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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 NOTES

On 22 June 2021, Knight Prosper, a wholly-owned subsidiary of the Company, as a subscriber entered into the Subscription Agreement pursuant to which Knight Prosper has agreed to subscribe for, and the Issuer has agreed to issue to Knight Prosper, the Notes in the aggregate principal amount of US\$60,000,000 (equivalent to approximately HK\$465,600,000). The Subscription will be funded by internal surplus funds.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of each of (i) the Subscription on a stand-alone basis; and (ii) the Subscription, when aggregated with the Previous Acquisition, exceed(s) 5% but is less than 25%, the transaction contemplated under the Subscription Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

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TERMS OF THE SUBSCRIPTION

Date	:	22 June 2021
Issuer	:	Trillion Glory Limited, a company incorporated in Hong Kong with limited liability
Parent	:	Guangzhou R&F Properties Co., Ltd. (廣州富力地產股份有限公司), the shares of which are listed on the main board of the Stock Exchange (stock code: 2777)
Guarantors	:	(i) R&F Properties (HK) Company Limited (ii) Noble Ease Limited
Principal amount of the Subscription	:	US\$60,000,000
Issue Price	:	100% of the principal amount of the Notes
Closing date	:	28 June 2021
Listing	:	The Notes will not be listed on any regulated or unregulated market

Conditions to completion of the Subscription Agreement

The Subscribers shall only be under an obligation to subscribe and pay for the Notes if the following conditions precedent are satisfied or waived:

- (a) the Subscribers have received all of the documents and other evidence listed in the Subscription Agreement;
- (b) since the date of the Subscription Agreement up to and including the Closing Date, there has not occurred a material adverse effect on:
 - (i) the business, operations, property or financial condition of the Parent and its subsidiaries taken as a whole; or
 - (ii) the ability of any of the Obligors to perform its obligations under the Trust Deed and any other document entered into in connection with the Notes,

(a “**Material Adverse Change**”),

or any event, change or occurrence that could, individually or in the aggregate, be expected to have a Material Adverse Change;

- (c) since the date of the Subscription Agreement up to and including the Closing Date:
 - (i) each Obligor has performed, in all material respects, all of its undertakings under the Subscription Agreement to be performed on or before the Closing Date; and
 - (ii) no default is continuing or would result from the issue of the Notes;
- (d) each repeating representation in the Subscription Agreement is true in all material respects or (to the extent that it is qualified by materiality, “Material Adverse Effect” or similar language), in all respect on the Closing Date;
- (e) no Mandatory Redemption Event, or any event which would require such, has occurred.

Closing

Subject to the conditions precedent being satisfied or waived, completion of the Subscription will take place on the Closing Date whereupon Knight Prosper shall pay the issue price of the principal amount of the Notes subscribed, net of fees and expenses entitled by it.

Termination of the Subscription Agreement

The Subscribers may jointly, by notice to the Issuer given at any time prior to payment of the subscription moneys for the Notes to the Issuer, terminate the Subscription Agreement in any of the following circumstances:

- (a) if there shall have come to the notice of any Subscriber any material breach of, or any event rendering untrue or incorrect in any material respect, any of the representations and warranties made pursuant to the representations and warranties of the Obligors under the Subscription Agreement;
- (b) if any of the conditions precedent have not been satisfied or waived by the Subscribers on or prior to the Closing Date;
- (c) if after the date of the Subscription Agreement and at the Closing Date, there shall have occurred any change (or any development or event involving a prospective change), which, in the opinion of the Subscribers, is likely to have a material adverse effect on the business, operations, property, condition (finance or otherwise) or prospects of the any Obligor, or of the Parent and its subsidiaries (taken as a whole); or
- (d) if the Notes are not issued by 28 June 2021.

If any Subscriber defaults on its obligation to subscribe the Notes that have been allotted to it for subscription (such a Subscriber being referred to as a “**Defaulter**”, and such Notes, the “**Default Notes**”), the other Subscriber(s) (the “**Non-defaulting Subscriber(s)**”) may (but shall not be obliged to) subscribe the Default Notes. If any Default Notes are not purchased by the Non-defaulting Subscriber(s), any Non-defaulting Subscriber shall have the right to terminate the Subscription Agreement without liability on its part.

PRINCIPAL TERMS OF THE NOTES

- Issue price : 100% of the principal amount of the Notes
- Interest rate and payment : The Notes bear interest on their outstanding amount from and including 28 June 2021 at the rate of 9.5% per annum, payable quarterly in arrear
- Maturity Date : 27 June 2022
- Status of the Notes : The Notes constitute direct, unconditional and unsubordinated obligations of the Issuer and shall be secured by the Security Documents under the Subscription Agreement. The Notes shall at all times rank *pari passu* and without any preference or priority among themselves.
- Guarantee : The payment of all secured liabilities has been unconditionally, irrevocably, jointly and severally guaranteed by the Guarantors pursuant to the Trust Deed.
- Keepwell and EIPU : The Notes will have the benefit of the Keepwell Deed and the EIPU, pursuant to which, amongst other things, the Parent will undertake in favour of the trustee to (a) cause the Issuer and the HK Guarantor to have sufficient liquidity to meet their respective payment obligations as they fall due, and (b) undertake to purchase certain equity interests held by the Parent.
- Redemption at maturity : Unless previously redeemed or purchased and cancelled, the Issuer will, on the Maturity Date, redeem the Notes held by each noteholder which are for the time being outstanding by payment to each noteholder in respect of the Notes held by that noteholder, the aggregate of (A) the principal amount (and premium, if any) of such Notes, and (B) any accrued but unpaid interest.
- Mandatory Redemption Events : If a Mandatory Redemption Event occurs, the Issuer shall promptly and in any event by no later than 3 business days following the Mandatory Redemption Event, issue a mandatory redemption notice to the noteholders, the trustee and the principal agent and shall on the date falling 10 business day following the date of issue of the mandatory redemption notice, redeem all of the Notes at a price equal to the aggregate principal amount of such Notes, any accrued interest and the Make-Whole Amount (if any).

- Mandatory redemption for disposals : If a disposal is made by any Issuer Group Member, the Issuer shall redeem the Notes (at a price equal to the principal amount of such Notes, any accrued interest and the Make-Whole Amount (if any)) in an amount equal to the disposal proceeds arising from such disposal on the date falling 5 business days following receipt of such disposal proceeds by any Issuer Group Member
- If any disposal by any Parent Group Member would trigger any obligation to make an offer to purchase or redeem the Reference Notes, the Issuer shall redeem the Notes (at a price equal to the principal amount of such Notes, any accrued interest and the Make-Whole Amount (if any):
- (a) in the principal amount equal to that which would result in the Notes and the Reference Notes (and any other *pari passu* indebtedness of the Parent and its subsidiaries similarly required to be repaid, redeemed or tendered for in connection with such disposal(s)) being repaid or redeemed on a pro rata basis; and
- (b) on the date falling 5 business days following receipt of such disposal proceeds by any Issuer Group Member.
- Redemption at the option of the Issuer : The Issuer may redeem the Notes on any date on a pro rata basis in whole or in part at a price equal to the aggregate principal amount of such Notes, any accrued interest and the Make-Whole Amount (if any), by giving not less than 10 business days nor more than 20 business days' notice to the trustee, the principal agent and the noteholders.
- Redemption for illegality or taxation reasons : A noteholder has the right to require the Issuer to redeem its notes upon the occurrence of certain illegality event. The Issuer also has the right to redeem the Notes for certain taxation reasons.
- Make-Whole Amount : Any redemption of Notes in whole or in part made during the Make-Whole Period (including pursuant to any redemption of the Notes under the Subscription Agreement) or any redemption as a result of the occurrence of an event of default or otherwise shall be made together with the Make-Whole Amount in respect of such redemption.
- Transferability : A Note may be transferred in whole or in part in the authorized denominations.
- Use of Notes proceeds : The Issuer must not use the proceeds from the issue of the Notes for any purpose other than for (i) refinancing all or part of the existing facility; and (ii) the payment of fees, costs and expenses payable or reimbursable to the Subscribers under the Subscription Agreement.

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 Hong Kong with limited liability, and is a subsidiary of the Parent. The Parent, together with its subsidiaries, are principally engaged in the development and sale of properties, property investment, hotel operation and other property development related services 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, the Directors (including the independent non-executive 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 the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of each of (i) the Subscription on a stand-alone basis; and (ii) the Subscription, when aggregated with the Previous Acquisition, exceed(s) 5% but is less than 25%, the transaction contemplated under the Subscription Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under 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;
“BVI Guarantor”	Noble Ease Limited, a company incorporated in the British Virgin Islands with limited liability;
“Closing Date”	28 June 2021;

“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;
“EIPU”	the deed of equity interest purchase undertaking dated on or about the issue date between the Parent, the HK Guarantor and the trustee;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HK Guarantor”	R&F Properties (HK) Company Limited, a company incorporated in Hong Kong with limited liability;
“Guarantor(s)”	the HK Guarantor and the BVI Guarantor, and “Guarantor” means any one of them;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hotel WFOE”	Guangzhou Trillion Glory Investment Co., Ltd. (廣州兆晞投資有限公司), a wholly-foreign owned enterprise incorporated under the laws of the PRC;
“Issuer”	Trillion Glory Limited, a company incorporated in Hong Kong with limited liability;
“Issuer Group”	the Issuer, the Hotel WFOE and their respective subsidiaries for the time being;
“Issuer Group Member”	any member of the Issuer Group;
“Keepwell Deed”	the keepwell deed dated on or about the issue date between the Parent, the HK Guarantor, the Issuer and the trustee;
“Knight Prosper”	Knight Prosper Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Make-Whole Amount”	in relation to the principal amount of a Note being redeemed, the amount of interest, calculated using the interest rate applicable for the current interest period, that would have accrued on that principal amount being redeemed from and including the date of that Note's redemption to and including the last day of the Make-Whole Period;
“Make-Whole Period”	period commencing on and including the issue date and ending on and including the date falling 6 months following the issue date;
“Mandatory Redemption Event”	<ul style="list-style-type: none"> (a) a change of control; (b) the shares in the Parent are delisted from the main board of the Stock Exchange, or are suspended from trading on the main board of the Stock Exchange for 10 or more consecutive trading days; (c) the rating of the long term unsecured and non-credit-enhanced debt obligations of the Parent is or is downgraded to below B by Standard & Poor's Rating Services or B2 by Moody's Investors Service Limited or B by Fitch Ratings Ltd; or (d) Standard & Poor's Rating Services, Moody's Investors Service Limited or Fitch Ratings Ltd ceases to assign a rating to the long term unsecured and non-credit enhanced obligations of the Parent;
“Notes”	US\$ denominated 9.5% senior secured notes due 2022 to be issued by the Issuer;
“Obligor”	means the Parent, the Issuer and each Guarantor, and “Obligors” means all of them;
“Parent”	Guangzhou R&F Properties Co., Ltd. (廣州富力地產股份有限公司), the shares of which are listed on the main board of the Stock Exchange (stock code: 2777);
“Parent Group Member”	any member of the Parent and its subsidiaries for the time being but excluding the Issuer Group;
“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 Acquisition”	the previous acquisition of the notes issued by the Parent Group Member in the aggregate principal amount of US\$10,000,000, bearing interest rate of 8.625% per annum, which remain held by the Group;
“Reference Notes”	11.625% senior notes due 2024 issued by Parent Group Member;
“Security Documents”	<ul style="list-style-type: none"> (a) the Issuer share mortgage; (b) the BVI Guarantor share mortgage; (c) the Hotel WFOE equity pledge; (d) the assignment of intercompany loans; (e) any other security document that may at any time be entered into which creates (or is expressed to create) security for any of the secured liabilities; and (f) any other document designated as such pursuant to an extraordinary resolution of the noteholders;
“Share(s)”	the ordinary share(s) of the Company;
“Shareholder(s)”	the holder(s) of the Shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscribers”	Knight Prosper and other subscribers of the Notes (all being independent third parties), and a “Subscriber” means any of them;
“Subscription”	the subscription of the Notes in the principal amount of US\$60,000,000 by Knight Prosper;
“Subscription Agreement”	the subscription agreement dated 22 June 2021 entered into among the Issuer, the Parent, the Guarantors and the Subscribers in relation to the subscriptions of the Notes by the respective Subscribers;
“Trust Deed”	a trust deed dated on or about 28 June 2021 made between, among others, the Issuer, the trustee for the holders of the Notes and the security trustee for the secured parties constituting the Notes;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

In this announcement, figures in US\$ are translated to HK\$ at the exchange rate of US\$1.00 = HK\$7.76 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, 22 June 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