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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**

#### **SUBSCRIPTION OF THE NOTES**

On 22 January 2020, the Subscriber was notified of its allocation at par value of the Notes in the principal amount of US\$150,000,000 to the order placed by the Subscriber. The Subscription will be funded by internal cash resources and bank facilities of the Company.

#### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in relation to the Subscription is less than 25% but more than 5%, the Subscription constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

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## PRINCIPAL TERMS OF THE SUBSCRIPTION AND THE NOTES

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

Issuer	Scenery Journey Limited 景程有限公司
Issue price	100% of the principal amount of the Notes
Issue date	21 January 2020
Settlement date	24 January 2020
Total issue size	US\$2 billion
Principal amount of Subscription	US\$150,000,000
Interest rate and payment	The Notes bear interest from and including 24 January 2020 at the rate of 11.5% per annum and will mature on 24 October 2022. Interest will be payable semi-annually in arrears on 24 January and 24 July of each year, beginning on 24 July 2020 except that the last interest period will be from and including 24 July 2022 to but excluding 24 October 2022.
Maturity date	24 October 2022
Status of the Notes	The Notes are (1) general obligations of the Issuer, (2) senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the Notes, (3) at least <i>pari passu</i> in right of payment with all the unsecured, unsubordinated indebtedness of the Issuer, including the Existing Notes, (4) guaranteed by Tianji Holding, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) on a senior basis, subject to certain limitations, (5) effectively subordinated to the secured obligations of Tianji Holding, the Issuer, the Subsidiary Guarantors and the JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor, and (6) effectively subordinated to all existing and future obligations of the non-guarantor subsidiaries.
Redemption	At any time prior to 24 July 2022, the Issuer may, upon giving not less than 30 days' nor more than 60 days' notice to the holders and the Trustee, at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time and from time to time prior to 24 July 2022, the Issuer may, upon giving not less than 30 days' nor more than 60 days' notice to the holders and the Trustee, redeem up to 35% of the aggregate principal amount of the Notes at a redemption price of 111.5% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions.

At any time from and including 24 July 2022 to but excluding 24 October 2022, the Issuer may, upon giving not less than 15 days' nor more than 30 days' notice to the holders and the Trustee, at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus accrued and unpaid interest, if any, to (but not including) the redemption date.

Repurchase of Notes upon a change of control triggering event	Upon the occurrence of certain specific change of control triggering event, the Issuer or Tianji Holding will make an offer to repurchase all outstanding Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to (but not including) the repurchase date.
Listing	Application will be made to the SGX-ST for the listing and quotation of the Notes on the SGX-ST.
Guarantees	Each of Tianji Holding, Subsidiary Guarantors and JV Subsidiary Guarantors (if any) will, jointly and severally, guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes.
Rating	The Notes are expected to be assigned a rating of B2 by Moody's Investors Service, Inc. and its affiliates (" <b>Moody's</b> "), and B by Standard & Poor's Ratings Services and its affiliates (" <b>S&amp;P</b> "). Hengda Real Estate has been assigned a long-term corporate credit rating of B+ with a stable outlook by S&P, a corporate family rating of B1 with a stable outlook by Moody's and a long-term foreign currency issuer default rating of B+ with a stable outlook by Fitch Ratings Ltd.

## Keepwell and EIPU

The obligations pursuant to the Notes will have the benefit of the Keepwell and EIPU from Hengda Real Estate. Pursuant to the Keepwell and EIPU, Hengda Real Estate will agree that it shall cause (i) (x) Tianji Holding to have a consolidated net worth of at least RMB1.0 billion at all times and (y) the Issuer, each Subsidiary Guarantor and each JV Subsidiary Guarantor (if any) to have a consolidated net worth of at least US\$1.00 at all times, (ii) the Issuer, Tianji Holding, each Subsidiary Guarantor and each JV Subsidiary Guarantor (if any) to have sufficient liquidity to ensure timely payment by such entity of any amounts payable in respect of the Notes or the guarantees in accordance with their terms of payment as and when due and (iii) each of Tianji Holding, the Issuer, each Subsidiary Guarantor and each JV Subsidiary Guarantor (if any) shall remain solvent and a going concern at all times under the laws of their respective jurisdictions of incorporation or applicable accounting standards.

Pursuant to the Keepwell and EIPU, for so long as the Notes are outstanding, Hengda Real Estate agrees to, upon receipt of a written notice from the Trustee following an event of default and subject to obtaining all necessary approvals from the relevant approval authorities, purchase the equity interest held by Tianji Holding and/or any other subsidiaries of Tianji Holding, or the equity interest held by all subsidiaries of Tianji Holding incorporated outside the PRC at a certain price. The purchase price will be determined in accordance with the terms of the Keepwell and EIPU, which provides that, among others, the purchase price in any event shall not be lower than the amount sufficient to enable Tianji Holding, the Issuer, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) to discharge in full their respective obligations under the Notes, the subsidiary guarantees, the indenture governing the Notes, the Keepwell and EIPU (including without limitation the principal amount of the Notes then outstanding as at the date of such written notice, any premium and any interest due and unpaid and/or accrued but unpaid on the Notes up to but excluding the date of such written notice).

The Keepwell and EIPU does not constitute a guarantee by Hengda Real Estate of the payment obligation of the Issuer under the Notes. The performance by Hengda Real Estate of its obligations under the Keepwell and EIPU may be subject to necessary approvals, consents, licenses, orders, permits and any other authorizations from the relevant approval authorities.

## **INFORMATION OF THE GROUP, THE ISSUER AND TIANJI HOLDING**

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

The Issuer is a limited company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Tianji Holding. The Issuer, 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.

Tianji Holding is a limited company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of Hengda Real Estate. Tianji Holding is the sole overseas financing platform of Hengda Real Estate and is mainly responsible for overseas financing in support of Hengda Real Estate's domestic and overseas development projects. Tianji Holding is also the major investment platform of Hengda Real Estate.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Issuer and Tianji Holding and its ultimate beneficial owners are third parties independent from the Company and its connected persons.

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

As part of the Group's cash management and treasury functions, the Group keeps a portfolio of financial assets which include fixed income products. The Subscription represents another investment opportunity to increase the Group's exposure in fixed income products with an aim to optimizing the use of the Group's surplus cash and enhancing the overall investment returns. Having considered the terms of the Subscription and the Notes, the Directors consider that the terms of the Subscription 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 highest applicable percentage ratio in relation to the Subscription is less than 25% but more than 5%, the Subscription constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Board”	the board of Directors;
“Company”	Lifestyle International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 1212);

“connected person”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Existing Notes”	the Issuer’s outstanding 11% senior notes due 2020, the Issuer’s outstanding 9% senior notes due 2021, the Issuer’s outstanding 13% senior notes due 2022 and the Issuer’s outstanding 13.75% senior notes due 2023;
“Group”	the Company and its subsidiaries;
“Hengda Real Estate”	恒大地產集團有限公司 (Hengda Real Estate Group Co., Ltd*), a company established in the PRC with limited liability, a non-wholly owned subsidiary of 廣州市凱隆置業有限公司 (Guangzhou Kailong Real Estate Company Limited*), a company established in the PRC with limited liability and a wholly-owned subsidiary of China Evergrande Group 中國恒大集團 (stock code: 3333);
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Issuer”	Scenery Journey Limited 景程有限公司, a company incorporated with limited liability in the British Virgin Islands, an indirect wholly-owned subsidiary of China Evergrande Group 中國恒大集團 (stock code: 3333);
“JV Subsidiary Guarantor(s)”	subsidiaries of Tianji Holding that will provide limited-recourse guarantee for the Notes;
“Keepwell and EIPU”	the keepwell and equity interest purchase undertaking proposed to be entered into by the Issuer, Hengda Real Estate, Tianji Holding and the Trustee on 24 January 2020;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Notes”	US\$ denominated senior notes, bearing interest at the rate of 11.5% per annum, due 2022 in the aggregate amount of US\$2,000 million issued by the Issuer;
“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;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Subscriber”	Knight Prosper Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company;
“Subscription”	the subscription of the Notes in the principal amount of US\$150,000,000 by the Subscriber;
“Subsidiary Guarantor(s)”	the subsidiaries of Tianji Holding which guarantee the Notes;
“Tianji Holding”	Tianji Holding Limited 天基控股有限公司, a company incorporated in Hong Kong with limited liability and a subsidiary of Hengda Real Estate;
“Trustee”	Citicorp International Limited, as the trustee of the Notes;
“US\$”	United States dollars, the lawful currency of the United States of America;
“%”	per cent; and
“*”	for identification purpose only.

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

Hong Kong, 24 January 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.*