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LAI FUNG HOLDINGS

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

POSITIVE PROFIT ALERT

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 Group is expected to record a substantial increase in consolidated profit attributable to owners of the Company for the year ended 31 July 2014 as compared to the consolidated profit attributable to the owners of the Company for the corresponding year ended 31 July 2013. The consolidated profit attributable to owners of the Company, based on unaudited consolidated management accounts, is expected to be a mix of weaker profit before revaluation of the Group's investment properties and a substantial increase in revaluation of the Group's investment properties during the year. Therefore, a substantial increase in the consolidated profit attributable to owners of the Company as compared to the same last year is expected. Shareholders should note that the Group's financial results for the year ended 31 July 2014 have not yet been finalised and is subject to audit by the Company's auditors.

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 consolidated profit attributable to the owners of the Company for the year ended 31 July 2014 are expected to record a significant increase from that of HK\$757.0 million for the year ended 31 July 2013.

The expected increase in consolidated profit attributable to owners of the Company, based on unaudited consolidated management accounts, is expected to be a mix of weaker profit before revaluation of the Group's investment properties and a substantial increase in revaluation of the Group's investment properties during the year. Therefore, a substantial increase in the consolidated profit attributable to owners of the Company as compared to the same last year is expected. Shareholders should note that the Group's financial results for the year ended 31 July 2014 have not yet been finalised and is subject to audit by the Company's auditors.

The information contained in this announcement is only based on the preliminary assessment by the Group's management according to the information that is currently available and the preliminary unaudited consolidated management accounts of the Group which have not yet been audited or reviewed by the Company's auditors. The audited annual results of the Group for the year ended 31 July 2014 are expected to be published in mid October 2014.

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, 26 September 2014

As at the date of this announcement, the Board of the Company 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. Lau Shu Yan, Julius and Mr. Cheng Shin How; two Non-executive Directors, namely Mr. Leow Juan Thong, Jason and Mr. Lucas Ignatius Loh Jen Yuh (also alternate to Mr. Leow Juan Thong, Jason); 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.