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L A I F U N G H O L D I N G S

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 unaudited interim results of the Group for the six months ended 31 January 2015 are expected to decrease significantly, primarily due to: (a) a significantly lower revaluation gain arising in the revaluation of the Group's investment properties for the Period as compared to the same period last year; and (b) the fair value loss, mainly as a result of worse than expected outlook on Renminbi depreciation, arising on the cross currency swap which was entered into in relation to the Company's RMB1.8 billion senior notes issued in 2013.

**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 activities of the Group include property development for sale and property investment for rental purposes 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**") wishes to inform shareholders of the Company ("**Shareholders**") and potential investors that the unaudited interim profit attributable to the owners of the Company for the six months ended 31 January 2015 ("**Period**") are expected to record a significant decrease from that of HK\$501.7 million for the six months ended 31 January 2014.

The decrease in the Group's results for the Period is primarily due to: (a) a significantly lower revaluation gain arising in the revaluation of the Group's investment properties for the Period as compared to the same period last year; and (b) the fair value loss, mainly as a result of worse than expected outlook on Renminbi depreciation, arising on the cross currency swap which was entered into in relation to the Company's RMB1.8 billion senior notes issued in 2013. The effect of the fair value loss on the consolidated income statement of the Company will either be reversed or offset by the exchange gain arising from the RMB1.8 billion senior notes upon the expiry of the cross currency swap contracts.

These are non-cash items and will not have a direct impact on the cash flows of the Group.

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 2015.

**Shareholders and potential investors are, therefore, 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, 16 March 2015

*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. Chan Boon Seng (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.*