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LAI FUNG HOLDINGS

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

ANNOUNCEMENT PURSUANT TO RULE 13.18 OF THE LISTING RULES

This announcement is made pursuant to Rule 13.18 of the Listing Rules with respect to (i) the Offshore Facility Agreement entered into on 28 March 2013 by the Company, as borrower; and (ii) the Onshore Facility Agreement entered into on 28 March 2013 by Li Xing (an indirect 95%-owned subsidiary of the Company), Good Strategy (an indirect wholly-owned subsidiary of the Company) and Jieli (an indirect 77.5%-owned subsidiary of the Company), as borrowers. The Facility Agreements contain a specific performance obligation imposed on the Lam Family Holders.

BACKGROUND

The Board announces that on 28 March 2013 (i) the Company has entered into the Offshore Facility Agreement as borrower, and (ii) Li Xing (an indirect 95%-owned subsidiary of the Company), Good Strategy (an indirect wholly-owned subsidiary of the Company) and Jieli (an indirect 77.5%-owned subsidiary of the Company) have entered into the Onshore Facility Agreement as borrowers. Pursuant to Rule 13.18 of the Listing Rules, the Company discloses the following information in connection with the Facility Agreements which contain a specific performance obligation imposed on the Lam Family Holders.

THE OFFSHORE FACILITY AGREEMENT

(1) General

On 28 March 2013, the Company as borrower, entered into the Offshore Facility Agreement.

Under the Offshore Facility Agreement, lenders will make available to the Company a secured term and revolving loan facility of up to the aggregate amount of HK\$2,500 million. Any loan made under the Offshore Facility Agreement must be repaid on or before the date which is thirty-six (36) months from the date of the Offshore Facility Agreement.

(2) Specific Performance Obligation

The Offshore Facility Agreement contains a specific performance obligation imposed on the Lam Family Holders. The Lam Family Holders are required, at all times during the Facility Period, to remain as the single largest shareholder of the Company (directly or indirectly) (the “**Specific Performance Obligation**”).

(3) Impact of breach of the Specific Performance Obligation under the Offshore Facility Agreement

Failure to comply with the Specific Performance Obligation under the Offshore Facility Agreement will constitute an event of default under the Offshore Facility Agreement, entitling the lenders of the Offshore Facility to (i) declare the loans drawn down under the Offshore Facility immediately due and payable together with all accrued interest thereon; (ii) prevent further utilisation of the Offshore Facility and cancel the outstanding commitments under the Offshore Facility; and (iii) enforce the security created under the security documents securing the Company’s obligations under the Offshore Facility Agreement.

THE ONSHORE FACILITY AGREEMENT

(1) General

On 28 March 2013, Li Xing, Good Strategy and Jieli as borrowers, entered into the Onshore Facility Agreement.

Under the Onshore Facility Agreement, lenders will make available to Li Xing, Good Strategy and Jieli a secured term loan facility of up to the aggregate amount of approximately HK\$1,050 million equivalent. Any loan made under the Onshore Facility Agreement must be repaid on or before the date which is thirty-six (36) months from the date of the Onshore Facility Agreement.

(2) Specific Performance Obligation

The Onshore Facility Agreement also contains the Specific Performance Obligation.

(3) Impact of breach of the Specific Performance Obligation under the Onshore Facility Agreement

Failure to comply with the Specific Performance Obligation under the Onshore Facility Agreement will constitute an event of default under the Onshore Facility Agreement, entitling the lenders of the Onshore Facility to (i) declare the loans drawn down under the Onshore Facility immediately due and payable together with all accrued interest thereon; (ii) prevent further utilisation of the Onshore Facility and cancel the outstanding commitments under the Onshore Facility; and (iii) enforce the security created under the security documents securing the obligations of Li Xing, Good Strategy and Jieli under the Onshore Facility Agreement.

This announcement is made pursuant to Rule 13.18 of the Listing Rules. In accordance with Rule 13.21 of the Listing Rules, disclosure will be included in subsequent interim and annual reports of the Company for so long as the Specific Performance Obligation imposed on the Lam Family Holders under the Facility Agreements continues to exist.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following respective meanings:

“Board”	the board of directors of the Company;
“Company”	Lai Fung Holdings Limited, 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;
“Facility Agreements”	the Offshore Facility Agreement and the Onshore Facility Agreement;
“Facility Period”	a period up to three years commencing on the date of execution of the Facility Agreements;
“Good Strategy”	Good Strategy Limited, a company incorporated in the British Virgin Islands with limited liability, and an indirect wholly-owned subsidiary of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Jieli”	Guangzhou Jieli Real Estate Company Limited, a limited liability company established and validly existing under the laws of the PRC, and an indirect 77.5%-owned subsidiary of the Company;
“Lam Family Holders”	means (a) Dr. Lam Kin Ngok, Peter, or any trust established by him for his own benefit or for the benefit of his family members, or (b) any Lam Family Affiliate as defined in the Facility Agreements, or (c) any company or trust which is owned 70% or more by persons (including trust beneficiaries) specified in (a) or (b); for the avoidance of doubt, Lai Sun Garment (International) Limited, Lai Sun Development Company Limited and eSun Holdings Limited are deemed Lam Family Affiliates as defined in the Facility Agreements;
“Li Xing”	Shanghai Li Xing Real Estate Development Co., Ltd., a limited liability company established and validly existing under the laws of the PRC and a 95%-owned subsidiary of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Offshore Facility”	the secured term and revolving loan facility of up to the aggregate amount of HK\$2,500 million made available under the Offshore Facility Agreement;
“Offshore Facility Agreement”	the facility agreement dated 28 March 2013 and entered into by and between, inter alia, the Company as borrower, the guarantors listed therein as guarantors, Deutsche Bank AG, Hong Kong Branch as the facility agent and the financial institutions listed therein as lenders;

“Onshore Facility”	the secured term loan facility of up to the aggregate amount of approximately HK\$1,050 million equivalent made available under the Onshore Facility Agreement;
“Onshore Facility Agreement”	the facility agreement dated 28 March 2013 and entered into by and between, inter alias, Li Xing, Good Strategy and Jieli as borrowers and the Company as guarantor, Deutsche Bank (China) Co., Ltd., Shanghai Branch as the facility agent and security agent and the financial institutions listed therein as lenders;
“PRC”	the People’s Republic of China and for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“subsidiary”	has the meaning ascribed to it under the Listing Rules.

By Order of the Board
Lai Fung Holdings Limited
Yim Lai Wa
Company Secretary

Hong Kong, 28 March 2013

As at the date of this announcement, the Board comprises seven 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, Mr. Lau Shu Yan, Julius and Mr. Cheng Shin How; two non-executive directors, namely Mr. Leow Juan Thong, Jason and Mr. Lucas Ignatius Loh Jen Yuh (also alternate to Mr. Leow Juan Thong, Jason); 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.