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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 AGREEMENTS**

**THE LEASE AGREEMENTS**

The Board announces that, on 29 January 2021, Lego Securities Limited and Lego Corporate Finance Limited, the wholly-owned subsidiaries of the Company, entered into the Lease Agreements with the Landlord for the renewal of the lease in respect of the Premises A and Premises B, respectively, for use as the office premises of the Group.

**IMPLICATIONS UNDER THE LISTING RULES**

Upon implementation of HKFRS 16 “Leases” effective from 1 January 2019, the Group if entering into lease transaction as a lessee should recognise the right-of-use asset in the consolidated financial statements of the Company according to HKFRS 16. Under the Listing Rules, the entering into lease transaction by the Group as lessee will be regarded as an acquisition of asset under the definition of transaction set out in Rule 14.04(1)(a) of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in respect of the aggregate value of the right-of-use asset to be recognised under the Lease Agreements exceed 5% but are below 25%, the entering into of the Lease Agreements constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **INTRODUCTION**

The Board announces that, on 29 January 2021, Lego Securities Limited and Lego Corporate Finance Limited, the wholly-owned subsidiaries of the Company, entered into the Lease Agreements with the Landlord for the renewal of the lease in respect of the Premises A and Premises B, respectively, for use as the office premises of the Group.

## **THE LEASE AGREEMENTS**

### **The Lease Agreement A**

The principal terms of the Lease Agreement A are as follows:

Date	: 29 January 2021
Landlord	: Vember Lord Limited
Tenant	: Lego Securities Limited (a wholly-owned subsidiary of the Company)
Premises	: Room 301, 3/F, China Building, 29 Queen's Road Central, Hong Kong.
Term	: Three (3) years commencing on 16 April 2021 and expiring on 15 April 2024.
Rent	: HK\$199,206 per calendar month (exclusive of government rent, rates and service charges), which will be satisfied by internal resources of the Group.
Deposit	: HK\$684,369
Payment term	: The monthly rent shall be payable monthly in advance on the first day of each calendar month.

## **The Lease Agreement B**

The principal terms of the Lease Agreement B are as follows:

Date	:	29 January 2021
Landlord	:	Vember Lord Limited
Tenant	:	Lego Corporate Finance Limited (a wholly-owned subsidiary of the Company)
Premises	:	Room 1601, 16/F, China Building, 29 Queen's Road Central, Hong Kong.
Term	:	Two (2) years and five (5) months commencing on 16 November 2021 and expiring on 15 April 2024.
Rent	:	HK\$241,850 per calendar month (exclusive of government rent, rates and service charges), which will be satisfied by internal resources of the Group.
Deposit	:	HK\$818,835
Payment term	:	The monthly rent shall be payable monthly in advance on the first day of each calendar month.

## **THE RIGHT-OF-USE ASSET**

The unaudited aggregate value of the right-of-use asset to be recognised by the Company under the Lease Agreements amounted to approximately HK\$14.0 million, which is the present value of aggregated lease payments less incentives (if any), plus initial direct costs and estimated reinstatement cost with the lease in accordance with HKFRS 16. Discount rate of 3.0% is applied to compute the present value of aggregate lease payments less incentives (if any) under the Lease Agreements.

## **REASONS FOR ENTERING INTO OF THE LEASE AGREEMENTS**

The Group is currently leasing the Premises A and Premises B as office premises and

the existing lease agreements will expire in April 2021 and November 2021 respectively. To optimise the financial resources of the Group and adopt a prudent risk management approach to tackle the current challenging business environment, the Directors consider that it would be beneficial for the Group to renew the existing leases with a reduction of monthly rent and avoiding additional costs and expenses to be incurred for identifying, renovating and relocating to other premises.

The terms of the Lease Agreements, 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 Agreements 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 Board considers that the terms of the Lease Agreements are on normal commercial terms and fair and reasonable and the entering into of the Lease Agreements 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.

The Landlord is a wholly-owned subsidiary of CK Asset Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 1113) and principally engaged in properties investment.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Landlord and its ultimate beneficial owners are the third parties independent of the Company and its connected persons.

## **IMPLICATIONS UNDER THE LISTING RULES**

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## DEFINITION

“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
“Landlord”	Vember Lord Limited, being the landlord of the Premises A and Premises B
“Lease Agreement A”	the lease agreement dated 29 January 2021 entered into between the Landlord and Lego Securities Limited in

	relation to the lease of the Premises A
“Lease Agreement B”	the lease agreement dated 29 January 2021 entered into between the Landlord and Lego Corporate Finance Limited in relation to the lease of the Premises B
“Lease Agreements”	collectively, Lease Agreement A and Lease Agreement B
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Premises A”	Room 301, 3/F, China Building, 29 Queen’s Road Central, Hong Kong
“Premises B”	Room 1601, 16/F, China Building, 29 Queen’s Road 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, 29 January 2021

*As at the date of this announcement, the executive directors of the Company 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 of the Company are Ms. Lim Yan Xin Reina, Mr. Poon Lai Yin Michael and Dr. Wong Ho Ki.*