 30 September 2023.

#### **LISTING RULES IMPLICATIONS**

LSD is an intermediate holding company of the Company with an, approximately, 55.08% shareholding interest in the Company and hence a connected person of the Company at the issuer level. Therefore, Laisun Creative Culture is a connected subsidiary of the Company pursuant to Rule 14A.16(2) of the Listing Rules by virtue of being an indirect subsidiary of Rosy Commerce, which is in turn a connected subsidiary of the Company controlled as to 20% by LSD indirectly. Accordingly, the Laisun Creative Culture Property Management Services Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Reference is made to the Company's announcement dated 29 July 2022 in relation to the Novotown Creative Culture Property Management Services Agreement and the Novotown Entertainment Property Management Services Agreement. Pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, as the transactions under the Laisun Creative Culture Property Management Services Agreement, the Novotown Creative Culture Property Management Services Agreement and the Novotown Entertainment Property Management Services Agreement are of similar nature and have been entered into with parties who are connected with one another within a 12-month period, the Laisun Creative Culture Property Management Services Agreement is required to be aggregated with the Novotown Creative Culture Property Management Services Agreement and the Novotown Entertainment Property Management Services Agreement as a series of transactions.

As one or more of the applicable percentage ratios in respect of the Annual Caps and when aggregated with the Novotown Creative Culture Property Management Services Agreement and the Novotown Entertainment Property Management Services Agreement, is higher than 0.1% but less than 5%, and all of the applicable percentage ratios are less than 5%, the Laisun Creative Culture Property Management Services Agreement is subject to the reporting, annual review and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **THE LAISUN CREATIVE CULTURE PROPERTY MANAGEMENT SERVICES AGREEMENT**

Reference is made to the Company's announcement dated 23 July 2019 in relation to, among other things, the Previous Laisun Creative Culture Property Management Services Agreement.

In contemplation of the expiry of the Previous Laisun Creative Culture Property Management Services Agreement on 30 September 2022, the Board announces that on 30 September 2022, Novotown Business Management and Laisun Creative Culture entered into the Laisun Creative Culture Property Management Services Agreement to renew the continuing connected transactions contemplated under the Previous Laisun Creative Culture Property Management Services Agreement for a term of one year commencing from 1 October 2022 to 30 September 2023, the principal terms of which are set out below.

- Parties:
- (a) Novotown Business Management (as the service provider); and
  - (b) Laisun Creative Culture (as the customer).

Property to be managed: Novotown Phase I office, cultural workshop, commercial area, cultural studios and 1,844 car parking spaces of Novotown Phase I except the cultural workshops and cultural studios which have been sold and delivered to the owners and the commercial areas which have been leased to the tenants, including Novotown Creative Culture and Novotown Entertainment.

Subject matter: Novotown Business Management will provide to Laisun Creative Culture the following services, amongst others, various property management services, the scope of which includes cleaning and maintenance of common areas, greening and landscape maintenance, security control, parking and carparks management, maintenance and management of common facilities and fire safety control.

The transactions under the Laisun Creative Culture Property Management Services Agreement are in the ordinary and usual course of business of the Group.

Term: From 1 October 2022 to 30 September 2023

Payment and pricing policy: Laisun Creative Culture will pay to Novotown Business Management a monthly property management fee, to be calculated based on the agreed charging rates applicable to different types of properties and the gross floor area of the relevant properties to be managed. Details of the monthly charging rates of property management fee are set out below:

<b>Types of property</b>	<b>Monthly management fee (based on gross floor area) <i>(RMB/square meter)</i></b>
Commercial area	33
Office	22
Cultural studios	9
Cultural workshop	6

The payment for the services to be provided by Novotown Business Management has been determined on an arm’s length basis by reference to the market price of services of comparable nature in Zhuhai City.

The fees to be charged by Novotown Business Management under the Laisun Creative Culture Property Management Services Agreement are considered by the Company to be within a reasonable range of fees in the market for a similar scope of services.

Historical annual caps  
(value-added tax inclusive):

The historical annual caps for the amount payable to Novotown Business Management under the Previous Laisun Creative Culture Property Management Services Agreement for the years ended 31 July 2020, 2021 and 2022 are set out below:

	<b>For the year ended 31 July</b>		
	<b>2020</b>	<b>2021</b>	<b>2022</b>
	<i>(in HK\$ millions)</i>		
Historical annual caps	59.1	70.9	70.9

Historical transaction amounts  
(value-added tax inclusive):

The historical transaction amounts under the Previous Laisun Creative Culture Property Management Services Agreement for the period from 1 October 2019 to 31 July 2020, and for the years ended 31 July 2021 and 2022 are set out below:

	<b>From</b>	<b>For the</b>	<b>For the</b>
	<b>1 October</b>	<b>year ended</b>	<b>year ended</b>
	<b>2019 to</b>	<b>31 July</b>	<b>31 July</b>
	<b>31 July</b>	<b>2021</b>	<b>2022</b>
	<b>2020</b>	<i>(in HK\$ millions)</i>	
Transaction amounts	0.8	3.1	1.9

Annual caps (value-added  
tax inclusive):

The maximum annual amount payable to Novotown Business Management under the Laisun Creative Culture Property Management Services Agreement for the period from 1 October 2022 to 31 July 2023 and for the period from 1 August to 30 September 2023 will not exceed the caps set out below:

	<b>From</b>	<b>From</b>
	<b>1 October</b>	<b>1 August to</b>
	<b>2022 to</b>	<b>30 September</b>
	<b>31 July 2023</b>	<b>2023</b>
	<i>(in HK\$ millions)</i>	
Transaction amounts	30.0	6.0

Basis of determining annual caps:

The above annual caps are determined with reference to (i) the gross floor area of different type of properties of Novotown Phase I requiring property management services; (ii) the rates chargeable by Novotown Business Management per square metre of each type of the properties of Novotown Phase I requiring property management services; (iii) the expected incentive rates paid on behalf of the buyers of properties of Novotown Phase I by Laisun Creative Culture to Novotown Business Management; and (iv) a reasonable buffer to cater for any unexpected property management work and exchange rate fluctuations.

## **REASONS FOR, AND BENEFITS OF, ENTERING INTO THE LAISUN CREATIVE CULTURE PROPERTY MANAGEMENT SERVICES AGREEMENT**

The Directors are of the view that it is in the interest of the Group to enter into the Laisun Creative Culture Property Management Services Agreement since it will provide the Company with recurring revenue and is in the interest of the Group to better manage the premises as well as ensure quality property management practices being in place in Novotown Phase I.

In view of the above, the Directors (other than the Excluded Directors) consider that (i) the terms of the Laisun Creative Culture Property Management Services Agreement are on normal commercial terms that are fair and reasonable; (ii) the Annual Caps are fair and reasonable; and (iii) the continuing connected transactions contemplated under the Laisun Creative Culture Property Management Services Agreement are and will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION IN RELATION TO THE GROUP, LSD GROUP, NOVOTOWN BUSINESS MANAGEMENT, ROSY COMMERCE AND LAISUN CREATIVE CULTURE**

### **The Group**

The principal activity of the Company is investment holding. The principal activities of the Group include property development for sale, property investment, and development and operation of and investment in cultural, leisure, entertainment and related facilities in the PRC.

## **LSD Group**

LSD is a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange. The LSD Group is principally engaged in property investment, property development, investment in and operation of hotels and restaurants, media and entertainment, music production and distribution, films, video format products and television programmes production and distribution, cinema operation, cultural, leisure, entertainment and related facilities and investment holding.

## **Novotown Business Management**

Novotown Business Management is a wholly-owned subsidiary of the Company established in the PRC. It is principally engaged in provision of property management services for properties of the Group in Hengqin, Zhuhai City, Guangdong Province of the PRC.

## **Rosy Commerce and Laisun Creative Culture**

Rosy Commerce is an investment holding company incorporated in the British Virgin Islands with limited liability and is directly owned by LFHQ (an indirect wholly-owned subsidiary of the Company) and BHL (an indirect wholly-owned subsidiary of LSD) as to 80% and 20%, respectively. Rosy Commerce is principally engaged in (a) Project Development through Laisun Creative Culture, an indirect non wholly-owned subsidiary of Rosy Commerce; (b) the NGUX Business through Novotown Creative Culture; and (c) the LEW Business through Novotown Entertainment.

## **LISTING RULES IMPLICATIONS**

LSD is an intermediate holding company of the Company with an, approximately, 55.08% shareholding interest in the Company and hence a connected person of the Company at the issuer level. Therefore, Laisun Creative Culture is a connected subsidiary of the Company pursuant to Rule 14A.16(2) of the Listing Rules by virtue of being an indirect subsidiary of Rosy Commerce, which is in turn a connected subsidiary of the Company controlled as to 20% by LSD indirectly. Accordingly, the Laisun Creative Culture Property Management Services Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Reference is made to the Company's announcement dated 29 July 2022 in relation to the Novotown Creative Culture Property Management Services Agreement and the Novotown Entertainment Property Management Services Agreement. Pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, as the transactions under the Laisun Creative Culture Property Management Services Agreement, the Novotown Creative Culture Property Management Services Agreement and the Novotown Entertainment Property Management Services Agreement are of similar nature and have been entered into with parties who are connected with one another within a 12-month period, the Laisun Creative Culture Property Management Services Agreement is required to be aggregated with the Novotown Creative Culture Property Management Services Agreement and the Novotown Entertainment Property Management Services Agreement as a series of transactions.

As one or more of the applicable percentage ratios in respect of the Annual Caps and when aggregated with the Novotown Creative Culture Property Management Services Agreement and the Novotown Entertainment Property Management Services Agreement, is higher than 0.1% but less than 5%, and all of the applicable percentage ratios are less than 5%, the Laisun Creative Culture Property Management Services Agreement is subject to the reporting, annual review and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Each of the Excluded Directors had declared his/her interest in the Laisun Creative Culture Property Management Services Agreement by virtue of his/her relationship with LSD and hence with Laisun Creative Culture, and had abstained from voting on the relevant Board resolutions in respect of the Laisun Creative Culture Property Management Services Agreement and the transactions contemplated thereunder.

Save as disclosed above, none of the Directors has an interest in the Laisun Creative Culture Property Management Services Agreement, and therefore no other Directors had abstained from voting on the relevant Board resolutions in respect of the Laisun Creative Culture Property Management Services Agreement and the transactions contemplated thereunder.

## **DEFINITIONS**

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

“Annual Caps”	the proposed annual caps for the continuing connected transactions contemplated under the Laisun Creative Culture Property Management Services Agreement;
“BHL”	Bravo Heart Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of LSD;
“Board”	the board of Directors;
“Company”	Lai Fung Holdings Limited (麗豐控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1125);
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Excluded Directors”	Mr. Chew Fook Aun, Mr. Lam Hau Yin, Lester, Madam U Po Chu, Mr. Lee Tze Yan, Ernest and Mr. Lam Bing Kwan, all being a director of LSD;

“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Laisun Creative Culture”	珠海橫琴麗新文創天地有限公司 (Zhuhai Hengqin Laisun Creative Culture City Co., Ltd.*), a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of Rosy Commerce;
“Laisun Creative Culture Property Management Services Agreement”	the agreement entered into between Novotown Business Management (as the service provider) and Laisun Creative Culture (as the customer) on 30 September 2022 in relation to the provision of property management services for a term of one year from 1 October 2022 to 30 September 2023;
“Land”	the piece of land located at the east side of Yiwener Road, south side of Caihong Road, west side of Tianyu Road and north side of Hengqin Road, Hengqin New Area, Zhuhai City, Guangdong Province of the PRC* (中國廣東省珠海市橫琴新區藝文二道東側、彩虹路南側、天羽道西側及橫琴大道北側);
“LEW Business”	the internal build-out, fitting, development and operation of themed indoor experience centres named Lionsgate Entertainment World™ using the intellectual property licenses granted by Lionsgate LBE, Inc.;
“LFHQ”	Lai Fung (Hengqin) Development Company Limited (麗豐(橫琴)發展有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“LSD”	Lai Sun Development Company Limited (麗新發展有限公司), a company incorporated in Hong Kong with limited liability and the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 488);



“LSD Group”	LSD and its subsidiaries;
“NGUX Business”	the internal build-out, fitting, development and operation of themed indoor experience centres named National Geographic Ultimate Explorer using the intellectual property licenses granted by National Geographic Partners, LLC;
“Novotown Business Management”	珠海橫琴創新方商業管理有限公司 (Zhuhai Hengqin Novotown Business Management Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company;
“Novotown Creative Culture”	珠海橫琴創新方文化創意有限公司 (Zhuhai Hengqin Novotown Creative Culture Co., Ltd.*), a company established in the PRC with limited liability and an indirect 70%-owned subsidiary of Rosy Commerce;
“Novotown Creative Culture Property Management Services Agreement”	the agreement entered into between Novotown Creative Culture (as the customer) and Novotown Business Management (as the service provider) on 29 July 2022 in relation to the provision of property management services for a term of 35 months from 1 September 2022 to 31 July 2025;
“Novotown Entertainment”	珠海橫琴創新方娛樂有限公司 (Zhuhai Hengqin Novotown Entertainment Co., Ltd.*), a company established in the PRC with limited liability and an indirect 70%-owned subsidiary of Rosy Commerce;
“Novotown Entertainment Property Management Services Agreement”	the agreement entered into between Novotown Entertainment (as the customer) and Novotown Business Management (as the service provider) on 29 July 2022 in relation to the provision of property management services for a term of three years from 1 August 2022 to 31 July 2025;
“Novotown Phase I”	Zhuhai Hengqin Novotown Project (Phase I)* (珠海橫琴創新方項目一期), a property comprising cultural related facilities which was built on the Land;
“PRC”	the People’s Republic of China and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;

“Previous Laisun Creative Culture Property Management Services Agreement”	the agreement entered into between Novotown Business Management (as the service provider) and Laisun Creative Culture (as the customer) on 23 July 2019 in relation to the provision of property management services for a term of three years from 1 October 2019 to 30 September 2022;
“Project Development”	holding the Land and owning, undertaking the development of and operating the development project of Novotown Phase I;
“RMB”	Renminbi, the lawful currency of the PRC;
“Rosy Commerce”	Rosy Commerce Holdings Limited (業佳控股有限公司), a company incorporated in the British Virgin Islands with limited liability and directly owned by LFHQ and BHL as to 80% and 20%, respectively;
“Share(s)”	the ordinary share(s) of HK\$5.00 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules; and
“%”	per cent.

\* *All the English translations of certain Chinese names or words in this announcement are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

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

Hong Kong, 30 September 2022

*As at the date of this announcement, the Board comprises six Executive Directors, namely Mr. Chew Fook Aun (Chairman), Mr. Lam Kin Hong, Matthew (Executive Deputy Chairman), Mr. Lam Hau Yin, Lester (Chief Executive Officer) (also alternate to Madam U Po Chu), Madam U Po Chu, Mr. Cheng Shin How and Mr. Lee Tze Yan, Ernest; 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.*