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LAI FUNG HOLDINGS

Lai Fung Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1125)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS PROPERTY MANAGEMENT SERVICES AGREEMENTS

Reference is made to (i) the Company's announcements dated 20 September 2023 and 27 September 2023 in relation to the Previous Laisun Creative Culture Property Management Services Agreement; and (ii) the Company's announcement dated 29 July 2022 in relation to, among other things, the Previous Novotown Creative Culture Property Management Services Agreement.

PROPERTY MANAGEMENT SERVICES AGREEMENTS

In contemplation of the expiry of the Previous Laisun Creative Culture Property Management Services Agreement on 31 July 2025, Novotown Business Management and Laisun Creative Culture entered into the Laisun Creative Culture Property Management Services Agreement on 31 July 2025 to renew the continuing connected transactions contemplated under the Previous Laisun Creative Culture Property Management Services Agreement for a term of one year ending 31 July 2026.

In contemplation of the expiry of the Previous Novotown Creative Culture Property Management Services Agreement on 31 July 2025, Novotown Business Management and Novotown Creative Culture entered into the Novotown Creative Culture Property Management Services Agreement on 31 July 2025 to renew the continuing connected transactions contemplated under the Previous Novotown Creative Culture Property Management Services Agreement for a term of one year ending 31 July 2026.

LISTING RULES IMPLICATIONS

LSD is an intermediate holding company of the Company with approximately 55.08% shareholding interest in the Company and hence a connected person of the Company at the issuer level. Therefore, each of Laisun Creative Culture and Novotown Creative Culture is a connected subsidiary of the Company pursuant to Rule 14A.16(2) of the Listing Rules 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 LSD indirectly. Accordingly, each of the Property Management Services 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 will be aggregated as a series of transactions.

As one or more of the applicable percentage ratios in respect of the Annual Caps, on an aggregated basis, is higher than 0.1% but less than 5%, and all of the applicable percentage ratios are less than 5%, both 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.

THE PROPERTY MANAGEMENT SERVICES AGREEMENTS

Reference is made to (i) the Company's announcements dated 20 September 2023 and 27 September 2023 in relation to the Previous Laisun Creative Culture Property Management Services Agreement; and (ii) the Company's announcement dated 29 July 2022 in relation to, among other things, the Previous Novotown Creative Culture Property Management Services Agreement.

In contemplation of the expiry of the Previous Laisun Creative Culture Property Management Services Agreement on 31 July 2025, Novotown Business Management and Laisun Creative Culture entered into the Laisun Creative Culture Property Management Services Agreement on 31 July 2025 to renew the continuing connected transactions contemplated under the Previous Laisun Creative Culture Property Management Services Agreement for a term of one year ending 31 July 2026.

In contemplation of the expiry of the Previous Novotown Creative Culture Property Management Services Agreement on 31 July 2025, Novotown Business Management and Novotown Creative Culture entered into the Novotown Creative Culture Property Management Services Agreement on 31 July 2025 to renew the continuing connected transactions contemplated under the Previous Novotown Creative Culture Property Management Services Agreement for a term of one year ending 31 July 2026.

(I) The Laisun Creative Culture Property Management Services Agreement

On 31 July 2025, Novotown Business Management and Laisun Creative Culture entered into the Laisun Creative Culture Property Management Services Agreement, pursuant to which Novotown Business Management will provide property management services to Laisun Creative Culture, the principal terms of which are set out below.

Parties:	(a) Novotown Business Management (as the service provider); and (b) Laisun Creative Culture (as the customer).
Property to be managed:	Novotown Phase I office, except for areas leased to independent third parties, as well as certain cultural studios and cultural workshops sold to the independent third parties where the associated management fees are partially subsidised by Laisun Creative Culture.

Subject matter:	Novotown Business Management will provide to Laisun Creative Culture the following services, amongst others, various property management services, the scope of which includes cleaning and maintenance of common areas, greening and landscape maintenance, security control, parking and carparks management, maintenance and management of common facilities and fire safety control. The transactions under the Laisun Creative Culture Property Management Services Agreement are in the ordinary and usual course of business of the Group.
Term:	One year ending 31 July 2026
Payment and pricing policy:	Laisun Creative Culture will pay to Novotown Business Management property management fees, to be calculated based on the agreed monthly charging rates applicable to different types of properties and the gross floor area of the relevant properties to be managed. Details of the monthly charging rates of property management fees are set out below:

Types of property	**Monthly management fee (based on gross floor area)** *(RMB/square metre)*
Office	22
Cultural studios	9
Cultural workshops	6

In determining the reasonableness of the property management fees, the Group considered, among other things, (i) the prices charged by independent property management firms who provide comparable property management services in the PRC; and (ii) the property management fees charged by the Group for comparable services rendered to other customers.

On the basis of the aforesaid, the Company considers that the property management fees charged by Novotown Business Management under the Laisun Creative Culture Property Management Services Agreement are on normal commercial terms, on an arm's length basis and are comparable to/no less favourable to the prices offered to/quoted by other independent third parties of similar services in the market.

Historical annual caps (value-added tax inclusive):

The historical annual caps for the amount payable to Novotown Business Management under the Previous Laisun Creative Culture Property Management Services Agreement for the year ended 31 July 2024 and for the year ending 31 July 2025 are set out below:

	For the year ended 31 July 2024	**For the year ending 31 July 2025**
	(in HK$ millions)	
Historical annual caps	17.0	13.0

Annual cap (value-added tax inclusive):

The maximum annual amount payable to Novotown Business Management under the Laisun Creative Culture Property Management Services Agreement for the year ending 31 July 2026 will not exceed the cap of HK$2.0 million.

Basis of determining annual cap:

The above annual cap is determined with reference to (i) the gross floor area of different types of properties of Novotown Phase I which require property management services; (ii) the expected change in the gross floor area of different types of properties to be managed; (iii) the terms of the transaction under the Laisun Creative Culture Property Management Services Agreement; and (iv) a reasonable buffer to cater for any unexpected property management work and exchange rate fluctuations.

(II) The Novotown Creative Culture Property Management Services Agreement

On 31 July 2025, 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:	One year ending 31 July 2026
Payment and pricing policy:	Novotown Creative Culture will pay to Novotown Business Management a monthly service fee of RMB118,752 (value-added tax inclusive). 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 RMB24 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 annual caps (value-added tax inclusive):	The historical annual caps for the amount payable to Novotown Business Management under the Previous Novotown Creative Culture Property Management Services Agreement for the period from 1 September 2022 to 31 July 2023, for the year ended 31 July 2024 and for the year ending 31 July 2025 are set out below:

	From 1 September 2022 to 31 July 2023	For the year ended 31 July 2024	For the year ending 31 July 2025
	(in HK$ millions)		
Historical annual caps	3.7	4.0	4.0

Annual cap (value-added tax inclusive):	The maximum annual amount payable to Novotown Business Management under the Novotown Creative Culture Property Management Services Agreement for the year ending 31 July 2026 will not exceed the cap of HK$2.0 million.

Basis of determining annual cap:	The above annual cap is 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 and exchange rate fluctuations.

INTERNAL CONTROL MEASURES

In order to ensure that the terms of the Property Management Services Agreements are complied with, the Group has established internal control procedures and external supervision measures including:

(a) the finance department of the Company is responsible for regularly reviewing the relevant transactions to ensure compliance with the relevant pricing policies and that the relevant transactions are conducted in accordance with each of the Property Management Services Agreements and the respective aggregated annual caps are not exceeded;

(b) the Board will take appropriate measures to revise the annual caps and comply with the relevant announcement and/or shareholders' approval requirements in accordance with the Listing Rules to the extent necessary; and

(c) the Company will comply with the requirements under the Listing Rules for the annual review by the independent auditor and the independent non-executive Directors in respect of the transactions entered into under the Property Management Services Agreements.

By implementing the above measures, the Directors (including the independent non-executive Directors) consider that the Company has appropriate internal control procedures to ensure that the continuing connected transactions under the Property Management Services Agreements will be conducted on normal commercial terms and in the interests of that of the Company and the Shareholders as a whole.

REASONS FOR, AND BENEFITS OF, ENTERING INTO THE PROPERTY MANAGEMENT SERVICES 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 it will provide the Company with recurring revenue and is in the interest of the Group to better manage the premises as well as ensuring quality property management practices being in place in Novotown Phase I.

In view of the above, the Directors (including the independent non-executive Directors) consider that (i) the terms of each of the Property Management Services Agreements are on normal commercial terms that are fair and reasonable; (ii) the Annual Caps are fair and reasonable; and (iii) the continuing connected transactions contemplated under each of the Property Management Services Agreements are and will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

LSD is an intermediate holding company of the Company with approximately 55.08% shareholding interest in the Company and hence a connected person of the Company at the issuer level. Therefore, each of Laisun Creative Culture and Novotown Creative Culture is a connected subsidiary of the Company pursuant to Rule 14A.16(2) of the Listing Rules 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 LSD indirectly. Accordingly, each of the Property Management Services 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 will be aggregated as a series of transactions.

As one or more of the applicable percentage ratios in respect of the Annual Caps, on an aggregated basis, is higher than 0.1% but less than 5%, and all of the applicable percentage ratios are less than 5%, both 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.

Each of the Excluded Directors had declared his/her interest in the Property Management Services Agreements by virtue of his/her relationship with LSD and hence with Laisun Creative Culture and Novotown Creative Culture, and had abstained from voting on the relevant Board resolutions in respect of the Property Management Services Agreements and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has an interest in the Property Management Services Agreements, and therefore no other Directors had abstained from voting on the relevant Board resolutions in respect of the Property Management Services Agreements and the transactions contemplated thereunder.

INFORMATION IN RELATION TO THE GROUP, LSD GROUP, NOVOTOWN BUSINESS MANAGEMENT, ROSY COMMERCE, LAISUN CREATIVE CULTURE AND NOVOTOWN CREATIVE CULTURE

The Group

The Company is an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange. The principal activities of the Group include property development for sale, property investment, and development and operation of and investment in cultural, leisure, entertainment and related facilities in the PRC.

LSD Group

LSD is a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange. The principal activities of the LSD Group include property investment, property development, investment in and operation of hotels and restaurants, production and distribution of films and TV programs, music production and publishing, management and production of concerts, artiste management, cinema operation, cultural, leisure, entertainment and related facilities and investment holding.

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.

Rosy Commerce, Laisun Creative Culture and Novotown Creative Culture

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 BHL (an indirect wholly-owned subsidiary of LSD) as to 80% and 20%, respectively. Rosy Commerce is principally engaged in, among other things: (a) Project Development through Laisun Creative Culture, an indirect non wholly-owned subsidiary of Rosy Commerce; and (b) the NGUX Business through Novotown Creative Culture, an indirect wholly-owned subsidiary of Rosy Commerce.

DEFINITIONS

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

"Annual Caps"	the proposed annual caps for the continuing connected transactions contemplated under the Property Management Services Agreements;
"BHL"	Bravo Heart Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of LSD;
"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;
"Directors"	the directors of the Company;
"Excluded Directors"	Dr. Lam Kin Ngok, Peter, Mr. Lam Kin Hong, Matthew, Mr. Lam Hau Yin, Lester and Madam U Po Chu;
"Group"	the Company and its subsidiaries;
"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 non wholly-owned subsidiary of Rosy Commerce;
"Laisun Creative Culture Property Management Services Agreement"	the agreement entered into between Novotown Business Management (as the service provider) and Laisun Creative Culture (as the customer) on 31 July 2025 in relation to the provision of property management services for a term of one year ending 31 July 2026;
"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);
"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;
"LSD"	Lai Sun Development Company Limited (麗新發展有限公司), a company incorporated in Hong Kong with limited liability and the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 488);
"LSD Group"	LSD and its subsidiaries;
"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 wholly-owned subsidiary of Rosy Commerce;

"Novotown Creative Culture Property Management Services Agreement"	the agreement entered into between Novotown Business Management (as the service provider) and Novotown Creative Culture (as the customer) on 31 July 2025 in relation to the provision of property management services for a term of one year ending 31 July 2026;
"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;
"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;
"Previous Laisun Creative Culture Property Management Services Agreement"	the agreement entered into between Novotown Business Management (as the service provider) and Laisun Creative Culture (as the customer) on 20 September 2023 in relation to the provision of property management services for a term from 1 October 2023 to 31 July 2025, details of which were disclosed in the Company's announcements dated 20 September 2023 and 27 September 2023;
"Previous Novotown Creative Culture Property Management Services Agreement"	the agreement entered into between Novotown Business Management (as the service provider) and Novotown Creative Culture (as the customer) on 29 July 2022 in relation to the provision of property management services for a term of 35 months commencing from 1 September 2022 to 31 July 2025, details of which were disclosed in the Company's announcement dated 29 July 2022;
"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 Laisun Creative Culture Property Management Services Agreement and the Novotown Creative Culture Property Management Services Agreement;
"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 BHL 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);

"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
Lam Kin Ngok, Peter
Chairman

Hong Kong, 31 July 2025

As at the date of this announcement, the Board comprises seven Executive Directors, namely Dr. Lam Kin Ngok, Peter (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 and Messrs. Cheng Shin How, Lee Tze Yan, Ernest and Cheung Sum, Sam; and six Independent Non-executive Directors, namely Messrs. Lam Bing Kwan, Ku Moon Lun, Law Kin Ho, Mak Wing Sum, Alvin, Shek Lai Him, Abraham and Au Hoi Fung.