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## **LIFESTYLE INTERNATIONAL HOLDINGS LIMITED**

### **利福國際集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1212)**

## **ACQUISITIONS OF NOTES**

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On 7 April 2020 (after trading hours), the Acquirer acquired from the secondary market through licensed broker (i) the 11.5% Notes 2022 in the principle amount of US\$60 million, at a consideration of approximately US\$45.2 million; (ii) the 12.0% Notes 2023 in the principle amount of US\$60 million, at a consideration of approximately US\$45.9 million; and (iii) the 10.5% Notes 2024 in the principle amount of US\$50 million, at a consideration of approximately US\$37.6 million. The Acquisitions will be funded by internal cash resources of the Company.

### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in relation to the Acquisitions, on a standalone basis or after aggregating with the Previous Subscription, are less than 25% but more than 5%, the Acquisitions, both on a standalone basis and on an aggregate basis with the Previous Subscription, constitute a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules. As the assets ratio in respect of the Acquisitions after aggregating with the Previous Subscription exceeds 8%, it is also subject to the general disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules.

## ACQUISITIONS OF THE NOTES

On 7 April 2020 (after trading hours), the Acquirer acquired from the secondary market through licensed broker (i) the 11.5% Notes 2022 in the principle amount of US\$60 million, at a consideration of approximately US\$45.2 million (inclusive of accrued interest); (ii) the 12.0% Notes 2023 in the principle amount of US\$60 million, at a consideration of approximately US\$45.9 million (inclusive of accrued interest); and (iii) the 10.5% Notes 2024 in the principle amount of US\$50 million, at a consideration of approximately US\$37.6 million (inclusive of accrued interest). The Acquisitions will be funded by internal cash resources of the Company.

The principal terms of the Acquisitions and the Notes are set out as follows:

### (i) 11.5% Notes 2022

Acquisition date:	7 April 2020
Settlement date:	8 April 2020
Issuer:	Scenery Journey
Total issue size:	US\$2 billion
Principal amount of acquisition:	US\$60 million
Acquisition price (inclusive of accrued interest):	Approximately US\$45.2 million, representing approximately 75.3% of the principal amount of acquisition
Interest rate and payment:	11.5% per annum and payable semi-annually in arrears
Maturity date:	24 October 2022
Listing:	Listed and quoted on the SGX-ST

(ii) 12.0% Notes 2023

Acquisition date:	7 April 2020
Settlement date:	8 April 2020
Issuer:	Scenery Journey
Total issue size:	US\$2 billion
Principal amount of acquisition:	US\$60 million
Acquisition price (inclusive of accrued interest):	Approximately US\$45.9 million, representing approximately 76.5% of the principal amount of acquisition
Interest rate and payment:	12.0% per annum and payable semi-annually in arrears
Maturity date:	24 October 2023
Listing:	Listed and quoted on the SGX-ST

(iii) 10.5% Notes 2024

Acquisition date:	7 April 2020
Settlement date:	8 April 2020
Issuer:	China Evergrande
Total issue size:	US\$700 million
Principal amount of acquisition:	US\$50 million
Acquisition price (inclusive of accrued interest):	Approximately US\$37.6 million, representing approximately 75.2% of the principal amount of acquisition
Interest rate and payment:	10.5% per annum and payable semi-annually in arrears
Maturity date:	11 April 2024
Listing:	Listed and quoted on the SGX-ST

## **INFORMATION OF THE GROUP**

The Group is principally engaged in the operation of department stores, property development and investment in Hong Kong.

## **INFORMATION OF THE ISSUERS**

Based on the public information available to the Group:

China Evergrande is a limited company incorporated in the Cayman Islands. China Evergrande and its subsidiaries are principally engaged in the property development, property investment, property management, new energy vehicle business, hotel operations, finance business, internet business and health industry business in the PRC.

Scenery Journey is a limited company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of China Evergrande. Scenery Journey, since its incorporation, does not sell any products or provide any services and has undertaken no business activities, other than those incidental to its incorporation and establishment and those incidental to the issue of the notes.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the licensed broker, the issuers of the Notes and their ultimate beneficial owners are third parties independent from the Company and its connected persons.

## **REASONS FOR AND BENEFITS OF THE ACQUISITIONS**

As part of the Group's cash management and treasury functions, the Group keeps a portfolio of financial assets which include debt equities. The Acquisitions will further increase the Group's exposure in debt equities that aim to optimizing the use of the Group's surplus cash and enhancing the overall investment returns on its portfolio of financial assets. Having considered the terms of the Acquisitions and the Notes were acquired at prevailing market prices, the Directors consider that the terms of the Acquisitions are fair and reasonable and on normal commercial terms and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the issuers of the Notes are regarded as the same party, according to Rule 14.22 of the Listing Rules, the acquisition of the Notes shall be aggregated. In addition, as both the Acquisitions and the Previous Subscription were conducted within a 12-months period, they therefore shall be aggregated.

As the highest applicable percentage ratio in relation to the Acquisitions, on a standalone basis or after aggregating with the Previous Subscription, are less than 25% but more than 5%, the Acquisitions, both on a standalone basis and on an aggregate basis with the Previous Subscription, constitute a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules. As the assets ratio in respect of the Acquisitions after aggregating with the Previous Subscription exceeds 8%, it is also subject to the general disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“11.5% Notes 2022”	US\$ denominated senior notes, bearing interest at the rate of 11.5% per annum, due 2022 in the aggregate amount of US\$2 billion issued by Scenery Journey;
“12.0% Notes 2023”	US\$ denominated senior notes, bearing interest at the rate of 12.0% per annum, due 2023 in the aggregate amount of US\$2 billion issued by Scenery Journey;
“10.5% Notes 2024”	US\$ denominated senior notes, bearing interest at the rate of 10.5% per annum, due 2024 in the aggregate amount of US\$700 million issued by China Evergrande;
“Acquirer”	Knight Prosper Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company;

“Acquisitions”	the acquisition of (i) 11.5% Notes 2022 in the principle amount of US\$60 million, at a consideration of approximately US\$45.2 million (inclusive of accrued interest); (ii) 12.0% Notes 2023 in the principle amount of US\$60 million, at a consideration of approximately US\$45.9 million (inclusive of accrued interest); and (iii) 10.5% Notes 2024 in the principle amount of US\$50 million, at a consideration of approximately US\$37.6 million (inclusive of accrued interest) by the Acquirer;
“Board”	the board of Directors;
“China Evergrande”	China Evergrande Group 中國恒大集團, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 3333);
“Company”	Lifestyle International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Notes”	11.5% Notes 2022, 12.0% Notes 2023 and 10.5% Notes 2024;
“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Previous Subscription”	the subscription at par value of the 11.5% Notes 2022 in the principal amount of US\$150 million by the Acquirer on 22 January 2020;

“Scenery Journey”	Scenery Journey Limited 景程有限公司, a company incorporated with limited liability in the British Virgin Islands;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

By order of the Board  
**Lifestyle International Holdings Limited**  
**Poon Fuk Chuen**  
*Company Secretary*

Hong Kong, 8 April 2020

*As at the date of this announcement, the Board comprises Mr. Lau Kam Sen and Ms. Lau Kam Shim as executive directors; Mr. Lau Luen Hung, Thomas, Mr. Doo Wai Hoi, William and Ms. Lau Yuk Wai, Amy as non-executive directors; and Mr. Lam Siu Lun, Simon, The Hon. Shek Lai Him, Abraham, Mr. Hui Chiu Chung and Mr. Ip Yuk Keung as independent non-executive directors.*