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## LAI FUNG HOLDINGS

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

### **CONTINUING CONNECTED TRANSACTIONS**

### **PROPERTY MANAGEMENT SERVICES AGREEMENTS AND COST-SHARING AGREEMENTS**

#### **PROPERTY MANAGEMENT SERVICES AGREEMENTS**

On 16 July 2019, Novotown Business Management and Novotown Creative Culture entered into the Novotown Creative Culture Property Management Services Agreement, pursuant to which Novotown Business Management will provide property management services to Novotown Creative Culture from 1 September 2019 to 31 August 2022.

On 16 July 2019, Novotown Business Management and Novotown Entertainment entered into the Novotown Entertainment Property Management Services Agreement, pursuant to which Novotown Business Management will provide property management services to Novotown Entertainment from 1 August 2019 to 31 July 2022.

#### **COST-SHARING AGREEMENTS**

On 16 July 2019, Novotown Business Management and Laisun Creative Culture entered into the Laisun Creative Culture Cost-sharing Agreement, pursuant to which Novotown Business Management and Laisun Creative Culture will share the costs and expenses in connection with the use of the Head Lease Premises as staff quarter on a cost basis from 1 September 2019 to 30 April 2021.

On 16 July 2019, Novotown Business Management and Novotown Creative Culture entered into the Novotown Creative Culture Cost-sharing Agreement, pursuant to which Novotown Business Management and Novotown Creative Culture will share the costs and expenses in connection with the use of the Head Lease Premises as staff quarter on a cost basis from 1 September 2019 to 30 April 2021.

On 16 July 2019, Novotown Business Management and Novotown Entertainment entered into the Novotown Entertainment Cost-sharing Agreement, pursuant to which Novotown Business Management and Novotown Entertainment will share the costs and expenses in connection with the use of the Head Lease Premises as staff quarter on a cost basis from 1 September 2019 to 30 April 2021.

## **LISTING RULES IMPLICATIONS**

eSun is an intermediate holding company of the Company with an, approximately, 50.55% shareholding interest in the Company and hence a connected person of the Company at the issuer level. Therefore, each of Laisun Creative Culture, Novotown Creative Culture and Novotown Entertainment is a connected subsidiary of the Company pursuant to Rule 14A.16(2) 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 eSun indirectly. Accordingly, each of the Property Management Services Agreements and Cost-sharing Agreements constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions under each of the Property Management Services Agreements and Cost-sharing Agreements will be aggregated as a series of transactions.

As one or more of the applicable percentage ratios in respect of the annual caps under the Property Management Services Agreements, on an aggregated basis, is higher than 0.1% but less than 5%, and all of the applicable percentage ratios are less than 5%, all of the Property Management Services Agreements are 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.

As one or more of the applicable percentage ratios in respect of the annual caps under the Cost-sharing Agreements, on an aggregated basis, is higher than 0.1% but less than 5%, and all of the applicable percentage ratios are less than 5%, all of the Cost-sharing Agreements are 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.

## **CONTINUING CONNECTED TRANSACTIONS**

### **(I) The Novotown Creative Culture Property Management Services Agreement**

On 16 July 2019, Novotown Business Management and Novotown Creative Culture entered into the Novotown Creative Culture Property Management Services Agreement, pursuant to which Novotown Business Management will provide property management services to Novotown Creative Culture, the principal terms of which are set out below.

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

Property to be managed: Certain areas within Novotown Phase I with an approximate useable area of 4,948 square metres, where the NGUX Business operates, which were rented by Laisun Creative Culture to Novotown Creative Culture for a period of 10 years pursuant to a tenancy agreement dated 14 January 2019 entered into between them and as supplemented from time to time.

**Subject matter:** Novotown Business Management will provide to Novotown Creative Culture various property management services, the scope of which includes the repair and maintenance of common areas, operation and maintenance of common facilities, cleaning, greening and landscape maintenance, parking and carparks management, security control and file management of construction drawings.

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

**Term:** From 1 September 2019 to 31 August 2022

**Payment and pricing policy:** Novotown Creative Culture will pay to Novotown Business Management a monthly service fee of RMB321,620.

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 useable area of RMB65 per square metre, the market price of services of comparable nature and scale. The fees to be charged by Novotown Business Management under the Novotown 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 transaction amounts:** Nil

**Annual caps:** The maximum annual amount payable to Novotown Business Management under the Novotown Creative Culture Property Management Services Agreement for the years ending 31 July 2020, 2021 and 2022 will not exceed the caps set out below:

	<b>Year ending 31 July</b>		
	<b>2020</b>	<b>2021</b>	<b>2022</b>
	<i>(in HK\$ millions)</i>		
Total Fees	4.8	5.2	5.2

**Basis of determining annual caps:** The above annual caps are determined with reference to (i) the useable area of Novotown Phase I occupied by Novotown Creative Culture requiring the relevant property management services; (ii) the total property management fees payable to Novotown Business Management by Novotown Creative Culture on an annual basis; and (iii) a reasonable buffer to cater for any unexpected property management work.

## **(II) The Novotown Entertainment Property Management Services Agreement**

On 16 July 2019, Novotown Business Management and Novotown Entertainment entered into the Novotown Entertainment Property Management Services Agreement, pursuant to which Novotown Business Management will provide property management services to Novotown Entertainment, the principal terms of which are set out below.

Parties:	(a) Novotown Business Management (as the service provider); and  (b) Novotown Entertainment (as the customer).
Property to be managed:	Certain areas within Novotown Phase I with an approximate useable area of 22,874 square metres, where the LEW Business operates, which were rented by Laisun Creative Culture to Novotown Entertainment for a period of 10 years pursuant to a tenancy agreement dated 14 January 2019 entered into between them and as supplemented from time to time.
Subject matter:	Novotown Business Management will provide to Novotown Entertainment various property management services, the scope of which includes the repair and maintenance of common areas, operation and maintenance of common facilities, cleaning, greening and landscape maintenance, parking and carparks management, security control and file management of construction drawings.  The transactions under the Novotown Entertainment Property Management Services Agreement are in the ordinary and usual course of business of the Group.
Term:	From 1 August 2019 to 31 July 2022
Payment and pricing policy:	Novotown Entertainment will pay to Novotown Business Management a monthly service fee of RMB1,486,810.  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 useable area of RMB65 per square metre, the market price of services of comparable nature and scale. The fees to be charged by Novotown Business Management under the Novotown Entertainment 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 transaction amounts:	Nil

Annual caps: The maximum annual amount payable to Novotown Business Management under the Novotown Entertainment Property Management Services Agreement for the years ending 31 July, 2020, 2021 and 2022 will not exceed the caps set out below:

	<b>Year ending 31 July</b>		
	<b>2020</b>	<b>2021</b>	<b>2022</b>
		<i>(in HK\$ millions)</i>	
Total Fees	23.8	23.8	23.8

Basis of determining annual caps: The above annual caps are determined with reference to (i) the useable area of Novotown Phase I occupied by Novotown Entertainment requiring the relevant property management services; (ii) the total property management fees payable to Novotown Business Management by Novotown Entertainment on an annual basis; and (iii) a reasonable buffer to cater for any unexpected property management work.

### **(III) The Laisun Creative Culture Cost-sharing Agreement**

On 16 July 2019, Novotown Business Management and Laisun Creative Culture entered into the Laisun Creative Culture Cost-sharing Agreement, pursuant to which Novotown Business Management and Laisun Creative Culture will share the costs and expenses in connection with the use of the Head Lease Premises as staff quarter on a cost basis. The principal terms of the Laisun Creative Culture Cost-sharing Agreement are set out below.

Parties: (a) Novotown Business Management; and  
(b) Laisun Creative Culture.

Premises to be shared: Head Lease Premises, which is leased from an independent third party landlord to Novotown Business Management pursuant to the Head Lease Agreements.

Subject matter: Novotown Business Management and Laisun Creative Culture will share the costs and expenses in connection with the use of the Head Lease Premises as staff quarter by Laisun Creative Culture on a cost basis. Details of the cost sharing arrangement are set out in the paragraph headed “Payment and cost allocation policy” below.

The transactions under the Laisun Creative Culture Cost-sharing Agreement are in the ordinary and usual course of business of the Group.

Term: From 1 September 2019 to 30 April 2021

Payment and cost allocation policy:

Laisun Creative Culture will pay to Novotown Business Management (i) the monthly rental and management fees, together with the applicable taxes and duties (if any), based on the number of rooms and floors occupied by the staff of Laisun Creative Culture; and (ii) other miscellaneous expenses including costs to be incurred for providing security control, pest control and cleaning of common areas, charges for maintenance and utilities in connection with the public facilities. The amount of such miscellaneous expenses shall be borne by Laisun Creative Culture in proportion to the number of rooms and floors to be occupied by their staff in the Head Lease Premises.

The basis for cost allocation has been determined on an arm’s length basis by reference to (i) the actual rent and fees to be charged by the independent third party landlord under the Head Lease Agreements; and (ii) the number of rooms and floors of the Head Lease Premises to be occupied by the staff of Laisun Creative Culture, and it is therefore fair and reasonable. The rent and fees to be charged by the independent third party landlord under the Head Lease Agreements are considered by the Company to be within a reasonable range of rent and fees in the market for similar premises in the vicinity at the time.

Historical transaction amounts:

Nil

Annual caps:

The maximum annual amount payable to Novotown Business Management under the Laisun Creative Culture Cost-sharing Agreement for the years ending 31 July, 2020 and 2021 will not exceed the caps set out below:

	<b>Year ending 31 July</b>	
	<b>2020</b>	<b>2021</b>
	<i>(in HK\$ millions)</i>	
Total Fees	3.1	3.3

Basis of determining annual caps:

The above annual caps are determined with reference to (i) the estimated rent and fees to be charged by the independent third party landlord pursuant to the terms of the Head Lease Agreements on an annual basis; (ii) the potential expansion of staff of Laisun Creative Culture and the estimated number of staff to be accommodated at the staff quarter on an annual basis; and (iii) a reasonable buffer to cater for any unexpected repair and maintenance work.

#### **(IV) The Novotown Creative Culture Cost-sharing Agreement**

On 16 July 2019, Novotown Business Management and Novotown Creative Culture entered into the Novotown Creative Culture Cost-sharing Agreement, pursuant to which Novotown Business Management and Novotown Creative Culture will share the costs and expenses in connection with the use of the Head Lease Premises as staff quarter on a cost basis. The principal terms of the Novotown Creative Culture Cost-sharing Agreement are set out below.

Parties: (a) Novotown Business Management; and  
(b) Novotown Creative Culture.

Premises to be shared: Head Lease Premises, which is leased from an independent third party landlord to Novotown Business Management pursuant to the Head Lease Agreements.

Subject matter: Novotown Business Management and Novotown Creative Culture will share the costs and expenses in connection with the use of the Head Lease Premises as staff quarter by Novotown Creative Culture on a cost basis. Details of the cost sharing arrangement are set out in the paragraph headed "Payment and cost allocation policy" below.

The transactions under the Novotown Creative Culture Cost-sharing Agreement are in the ordinary and usual course of business of the Group.

Term: From 1 September 2019 to 30 April 2021

Payment and cost allocation policy: Novotown Creative Culture will pay to Novotown Business Management the (i) the monthly rental and management fees, together with the applicable taxes and duties (if any), based on the number of rooms and floors occupied by the staff of Novotown Creative Culture; and (ii) other miscellaneous expenses including costs to be incurred for providing security control, pest control and cleaning of common areas, charges for maintenance and utilities in connection with the public facilities. The amount of such miscellaneous expenses shall be borne by Novotown Creative Culture in proportion to the number of rooms and floors occupied by their staff in the Head Lease Premises.

The basis for cost allocation has been determined on an arm's length basis by reference to the (i) actual rent and fees to be charged by the independent third party landlord under the Head Lease Agreements; and (ii) the number of rooms and floors at the Head Lease Premises to be occupied by the staff of Novotown Creative Culture, and it is therefore fair and reasonable. The rent and fees to be charged by the independent third party landlord under the Head Lease Agreements are considered by the Company to be within a reasonable range of rent and fees in the market for similar premises in the vicinity at the time.

Historical transaction amounts: Nil

Annual caps: The maximum annual amount payable to Novotown Business Management under the Novotown Creative Culture Cost-sharing Agreement for the years ending 31 July, 2020 and 2021 will not exceed the caps set out below:

	<b>Year ending 31 July</b>	
	<b>2020</b>	<b>2021</b>
	<i>(in HK\$ millions)</i>	
Total Fees	0.5	0.5

Basis of determining annual caps: The above annual caps are determined with reference to (i) the estimated rent and fees to be charged by the independent third party landlord pursuant to the terms of the Head Lease Agreements on an annual basis; (ii) the potential expansion of staff of Novotown Creative Culture and estimated number of staff to be accommodated at the staff quarter on an annual basis; and (iii) a reasonable buffer to cater for any unexpected repair and maintenance work.

#### **(V) The Novotown Entertainment Cost-sharing Agreement**

On 16 July 2019, Novotown Business Management and Novotown Entertainment entered into the Novotown Entertainment Cost-sharing Agreement, pursuant to which Novotown Business Management and Novotown Entertainment will share the costs and expenses in connection with the use of the Head Lease Premises as staff quarter on a cost basis. The principal terms of the Novotown Entertainment Cost-sharing Agreement are set out below.

Parties: (a) Novotown Business Management; and

(b) Novotown Entertainment.

Premises to be shared: Head Lease Premises, which is leased from an independent third party landlord to Novotown Business Management pursuant to the Head Lease Agreements.

Subject matter: Novotown Business Management and Novotown Entertainment will share the costs and expenses in connection with the use of the Head Lease Premises as staff quarter by Novotown Entertainment on a cost basis. Details of the cost sharing arrangement are set out in the paragraph headed “Payment and cost allocation policy” below.

The transactions under the Novotown Entertainment Cost-sharing Agreement are in the ordinary and usual course of business of the Group.

Term: From 1 September 2019 to 30 April 2021



Payment and cost allocation policy:

Novotown Entertainment will pay to Novotown Business Management (i) the monthly rental and management fees, together with the applicable taxes and duties (if any), based on the number of rooms and floors occupied by the staff of Novotown Entertainment; and (ii) other miscellaneous expenses including costs to be incurred for providing security control, pest control and cleaning of common areas, charges for maintenance and utilities in connection with the public facilities. The amount of such miscellaneous expenses shall be borne by Novotown Entertainment in proportion to the number of rooms and floors occupied by their staff in the Head Lease Premises.

The basis for cost allocation has been determined on an arm’s length basis by reference to (i) the actual rent and fees to be charged by the independent third party landlord under the Head Lease Agreements; and (ii) the number of rooms and floors of the Head Lease Premises to be occupied by the staff of Novotown Entertainment, and it is therefore fair and reasonable. The rent and fees to be charged by the independent third party landlord under the Head Lease Agreements are considered by the Company to be within a reasonable range of rents and fees in the market for similar premises in the vicinity at the time.

Historical transaction amounts:

Nil

Annual caps:

The maximum annual amount payable to Novotown Business Management under the Novotown Entertainment Cost-sharing Agreement for the years ending 31 July, 2020 and 2021 will not exceed the caps set out below:

	<b>Year ending 31 July</b>	
	<b>2020</b>	<b>2021</b>
	<i>(in HK\$ millions)</i>	
Total Fees	2.5	2.8

Basis of determining annual caps:

The above annual caps are determined with reference to (i) the estimated rents and fees to be charged by the independent third party landlord pursuant to the terms of the Head Lease Agreements on an annual basis; (ii) the potential growth of personnel of Novotown Entertainment and estimated number of staff to be accommodated at the staff quarter on an annual basis; and (iii) a reasonable buffer to cater for any unexpected repair and maintenance work.

## **REASONS FOR, AND BENEFITS OF, ENTERING INTO THE AGREEMENTS**

The Directors are of the view that it is in the interest of the Group to enter into the Property Management Services Agreements since they together will provide the Company with stable revenue and are in line with the Group's business strategy in centralising the property management of its portfolio. In respect of the Cost-sharing Agreements, the co-sharing of the Head Lease Premises as staff quarter within the Group helps lower the rental costs and operating expenses of the staff quarter for all the parties, and facilitates the provision of housing benefits to staff within the Group.

In view of the above, the Directors (including the independent non-executive Directors) consider that each of the Property Management Services Agreements and the Cost-sharing Agreements and the respective Property Management Services Annual Caps and Cost-sharing Annual Caps are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Each of Mr. Chew Fook Aun, Mr. Lam Hau Yin, Lester and Madam U Po Chu had declared his/her interest in the Property Management Services Agreements and the Cost-sharing Agreements by virtue of his/her relationship with eSun and hence with Laisun Creative Culture, Novotown Creative Culture and Novotown Entertainment, and had abstained from voting on the relevant Board resolutions in respect of the Property Management Services Agreements and the Cost-sharing Agreements. Save as disclosed above, none of the Directors has an interest in the Property Management Services Agreements and the Cost-sharing Agreements, and therefore no other Director had abstained from voting on the relevant Board resolutions in respect of the Property Management Services Agreements and the Cost-sharing Agreements.

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

### **The Group**

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

### **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.

## **eSun**

eSun, an intermediate holding company of the Company and connected person of the Company, 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 activities of eSun and its subsidiaries include the development, operation of and investment in media and entertainment, music production and distribution, the investment in and production and distribution of television programmes, films and video format products, cinema operation, property development for sale and property investment for rental purposes as well as the development and operation of and investment in cultural, leisure, entertainment and related facilities.

## **Rosy Commerce, Laisun Creative Culture, Novotown Creative Culture and Novotown Entertainment**

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 SHIL (an indirect wholly-owned subsidiary of eSun) as to 80% and 20%, respectively. Rosy Commerce is principally engaged in (a) Project Development through Laisun Creative Culture, an indirect wholly-owned subsidiary of Rosy Commerce; (b) the NGUX Business through Novotown Creative Culture, an indirect 70%-owned subsidiary of Rosy Commerce; and (c) the LEW Business through Novotown Entertainment, an indirect 70%-owned subsidiary of Rosy Commerce.

## **LISTING RULES IMPLICATIONS**

eSun is an intermediate holding company of the Company with an, approximately, 50.55% shareholding interest in the Company and hence a connected person of the Company at the issuer level. Therefore, each of Laisun Creative Culture, Novotown Creative Culture and Novotown Entertainment is a connected subsidiary of the Company pursuant to Rule 14A.16(2) 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 eSun indirectly. Accordingly, each of the Property Management Services Agreements and the Cost-sharing Agreements constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions under each of the Property Management Services Agreements and the Cost-sharing Agreements will be aggregated as a series of transactions.

### **Property Management Services Agreements**

As one or more of the applicable percentage ratios in respect of the annual caps under the Property Management Services Agreements, on an aggregated basis, is higher than 0.1% but less than 5%, and all of the applicable percentage ratios are less than 5%, all of the Property Management Services Agreements are 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.

## Cost-sharing Agreements

As one or more of the applicable percentage ratios in respect of the annual caps under the Cost-sharing Agreements, on an aggregated basis, is higher than 0.1% but less than 5%, and all of the applicable percentage ratios are less than 5%, all of the Cost-sharing Agreements are 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.

## DEFINITIONS

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

“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;
“Cost-sharing Agreements”	collectively, the Laisun Creative Culture Cost-sharing Agreement, the Novotown Creative Culture Cost-sharing Agreement, and the Novotown Entertainment Cost-sharing Agreement;
“Cost-sharing Annual Caps”	the proposed annual caps for the continuing connected transactions contemplated under the Cost-sharing Agreements;
“Directors”	the directors of the Company;
“eSun”	eSun Holdings Limited (豐德麗控股有限公司), an exempted company incorporated in Bermuda with limited liability and the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 571);
“Group”	the Company and its subsidiaries;
“Head Lease Agreement 1”	the lease agreement dated 22 April 2019 entered into between an independent third party (as landlord) and Novotown Business Management (as tenant) in respect of the lease of the Head Lease Portion 1, at a monthly fee of RMB97,200 (inclusive of rent and other management fees), for a period of two years commencing from 1 May 2019 and ending on 30 April 2021;

“Head Lease Agreement 2”	the lease agreement dated 10 January 2019 entered into between an independent third party (as landlord) and Novotown Business Management (as tenant) in respect of the lease of the Head Lease Portion 2, at a monthly fee of RMB131,520 (inclusive of rent and other management fees), for a period of two years and five months commencing from 1 December 2018 and ending on 30 April 2021;
“Head Lease Agreement 3”	the lease agreement dated 19 April 2019 entered into between an independent third party (as landlord) and Novotown Business Management (as tenant) in respect of the lease of the Head Lease Portion 3, at a monthly fee of RMB36,200 (inclusive of rent and other management fees), for a period of two years commencing from 1 May 2019 and ending on 30 April 2021;
“Head Lease Agreements”	collectively, the Head Lease Agreement 1, Head Lease Agreement 2, Head Lease Agreement 3 and the Potential Head Lease Agreements;
“Head Lease Portion 1”	108 rooms of Building 2, No. 2 Pinggong West Road, Nanping Science and Technology Industrial Park, Zhuhai City of the PRC* (中國珠海市南屏科技工業園屏工西路 2 號第 2 棟樓);
“Head Lease Portion 2”	186 rooms of Building 1, No. 2 Pinggong West Road, Nanping Science and Technology Industrial Park, Zhuhai City of the PRC* (中國珠海市南屏科技工業園屏工西路 2 號第 1 棟樓);
“Head Lease Portion 3”	52 rooms of Building 1, No. 2 Pinggong West Road, Nanping Science and Technology Industrial Park, Zhuhai City of the PRC* (中國珠海市南屏科技工業園屏工西路 2 號第 1 棟樓);
“Head Lease Premises”	collectively, Head Lease Portion 1, Head Lease Portion 2, Head Lease Portion 3 and the Potential Head Lease Portions;
“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 wholly-owned subsidiary of Rosy Commerce;

“Laisun Creative Culture Cost-sharing Agreement”	The agreement entered into between Laisun Creative Culture and Novotown Business Management on 16 July 2019 in relation to the cost-sharing arrangement;
“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;
“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 Cost-sharing Agreement”	the agreement entered into between Novotown Creative Culture and Novotown Business Management on 16 July 2019 in relation to the cost-sharing arrangement;
“Novotown Creative Culture Property Management Services Agreement”	the agreement entered into between Novotown Creative Culture and Novotown Business Management on 16 July 2019 in relation to the provision of property management services;

“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 Cost-sharing Agreement”	the agreement entered into between Novotown Entertainment and Novotown Business Management on 16 July 2019 in relation to the cost-sharing arrangement;
“Novotown Entertainment Property Management Services Agreement”	the agreement entered into between Novotown Entertainment and Novotown Business Management on 16 July 2019 in relation to the provision of property management services;
“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;
“Potential Head Lease Agreements”	the lease agreement(s) to be entered into between an independent third party (as landlord) and Novotown Business Management (as tenant) in respect of the lease of the Potential Head Lease Portion;
“Potential Head Lease Portions”	additional rooms of buildings at No. 2 Pinggong West Road, Nanping Science and Technology Industrial Park, Zhuhai City of the PRC* (中國珠海市南屏科技工業園屏工西路2號);
“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;
“Project Development”	holding the Land and owning, undertaking the development of and operating the development project of Novotown Phase I;
“Property Management Services Agreements”	collectively, the Novotown Creative Culture Property Management Services Agreement and Novotown Entertainment Property Management Services Agreement;
“Property Management Services Annual Caps”	the proposed annual caps for the continuing connected transactions contemplated under the Property Management Services Agreements;
“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 SHIL 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);
“SHIL”	Sunny Horizon Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of eSun;
“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, 16 July 2019

*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. Cheng Shin How and Mr. Lee Tze Yan, Ernest; 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.*