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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)

DISCLOSEABLE TRANSACTION DISPOSALS OF NOTES

THE DISPOSALS

Between 2 July 2020 and 14 October 2020, the Group on the open market disposed of the Notes with an aggregate principal amount of US\$63 million for an aggregate consideration of approximately US\$62.43 million (inclusive of accrued interest) (equivalent to approximately HK\$483.8 million).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposals, or after aggregation with Previous Disposals, exceeds 5% but is less than 25%, the Disposals constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements of the Listing Rules.

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Between 2 July 2020 and 14 October 2020, the Group on the open market disposed of the Notes with an aggregate principal amount of US\$63 million for an aggregate consideration of approximately US\$62.43 million (inclusive of accrued interest) (equivalent to approximately HK\$483.8 million).

As the Disposals were made on the open market through licensed brokers, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the purchaser(s) of the Notes disposed by the Noteholder and their ultimate beneficial owner(s) are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Group monitors closely its financial investment portfolio and in view of the extreme market volatility amid mounting uncertainties, the Directors consider that the Disposals will provide immediate liquidity to the Group thereby allowing it flexibilities to adjust, if needed, the overall strategy on its investment portfolio when the market conditions warrant.

Since the Disposals were conducted on the open market at the prevailing market prices, the Directors consider that the Disposals are on normal commercial terms and the terms, including the considerations, are fair and reasonable and in the best interest of the Company and the shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSALS AND USE OF PROCEEDS

The Group will record a gain on disposal of approximately US\$9.1 million (equivalent to approximately HK\$70.6 million) from the Disposals. The gain represents the difference between the net proceeds from the Disposals and the acquisition costs of the Notes. The aggregate interest income accrued to the Group in respect of the notes under the Disposals and the Previous Disposals for the financial year ending 31 December 2020 amounted to approximately HK\$109.5 million.

The net proceeds from the Disposals will be returned to the Group's cash pool for general working capital of the Group.

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DEFINITIONS

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

“6.25% Notes 2021”	US\$ denominated senior notes issued by China Evergrande, bearing interest at the rate of 6.25% per annum, and with a maturity date of 28 June 2021;
“8.9% Notes 2021”	US\$ denominated senior notes issued by China Evergrande, bearing interest at the rate of 8.9% per annum, and with a maturity date of 24 May 2021;
“10.5% Notes 2024”	US\$ denominated senior notes issued by China Evergrande, bearing interest at the rate of 10.5% per annum, and with a maturity date of 11 April 2024;
“11.5% Notes 2022”	US\$ denominated senior notes issued by Scenery Journey, bearing interest at the rate of 11.5% per annum, and with a maturity date of 24 October 2022;
“12% Notes 2023”	US\$ denominated senior notes issued by Scenery Journey, bearing interest at the rate of 12% per annum, and with a maturity date of 24 October 2023;
“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;

“Disposals”	the disposal of certain 12% Notes 2023 with an aggregate principal of US\$24 million; 11.5% Notes 2022 with an aggregate principal of US\$35 million; 8.9% Notes 2021 with an aggregate principal of US\$2 million; and 6.25% Notes 2021 with an aggregate principal of US\$2 million held by the Noteholder;
“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;
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Noteholder”	Knight Prosper Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company;
“Notes”	12% Notes 2023, 11.5% Notes 2022, 8.9% Notes 2021 and 6.25% Notes 2021;
“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 Disposals”	the disposal of certain 12% Notes 2023 and 10.5% Notes 2024 between 23 April 2020 and 23 June 2020 with an aggregate principal amount of US\$36 million and US\$50 million respectively held by the Noteholder, details of which were set out in the announcement of the Company dated 30 June 2020;
“Scenery Journey”	Scenery Journey Limited 景程有限公司, a company incorporated with limited liability in the British Virgin Islands and an indirect wholly-owned subsidiary of China Evergrande;
“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, 16 October 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.