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LAI FUNG HOLDINGS

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

ANNOUNCEMENT IN RELATION TO PUBLIC FLOAT AND RESUMPTION OF TRADING

References are made to the announcements of Lai Fung Holdings Limited (“**Company**”) dated 31 May 2022 and 31 August 2022, in relation to, among other things, the insufficient public float of the Company, the suspension of trading in the shares of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), update of the status of the public float and continued suspension of trading.

BACKGROUND TO SUSPENSION OF TRADING

On 31 May 2022, the Company published an announcement in relation to public float and suspension of trading, in which it was disclosed that the board of directors of the Company (the “**Board**” and “**Directors**”, respectively) had been informed that, on 30 May 2022, Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk (collectively “**YUs**”) had jointly purchased 113,600 Shares, representing approximately 0.03% of the total issued Shares. Upon completion of such purchase, the YUs held an aggregate of 33,161,037 Shares, representing approximately 10.02% of the total issued Shares. Consequently, the YUs became substantial shareholders and core connected persons of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and accordingly, the Shares held by the YUs have been excluded from the public float of the Company.

As at the date of this announcement, save for the YUs’ shareholdings in the Company, Lai Sun Development Company Limited (“**LSD**”) and Lai Sun Garment (International) Limited (together with LSD, being the controlling shareholders of the Company), the YUs are independent of the Company, the Directors and the controlling shareholders of the Company, and do not have any representative on the board of directors of the Company or the controlling shareholders of the Company.

Taking into account the Shares held by the YUs and other core connected persons of the Company, the public float of the Company dropped from approximately 24.77% to approximately 14.75%, falling below 25% as prescribed under Rule 8.08(1)(a) of the Listing Rules. Pursuant to Note (1) to Rule 8.08(1)(b) of the Listing Rules, trading in the Shares on the Stock Exchange became suspended with effect from 9:00 a.m. on 1 June 2022.

SHAREHOLDING TABLE

To the best knowledge, information and belief of the Directors, the table below sets out the shareholding structure of the Company as at the date of this announcement:

| Shareholders | Number of Shares | Approximate percentage of the total issued Shares ^(Note 1) |
|---|---------------------------------|---|
| LSD | 182,318,266 ^(Note 2) | 55.08% |
| Other core connected persons | 2,303,520 | 0.70% |
| CapitaLand LF (Cayman) Holdings Co., Ltd. | 64,400,000 | 19.45% |
| YUs | 33,161,037 ^(Note 3) | 10.02% |
| Public shareholders | <u>48,850,620</u> | <u>14.75%</u> |
| Total | <u>331,033,443</u> | <u>100.00%</u> |

Notes:

1. The total number of issued Shares as at the date of this announcement (331,033,443 Shares) has been used in the calculation of the approximate percentage.
2. These interests in the Company represented all the Shares beneficially owned by Holy Unicorn Limited (180,600,756 Shares or approximately 54.56% of the total issued Shares) and Transtrend Holdings Limited (1,717,510 Shares or approximately 0.52% of the total issued Shares), both being wholly-owned subsidiaries of LSD.
3. Based on the disclosure of interests notices received by the Company, as at 30 May 2022, Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk were both taken to be interested in the same 33,161,037 Shares (approximately 10.02% of the total issued Shares), which were held jointly by them.

PROPOSED PLANS TO RESTORE PUBLIC FLOAT

As disclosed in the announcement of the Company dated 31 August 2022 in relation to update on the status of the public float and continued suspension of trading, the Company has been taking appropriate steps to resolve the issues causing its trading suspension and to fully comply with the Listing Rules to the Stock Exchange's satisfaction.

Since the suspension of trading became effective on 1 June 2022, the Company has engaged financial advisers to explore the potential means to restore the Company's public float.

The Board has been discussing with its core connected persons to consider disposing of some of their respective holdings in the Shares (the “**Potential Sell-down**”) to restore the public float of the Company. As at the date of this announcement, discussions on the Potential Sell-down are still ongoing and no legally binding agreements have been entered into in respect of the Potential Sell-down. The Company will make further announcement(s) to provide shareholders of the Company with further details on the Potential Sell-down as and when appropriate and in compliance with the Listing Rules.

Announcement(s) will be made by the Company on a quarterly basis until the public float of the Company is restored in accordance with the Listing Rules, so as to keep shareholders of the Company and the market informed on the progress made in carrying out the proposed public float restoration plans.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 June 2022.

An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 11 November 2022, taking into account factors including, among other things, that an open market exists in the Shares despite the shortfall in the public float of the Company from 25% as prescribed under Rule 8.08(1)(a) of the Listing Rules, and that resumption of trading in the Shares will facilitate the Company to carry out the proposed steps to restore its public float.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares as trading in the Shares on the Stock Exchange may be suspended again in the event that the Stock Exchange concludes that there exists a disorderly market in the Shares or an open market in the Shares ceases to exist.

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

Hong Kong, 10 November 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.