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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)*

LS FINANCE (2017) LIMITED

*(Incorporated in the British Virgin Islands
with limited liability)
(Bond Stock Code: 4530)*

**FURTHER ISSUE OF U.S.\$150,000,000 5.250%
GUARANTEED BONDS DUE 2017**

The Board of Directors of Lifestyle International Holdings Limited and the Board of Directors of LS Finance (2017) Limited are pleased to announce that the Company and the Issuer have, on 8 March 2012, entered into the Subscription Agreement with the Joint Lead Managers in relation to the distribution of the Further Bonds.

The Further Bonds will be denominated in U.S. dollars, will have a maturity of 5 years due in 2017 and will bear a fixed interest rate of 5.250% per annum during its term with interest payable semi-annually in arrear. The issue price of the Further Bonds will be 102.978% of the principal amount of the Further Bonds plus an amount corresponding to accrued interest from, and including, 26 January 2012 to, but excluding, the Closing Date.

The estimated net proceeds of the Offering, after deduction of underwriting fees and expenses, will amount to approximately U.S.\$153.5 million. The net proceeds will be on-lent to the Company and/or its subsidiaries for funding capital expenditures relating to new department store projects in the People's Republic of China.

The Further Bonds have been assigned a rating of “Baa3” by Moody’s and “BBB-” by Fitch.

Completion of the Subscription Agreement is subject to the satisfaction, or waiver, of the conditions precedent therein. In addition, the Subscription Agreement may be terminated under certain circumstances. As the Subscription Agreement may or may not be completed, shareholders of the Company, holders of the Original Bonds and potential investors are advised to exercise caution when dealing in the securities of the Company and/or the Issuer.

The Board of Directors of Lifestyle International Holdings Limited and the Board of Directors of LS Finance (2017) Limited are pleased to announce that the Company and the Issuer have, on 8 March 2012, entered into the Subscription Agreement with the Joint Lead Managers in relation to the distribution of the Further Bonds. Subject to completion of the Subscription Agreement on the Closing Date, the Issuer will issue and the Company will guarantee the Further Bonds with the aggregate principal amount of U.S.\$150,000,000. The Further Bonds will be denominated in U.S. dollars, will have a maturity of 5 years due in 2017 and will bear a fixed interest rate of 5.250% per annum during its term with interest payable semi-annually in arrear. The issue price of the Further Bonds will be 102.978% of the principal amount of the Further Bonds plus an amount corresponding to accrued interest from, and including, 26 January 2012 to, but excluding, the Closing Date. The Company will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer in respect of the Further Bonds. The Further Bonds have been assigned a rating of “Baa3” by Moody’s and “BBB-” by Fitch.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Further Bonds by way of debt issues to professional investors only, and such permission is expected to become effective on or about 16 March 2012.

THE SUBSCRIPTION AGREEMENT

Pursuant to the Subscription Agreement, upon the satisfaction of certain conditions, the Joint Lead Managers have severally (and not jointly) agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Further Bonds in an aggregate principal amount of U.S.\$150,000,000.

The Further Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Conditions to completion of the Subscription Agreement

The obligations of the Joint Lead Managers to subscribe and pay for the Further Bonds (or to procure subscribers to subscribe and pay for the Further Bonds) are conditional upon, among other things:

- (a) the execution and delivery (on or before the Closing Date) of the Issue Documents by the respective parties; and
- (b) the Stock Exchange having agreed, subject to any conditions reasonably satisfactory to the Joint Lead Managers, to list the Further Bonds (or the Joint Lead Managers being reasonably satisfied that such listing will be granted).

The Joint Lead Managers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the conditions precedent (other than (a) above) as stated in the Subscription Agreement.

Termination of the Subscription Agreement

The Joint Lead Managers may, by notice to the Issuer and the Company given at any time prior to payment of the net subscription monies for the Further Bonds to the Issuer, terminate the Subscription Agreement upon the occurrence of, among other things, certain circumstances summarised as follows:

- (a) any of the warranties and representations by the Issuer and the Company contained in the Subscription Agreement is breached or rendered untrue or incorrect in any respect;
- (b) the Issuer or the Company fails to perform any of their respective undertakings or agreements in the Subscription Agreement; or
- (c) the occurrence of any event or series of events which would, in the view of the Joint Lead Managers, be likely to prejudice materially the success of the Offering and distribution of the Further Bonds or dealings in the Further Bonds in the secondary market.

Use of proceeds

The estimated net proceeds of the Offering, after deduction of underwriting fees and expenses, will amount to approximately U.S.\$153.5 million. The net proceeds will be on-lent to the Company and/or its subsidiaries for funding capital expenditures relating to new department store projects in the People's Republic of China.

Completion of the Subscription Agreement is subject to the satisfaction, or waiver, of the conditions precedent therein. In addition, the Subscription Agreement may be terminated under certain circumstances. As the Subscription Agreement may or may not be completed, shareholders of the Company, holders of the Original Bonds and potential investors are advised to exercise caution when dealing in the securities of the Company and/or the Issuer.

DEFINITIONS

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

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| “Closing Date” | 15 March 2012, or such later date, not being later than 29 March 2012, as the Issuer and the Joint Lead Managers may agree on which the Further Bonds will be issued |
| “Company” | Lifestyle International Holdings Limited |
| “Deed of Covenant” | the deed of covenant given by the Issuer and the Company in favour of the holders of the Original Bonds dated 17 January 2012 |

“Deed of Guarantee”	the deed of guarantee given by the Company in favour of the holders of the Original Bonds dated 17 January 2012
“Fiscal Agency Agreement”	the fiscal agency agreement entered into by the Issuer, the Company, Deutsche Bank AG, Hong Kong Branch (as fiscal agent, principal paying agent and transfer agent) and Deutsche Bank Luxembourg, S.A. (as registrar) dated 17 January 2012
“Fitch”	Fitch Ratings, Ltd.
“FSA”	Financial Services Authority
“Further Bonds”	the 5.250% guaranteed bonds due 2017 in the principal amount of U.S.\$150,000,000 to be issued by the Issuer, which will be consolidated and form a single series with the Original Bonds
“ICMA”	International Capital Market Association
“Issue Documents”	the Supplemental Fiscal Agency Agreement, the Supplemental Deed of Covenant and the Supplemental Deed of Guarantee
“Issuer”	LS Finance (2017) Limited, a direct wholly-owned subsidiary of the Company
“Joint Lead Managers”	Merrill Lynch International and J.P. Morgan Securities Ltd.
“Moody’s”	Moody’s Investors Service, Inc.
“Offering”	the offering of the Further Bonds
“Original Bonds”	the 5.250% U.S.\$350,000,000 guaranteed bonds due 2017 issued on 26 January 2012
“Securities Act”	the U.S. Securities Act of 1933, as amended
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 8 March 2012 entered into between the Issuer, the Company and the Joint Lead Managers in relation to the Offering
“Supplemental Deed of Covenant”	the supplemental deed to the Deed of Covenant
“Supplemental Deed of Guarantee”	the supplemental deed to the Deed of Guarantee

“Supplemental Agency Agreement” the supplemental agreement to the Fiscal Agency Agreement

“United States” or “U.S.” United States of America

By Order of the Board
Lifestyle International Holdings Limited
Lau Luen-hung, Thomas
Managing Director

By Order of the Board
LS Finance (2017) Limited
Crystal Key Investment Limited
Director

Hong Kong, 8 March 2012

As at the date of this announcement, the Board of Directors of Lifestyle International Holdings Limited comprises two executive Directors, namely, Mr. Lau Luen-hung, Thomas and Mr. Doo Wai-hoi, William, four non-executive Directors, namely Dato’ Dr. Cheng Yu-tung, Dr. Cheng Kar-shun, Henry, Mr. Lau Luen-hung, Joseph and Ms. Lau Yuk-wai, Amy and four independent non-executive Directors, namely, Mr. Lam Siu-lun, Simon, Mr. Cheung Yuet-man, Raymond, The Hon. Shek Lai-him, Abraham and Mr. Hui Chiu-chung, Stephen and the Board of Directors of LS Finance (2017) Limited comprises Crystal Key Investment Limited and Granville Venture Corp.