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LFG Investment Holdings Limited
LFG 投資控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3938)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE LEASE AGREEMENT**

LEASE AGREEMENT

The Board announces that, on 27 December 2023, Lego Corporate Finance Limited, a wholly-owned subsidiary of the Company, entered into the Lease Agreement with the Leasing Agent, acting on behalf of the Landlord, in respect of the Premises for a term of four years commencing from 1 April 2024 to 31 March 2028 for use as the office premises of the Group.

LISTING RULES IMPLICATIONS

Pursuant to HKFRS 16 “Leases”, the Group will recognise the value of the right-of-use asset on its consolidated statement of financial position in connection with the Lease Agreement. Accordingly, the transaction under the Lease Agreement will be regarded as an acquisition of asset by the Group for the purpose of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the value of the right-of-use asset under the Lease Agreement are more than 5% but below 25%, the transaction contemplated under the Lease Agreement constitutes a discloseable transaction of the Group and is subject to the reporting and announcement requirements but is exempted from the circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that, on 27 December 2023, Lego Corporate Finance Limited, a wholly-owned subsidiary of the Company, entered into the Lease Agreement with the Leasing Agent, acting on behalf of the Landlord, in respect of the Premises for a term of four years commencing from 1 April 2024 to 31 March 2028 for use as the office premises of the Group.

PRINCIPAL TERMS OF THE LEASE AGREEMENT

Date	: 27 December 2023
Landlord	: Oripuma Investments Limited
Leasing Agent	: Harriman Leasing Limited, as the leasing agent for the Landlord and acting on behalf of the Landlord
Tenant	: Lego Corporate Finance Limited (a wholly-owned subsidiary of the Company)
Premises	: Room 1504-6, 15/F, Wheelock House, 20 Pedder Street, Central, Hong Kong
Term	: Four (4) years commencing on 1 April 2024 and expiring on 31 March 2028
Rent	: HK\$404,749 per calendar month (inclusive of, but not limited to government rent, rates and service charges), which will be satisfied by internal resources of the Group
Deposit	: Approximately HK\$1.1 million
Payment term	: The monthly rent shall be payable monthly in advance on the first day of each calendar month

THE RIGHT-OF-USE ASSET

Pursuant to HKFRS 16 “Leases”, the tenancy of the Premises will be recognised as

right-of-use assets for an amount of approximately HK\$14.4 million, which is calculated with reference to the present value of the aggregated lease payments to be made under the Lease Agreement.

REASONS FOR ENTERING INTO OF THE LEASE AGREEMENT

The Premises will be use as the office premises of the Group. Currently, the subsidiaries of the Company are operating from two separate leased office spaces and the lease agreements are set to expire in April 2024. The Premises will be approximately the same size as the combined area of the existing offices, which allow the Group to consolidate into a single office. This consolidation provides several advantages, including cost savings on the duplicating expenses and overhead costs, improved collaboration and communication among the Group.

The terms of the Lease Agreement, including the rental charge, were determined after arm's length negotiations between the parties and with reference to the open market rent of comparable office properties. The entering into of the Lease Agreement is necessary for continuing the operation of business of the Group at the Premises and is in the ordinary and usual course of business of the Group. Taking into account the above, the Directors (including the independent non-executive Directors) consider that the terms of the Lease Agreement are on normal commercial terms and fair and reasonable and the entering into of the Lease Agreement is in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Company is an investment holding company and, together with its subsidiaries, are principally engaged in corporate finance advisory services, securities and financing services and asset management services.

Based on the information available to the Company, the Landlord is a company incorporated in Hong Kong with limited liability and is principally engaged in property investment. It is an indirect wholly-owned subsidiary of Wharf Real Estate Investment Company Limited (stock code: 1997) and an Independent Third Party.

Based on the information available to the Company, the Leasing Agent is a company incorporated in Hong Kong with limited liability and is principally engaged in leasing services. It is an indirect wholly-owned subsidiary of Wharf Real Estate Investment

Company Limited (stock code: 1997) and an Independent Third Party.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Landlord, the Leasing Agent and their ultimate beneficial owners are Independent Third Parties.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to HKFRS 16 "Leases", the Group will recognise the value of the right-of-use asset on its consolidated statement of financial position in connection with the Lease Agreement. Accordingly, the transaction under the Lease Agreement will be regarded as an acquisition of asset by the Group for the purpose of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the value of the right-of-use asset under the Lease Agreement are more than 5% but below 25%, the transaction contemplated under the Lease Agreement constitutes a discloseable transaction of the Group and is subject to the reporting and announcement requirements but is exempted from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITION

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise.

"Board"	the board of Directors
"Company"	LFG Investment Holdings Limited (LFG 投資控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3938)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	persons who or entities which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are third parties independent of the Company and its connected persons (as defined in the Listing Rules)
“Landlord”	Oripuma Investments Limited, a company incorporated in Hong Kong and the landlord of the Premises and an Independent Third Party
“Leasing Agent”	Harriman Leasing Limited, a company incorporated in Hong Kong with limited liability, as leasing agent for and on behalf of the Landlord and an Independent Third Party
“Lease Agreement”	the lease agreement dated 27 December 2023 entered into between Lego Corporate Finance Limited and the Leasing Agent acting on behalf the Landlord in respect of the lease of the Premises
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Premises”	Room 1504-6, 15/F, Wheelock House, 20 Pedder Street, Central, Hong Kong
“Shareholder(s)”	holder(s) of shares of the Company

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

By Order of the Board

LFG Investment Holdings Limited

Mui Ho Cheung Gary

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 27 December 2023

As at the date of this announcement, the executive Directors are Mr. Mui Ho Cheung Gary, Mr. Liu Chi Wai, Mr. Ng Siu Hin Stanley, Ms. Ho Sze Man Kristie and Mr. Tang Chun Fai Billy; and the independent non-executive Directors are Ms. Lim Yan Xin Reina, Mr. Poon Lai Yin Michael and Dr. Wong Ho Ki.