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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)

MAJOR TRANSACTION ACQUISITION OF PROPERTY

On 20 November 2020 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Seller, pursuant to which the Purchaser agreed to acquire and the Seller agreed to sell the Property at the consideration of GBP250.1 million (equivalent to approximately HK\$2,571.03 million). It is a term of the Agreement that the Purchaser leases back the Property to the Seller for a term of 24 months.

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction of the Company and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. The lease back of the Property does not constitute a notifiable transaction.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has any material interest in the Acquisition. As such, none of the Shareholders would be required to abstain from voting if a general meeting were to be convened by the Company to approve the Acquisition, a written shareholders' approval may be accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules. Mr. Lau and companies controlled by him hold in aggregate 1,125,097,792 Shares, representing 74.91% of the total issued share capital of the Company as at the date of this announcement, have given written approval for the Agreement and the Acquisition. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Agreement and the Acquisition.

A circular containing further details in relation to the Agreement and the Acquisition and other information required under the Listing Rules is expected to be despatched to the Shareholders on or before 11 December 2020.

Reference is made to the announcement of the Company dated 29 October 2020 in relation to the possible acquisition of a real estate.

The Board is pleased to announce that, on 20 November 2020 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Seller, pursuant to which the Purchaser agreed to purchase and the Seller agreed to sell the Property at the consideration of GBP250.1 million (equivalent to approximately HK\$2,571.03 million) (exclusive of transaction costs and VAT). Completion took place simultaneously upon the signing and exchange of the Agreement and full payment of the Consideration by the Group.

AGREEMENT

The principal terms of the Agreement are summarized as follows:

Date: 20 November 2020

Parties: (1) the Purchaser
(2) the Seller

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Seller and its ultimate beneficial owner(s) are Independent Third Parties.

Asset to be acquired: The land and building known as 1, 1A and 2 St. James's Square and 2 to 6 Charles II Street, London registered at the Land Registry with freehold absolute title under title number NGL448775.

The Property has been and is currently being used by the Seller as its headquarters/self-owned office.

Consideration: The Consideration is GBP250.1 million (equivalent to approximately HK\$2,571.03 million) and has been fully settled in cash upon Completion.

The Consideration was a result of a two-round bidding process and was reference to, amongst other things, the prevailing property and office rental market conditions in the UK and the market value of comparable properties in the proximity of the Property.

Lease back: Immediately following Completion, the Purchaser and Seller shall enter and has entered into a lease agreement pursuant to which the Purchaser agreed to lease the Property to the Seller for a term of 24 months from the date of Completion at the principal rent of GBP11.21 million (equivalent to approximately HK\$115.24 million) per annum (exclusive of VAT) payable quarterly in advance.

REASONS AND BENEFITS FOR THE ACQUISITION

The Property is located in St. James's Square, London, one of the city's most prestigious addresses. The Group believes that the Acquisition represents a rare opportunity for the Group to own a high quality freehold property in a prime area in London. The Acquisition will also enable the Group to diversify and enhance its asset portfolio and for long-term investment purpose through rental income. The Consideration is funded by internal resources and bank borrowings of the Group. It is expected that the purchase consideration of the Property will subsequently be partly refinanced by bank borrowings.

Taking into account of the above, the Directors believe that the terms of the Agreement (including the Consideration) are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP AND PURCHASER

The Group is principally engaged in the operation of department stores, property development and investment in Hong Kong. The Purchaser is an investment holding company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company.

INFORMATION ON SELLER

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Seller is a company registered in England and Wales, a wholly-owned subsidiary of BP p.l.c., an integrated energy company whose shares are listed on the London Stock Exchange (Symbol: BP.).

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction of the Company and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. The lease back of the Property does not constitute a notifiable transaction.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has any material interest in the Acquisition. As such, none of the Shareholders would be required to abstain from voting if a general meeting were to be convened by the Company to approve the Acquisition, a written shareholders' approval may be accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules. Mr. Lau, United Goal and Dynamic Castle, being companies under Mr. Lau's control, hold in aggregate 1,125,097,792 Shares, representing 74.91% of the total issued share capital of the Company as at the date of this announcement, have given written approval for the Agreement and the Acquisition. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Agreement and the Acquisition.

A circular containing further details in relation to the Agreement and the Acquisition and other information required under the Listing Rules is expected to be despatched to the Shareholders on or before 11 December 2020.

DEFINITIONS

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

“Acquisition”	the acquisition of the Property by the Purchaser pursuant to the Agreement
“Agreement”	an agreement entered into between the Purchaser and the Seller in respect of the sale and purchase of the Property on 20 November 2020
“Board”	the board of Directors
“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
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement on 20 November 2020
“Consideration”	the sum of GBP250.1 million (equivalent to approximately HK\$2,571.03 million), being the purchase price of the Property
“Directors”	the directors of the Company
“Dynamic Castle”	Dynamic Castle Limited, a company wholly-owned by Mr. Lau
“GBP”	British Pound(s), the lawful currency of the UK
“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 People’s Republic of China
“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
“Mr. Lau”	Mr. Lau Luen Hung, Thomas, a non-executive Director

“Property”	the land and building known as 1, 1A and 2 St. James’s Square and 2 to 6 Charles II Street, London registered at the Land Registry with freehold absolute title under title number NGL448775
“Purchaser”	Super Expert Investments Limited (a company incorporated in the British Virgin Islands with limited liability), an indirect wholly-owned subsidiary of the Company
“Share(s)”	share(s) of HK\$0.005 each in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Seller”	BP International Limited (a company incorporated in England and Wales with limited liability)
“UK”	the United Kingdom of Great Britain and Northern Ireland
“United Goal”	United Goal Resources Limited, a company which is ultimately owned as to 80% by Mr. Lau through his controlled corporations and as to 20% by certain family members of the elder brother of Mr. Lau
“VAT”	value added tax as referred to in the Value Added Tax Act 1994
“%”	per cent

In this announcement, figures in GBP are translated to HK\$ at the exchange rate of GBP1.00 = HK\$10.28 for illustration purposes only. No representation is made that any amount in GBP could be converted at such rate or any other rates.

On behalf of the Board
Lifestyle International Holdings Limited
Lau Kam Sen
Executive Director

Hong Kong, 20 November 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.