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LIFESTYLE PROPERTIES DEVELOPMENT LIMITED

利福地產發展有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2183)

PROFIT WARNING

This announcement is made pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform Shareholders and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group and the information currently available, the Group is expected to record a loss attributable to owners of the Company for the six months ending 30 June 2014 as compared with a profit for the corresponding period in 2013.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

PROFIT WARNING

This announcement is made by Lifestyle Properties Development Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (“**Shareholders**”) and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group and the information currently available, the Group is expected to record a loss attributable to owners of the Company for the six months ending 30 June 2014 as compared with a profit for the corresponding period in 2013.

The Board considers that the expected loss is mainly attributable to (1) no or only a small fair value gain and no disposal gain from the Group's investment properties, whereas both were recognised in the corresponding period of 2013; and (2) no rental income is generated from the Group's investment properties whereas there was rental income from the Group's property in Tianjin before it was disposed of in April 2013. The Group is principally engaged in property development and property investment with the main objective of generating return through capital appreciation, including subsequent disposal of the properties concerned and hence profitability of the Group has in the past and is still relied on capital appreciation of its investment properties to a larger extent.

UPDATE ON THE LATEST DEVELOPMENT OF THE GROUP'S PROJECTS

Regarding a possible disposal of the Harbin Property as mentioned in the prospectus issued by the Company dated 2 September 2013 in relation to the share offer, the Group is still working closely with relevant government authorities to complete the final inspection of the Harbin Property in order to obtain the property ownership certificate. Before receipt of such property ownership certificate, the Board expects no formal sale and purchase agreement will be entered into for the disposal of the Harbin Property.

As for the Yifu Land, the Group is still pursuing discussion with the relevant government authorities for granting the various approvals and permits before the construction work on the Yifu Land can be commenced. As mentioned in the Group's annual report for the year ended 31 December 2013, the construction on Yifu Land was then expected to commence in the second quarter of 2014. However, based on the current progress and on the assumption that relevant permits and government approvals cannot be obtained by the end of June 2014, the Board expects there will be a delay in commencement of construction until 2015.

The Board considers the progresses of the aforesaid two projects are both subject to relevant government approvals which are not within the control of the Group and cannot be ascertained for the time being. The Company will make further announcement in respect of the latest development of the aforesaid two projects in accordance with the Listing Rules as and when appropriate.

The information contained in this announcement is based on the unaudited consolidated management accounts of the Group and the information currently available which have not been audited or reviewed by the auditors of the Company. Financial information and other operating details of the Group will be disclosed in the interim results announcement of the Group for the six months ending 30 June 2014, which is expected to be published on or around 28 July 2014.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Lifestyle Properties Development Limited
Chan Chor Ling, Amy
Executive Director

Hong Kong, 6 June 2014

As at the date of this announcement, the Board comprises Ms. Chan Chor Ling, Amy and Ms. Chan Siu Chun, Candy (alias Ms. Chan Siu Chun) as the executive Directors, Mr. Lau Luen Hung, Thomas and Mr. Wong Man Hoi as the non-executive Directors, and Mr. Lam Siu Lun, Simon, Mr. Robert Charles Nicholson and Mr. Wong Kun Kau as the independent non-executive Directors.