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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 28 April 2021, the Subscriber, being a wholly-owned subsidiary of the Company, has received confirmation that the Notes in the principal amount of US\$80,000,000 (equivalent to HK\$622,400,000) were allocated to the order placed by the Subscriber. The Subscription is part of an offering of the Notes in the aggregate principal amount of US\$500,000,000 issued by the Issuer. The Subscription was funded by internal surplus funds and the closing was completed on 11 May 2021.

LISTING RULES IMPLICATIONS

The Company completed the Previous Subscription on 27 April 2021, within 12 months prior to and inclusive of the date of the Subscription. The Notes and the 2021 Notes are issued by the same Issuer and therefore the Subscription and the Previous Subscription should be aggregated.

As one or more applicable ratios (as defined under the Listing Rules) in respect of the Subscription, whether on a standalone basis or after aggregating with the Previous Subscription, exceed 5% but are less than 25%, the Subscription constitute a discloseable transaction of the Company 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 below:

Issuer	: Kaisa Group Holdings Ltd. (佳兆業集團控股有限公司), a 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: 1638)
Issue price	: 100.00% of the principal amount of the Notes
Settlement date	: 11 May 2021
Total issue size	: US\$500,000,000
Principal amount of Subscription	: US\$80,000,000
Interest rate and payment	: The Notes bear interest from and including 11 May 2021 at the rate of 11.70% per annum, payable semi-annually in arrears each year
Interest payment date	: 11 May and 11 November of each year, commencing 11 November 2021
Maturity date	: 11 November 2025

Ranking 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 *pari passu* in right of payment with all other unsecured, unsubordinated indebtedness of the Issuer (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law), (4) guaranteed by 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 the Issuer, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any), to the extent of the value of the assets serving as security therefor (other than the collateral securing the Notes), and (6) effectively subordinated to all existing and future obligations of the non-guarantor subsidiaries.

Guarantees and security : Each of the Subsidiary Guarantors and JV Subsidiary Guarantors of the Notes 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 provided that any JV Subsidiary Guarantees will be limited to the JV Entitlement Amount.

Subject to the terms and conditions of the Notes, certain capital stock of the initial Subsidiary Guarantors will be pledged as collaterals for the benefit of the holders of the Notes to secure the obligations of the Issuer under the Notes and the Indentures.

Redemption : At any time and from time to time on or after 11 November 2023, the Issuer may at its option redeem the Notes, in whole or in part, at the redemption price equal to the percentage of the principal amount set forth below plus accrued and unpaid interest, if any to (but not including) the redemption date if redeemed during the twelve-month period beginning on 11 November of the year indicated below.

Period	Redemption Price
2023	104%
2024	102%

At any time prior to 11 November 2023, the Issuer may 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, plus the applicable premium as of, and accrued and unpaid interest, if any, to the redemption date.

At any time prior to 11 November 2023, the Issuer may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Issuer in an equity offering at a redemption price of 111.7% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to the redemption date.

The Issuer may also redeem the Notes for taxation reason at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest in accordance with the terms of the Notes.

- Repurchase of Notes upon a change of control triggering event : Not later than 30 days following a change of control triggering event, the Issuer will make an offer to purchase all outstanding Notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of repurchase.
- Listing : The Notes are listed and quoted on the SGX-ST.
- Rating : The Notes are rated “B2” by Moody’s Investors Service and “B” by Fitch Ratings Inc.. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agencies.

INFORMATION OF THE GROUP AND THE ISSUER

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

The Issuer is a company incorporated in the Cayman Islands with limited liability and, together with its subsidiaries, are principally engaged in property development, property investment, property management, hotel and catering operations, cinema, department store and cultural centre operations, water-way passenger and cargo transportation in the PRC.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Issuer 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 the Subscription is in the interests of the Company and its shareholders as a whole.

PREVIOUS SUBSCRIPTION

On 20 April 2021, the Subscriber has subscribed for the 2021 Notes in the principal amount of US\$10,000,000 (equivalent to HK\$77,800,000), at a consideration of approximately US\$10,205,000 (equivalent to HK\$79,394,900) and settlement took place on 27 April 2021. The Previous Subscription did not constitute a notifiable transaction of the Company pursuant to Chapter 14 of the Listing Rules at the relevant time.

The 2021 Notes bear an interest at the rate of 9.75% per annum, payable semi-annually in arrears. The 2021 Notes will mature in 2023 and are subject to the redemption rights of the Issuer. The 2021 Notes are guaranteed by certain subsidiaries of the Issuer in favour of the holders of the 2021 Notes and certain capital stock of the initial subsidiary guarantors are pledged as collaterals to secure the payment obligations under the 2021 Notes. The 2021 Notes are listed and quoted on the SGX-ST.

LISTING RULES IMPLICATIONS

The Company completed the Previous Subscription on 27 April 2021, within 12 months prior to and inclusive of the date of the Subscription. The Notes and the 2021 Notes are issued by the same Issuer and therefore the Subscription and the Previous Subscription should be aggregated.

As one or more applicable ratios (as defined under the Listing Rules) in respect of the Subscription, whether on a standalone basis or after aggregating with the Previous Subscription, exceed 5% but are less than 25%, the Subscription constitute a discloseable transaction of the Company 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 Main Board of the Stock Exchange (stock code: 1212);
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“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;
“Indenture”	the indenture to be entered into between the Issuer, the Subsidiary Guarantors as guarantors and the trustee, pursuant to which the Notes will be issued;
“Issuer”	Kaisa Group Holdings Ltd. (佳兆業集團控股有限公司), a 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: 1638);
“JV Entitlement Amount”	means, with respect to any JV Subsidiary Guarantor and its Subsidiaries, an amount that is equal to the product of (i) the fair market value of the total assets of such JV Subsidiary Guarantor and its subsidiaries, on a consolidated basis (without deducting any indebtedness or other liabilities of such JV Subsidiary Guarantor and its subsidiaries) as of the date of the last fiscal quarter end of the Issuer; and (ii) a percentage equal to the direct equity ownership percentage of the Issuer and/or its Restricted Subsidiaries in the capital stock of such JV Subsidiary Guarantor and its subsidiaries;
“JV Subsidiary Guarantee(s)”	guarantees given by the JV Subsidiary Guarantors on the Notes;
“JV Subsidiary Guarantor(s)”	means a Restricted Subsidiary that executes a JV Subsidiary Guarantee;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Notes”	US\$ denominated 11.7% senior notes due 2025 in the aggregate principal amount of US\$500,000,000 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;
“Previous Subscription”	the subscription of the 2021 Notes in the principal amount of US\$10,000,000, at a consideration of approximately US\$10,205,000 on 20 April 2021;
“Restricted Subsidiary(ies)”	means any subsidiary of the Issuer other than an Unrestricted Subsidiary;
“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, a wholly-owned subsidiary of the Company;
“Subscription”	the subscription of the Notes in the principal amount of US\$80,000,000 by the Subscriber;
“Subsidiary Guarantor(s)”	certain subsidiaries of the Issuer which will provide guarantee for the Notes;
“Unrestricted Subsidiary”	means (1) subject to any redesignation, certain subsidiaries of the Issuer which are designated as Unrestricted Subsidiary of the Notes; (2) any subsidiary of the Issuer that at the time of determination shall be designated an Unrestricted Subsidiary by the board of the Issuer in the manner provided in the Indenture; and (3) any subsidiary of an Unrestricted Subsidiary;
“US\$”	United States dollars, the lawful currency of the United States of America;

“2021 Notes” US\$700,000,000 9.75% senior notes due 28 September 2023 issued by the Issuer on 16 July 2020, 10 February 2021 and 27 April 2021; and

“%” percent.

In this announcement, figures in US\$ are translated to HK\$ at the exchange rate of US\$1.00 = HK\$7.78 for illustration purposes only. No representation is made that any amount in US\$ could be converted at such rate or any other rates.

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

Hong Kong, 11 May 2021

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.