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MEGA REGAL LIMITED
(Incorporated in the BVI with limited liability)



**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)

JOINT ANNOUNCEMENT

**(1) UNCONDITIONAL MANDATORY CASH GENERAL OFFER BY
OPTIMA CAPITAL LIMITED
ON BEHALF OF MEGA REGAL LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
LIFESTYLE PROPERTIES DEVELOPMENT LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY
MEGA REGAL LIMITED AND PARTIES ACTING IN CONCERT WITH IT);**

**(2) LAPSE OF THE AMENDED LI NON-COMPETE DEED
AND THE LC NON-COMPETE DEED**

AND

(3) RESUMPTION OF TRADING

Financial adviser to Mega Regal Limited


Optima Capital Limited

The logo for Optima Capital Limited consists of a stylized graphic of a blue and yellow triangle to the left of the word "OPTIMA" in a bold, blue, sans-serif font, with "CAPITAL" in a smaller font below it. Below the logo is the company name "Optima Capital Limited" in a bold, black, sans-serif font.

INTRODUCTION

The Board was notified by the Vendor that on 13 April 2017, the Vendor and the Offeror entered into the Agreement, pursuant to which the Offeror agreed to acquire from the Vendor 249,611,200 Shares (representing approximately 59.56% of the issued share capital of the Company as at the date of the Agreement) for a consideration of HK\$1,292,986,016 (equivalent to HK\$5.18 per Sale Share), subject to any downward adjustment according to the Agreement. Completion took place upon signing of the Agreement.

THE OFFER

Prior to the entering into of the Agreement, the Offeror and parties acting in concert with it were not interested in any of the issued share capital of the Company. Upon Completion and as at the date of this joint announcement, the Offeror is interested in approximately 59.56% of the issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory general offer in cash for all the issued Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it.

Optima Capital will make the Offer for and on behalf of the Offeror in compliance with the Takeovers Code on the following terms:

For every Offer Share HK\$5.18 in cash

The Offer Price of HK\$5.18 per Offer Share will not be adjusted as a result of the downward adjustment of the consideration of the Sale Shares.

The Offer will be unconditional in all respects when made.

The Undertaking

On 13 April 2017, Springboard (being the substantial shareholder of the Company holding approximately 14.97% of the issued share capital of the Company as at the date of this joint announcement) has irrevocably undertaken to the Offeror that it will not transfer, dispose of, or tender 41,784,975 Shares (representing approximately 9.97% of the issued share capital of the Company as at the date of this joint announcement) held by it for acceptance of the Offer. As advised by Springboard, it intends to tender 20,955,700 Shares (representing 5% of the issued share capital of the Company) for acceptance of the Offer.

Upon close of the Offer, it is expected that Springboard will hold approximately 9.97% of the issued share capital of the Company.

Confirmation of financial resources

As at the date of this joint announcement, there are 419,114,000 Shares in issue. Save for 249,611,200 Shares that are already owned or agreed to be acquired by the Offeror and parties acting in concert with it and 41,784,975 Shares held by Springboard which are subject to the Undertaking, a total of 127,717,825 Shares will be subject to the Offer.

Based on the Offer Price of HK\$5.18 per Offer Share and a total of 127,717,825 Offer Shares (assuming there is no change in the total number of issued Shares from the date of this joint announcement up to the making of the Offer), the value of the Offer will amount to approximately HK\$661.6 million. The Offeror intends to finance the Offer by its internal resources.

Optima Capital, being the financial adviser to the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy full acceptance of the Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the non-executive Directors (other than Mr. Lau in view of the Undertaking given by Springboard, which is wholly owned by Mr. Lau, and Mr. Lau being the ultimate beneficial owner interested directly or indirectly in approximately 51.69% of the issued share capital of the Vendor) and independent non-executive Directors who have no direct or indirect interest in the Offer, has been established by the Company in accordance with Rule 2.1 of the Takeovers Code to make recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to acceptance of the Offer. The Independent Financial Adviser will be appointed by the Company with approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer. Further announcement will be made by the Company in respect of appointment of the Independent Financial Adviser as and when appropriate.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Offeror and the Company are required to despatch the Composite Document containing, among other things, (i) details of the Offer and its terms and conditions (including the expected timetable); (ii) the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Offer; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer; (iv) valuation of the property interest of the Company; and (v) relevant forms of acceptance and transfer, to the Shareholders within 21 days from the date of this joint announcement. It is expected that the Composite Document will be despatched on or before 10 May 2017.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

LAPSE OF THE AMENDED LI NON-COMPETE DEED AND THE LC NON-COMPETE DEED

Since Completion has taken place, the Vendor has ceased to be a controlling shareholder of the Company and does not have further power to control the Board, and the Offeror has replaced the Vendor as the controlling shareholder of the Company. As such, each of the Amended LI Non-compete Deed and the LC Non-compete Deed has lapsed automatically and ceased to have effect on the parties immediately following Completion.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 1:00 p.m. on 13 April 2017 pending the publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 20 April 2017.

INTRODUCTION

On 13 April 2017, the Board was informed that the Vendor and the Offeror entered into the Agreement, pursuant to which the Offeror agreed to acquire the Sale Shares from the Vendor for a consideration of HK\$1,292,986,016 (equivalent to HK\$5.18 per Sale Share), subject to the downward adjustment according to the Agreement.

Completion took place upon signing of the Agreement, i.e. 13 April 2017.

Shareholding structure of the Company

Set out below are the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately after Completion and as at the date of this joint announcement:

	Immediately before Completion		Immediately after Completion and as at the date of this joint announcement	
	No. of Shares	%	No. of Shares	%
The Vendor	249,611,200	59.56	—	—
Springboard (Note 1)	62,740,675	14.97	62,740,675	14.97
Ms. Chan Siu Chun, Candy (Note 2)	500	0.00012	500	0.00012
Magic Achieve Limited (Note 3)	1,610,000	0.38	1,610,000	0.38
The Offeror and parties acting in concert with it and presumed parties acting in concert with it (including the Investor) (Note 4)	—	—	249,611,200	59.56
Public Shareholders	<u>105,151,625</u>	<u>25.09</u>	<u>105,151,625</u>	<u>25.09</u>
Total	<u>419,114,000</u>	<u>100</u>	<u>419,114,000</u>	<u>100</u>

Notes:

1. Springboard is wholly owned by Mr. Lau, who is also the ultimate beneficial owner interested directly or indirectly in approximately 51.69% of the issued share capital of the Vendor.

2. Ms. Chan Siu Chun, Candy is an executive Director, who has not given any indication as to whether she will accept the Offer.
3. Magic Achieve Limited is wholly owned by Mr. Lau Kam Sen, who is an executive Director, and has not given any indication as to whether he will accept the Offer.
4. The Investor is presumed to be acting in concert with the Offeror under class (9) of definition of acting in concert under the Takeovers Code.

UNCONDITIONAL MANDATORY CASH OFFER

Upon Completion and as at the date of this joint announcement, the Offeror is interested in 249,611,200 Shares, representing approximately 59.56% of the issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory general offer in cash for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

Principal terms of the Offer

Optima Capital will make the Offer on behalf of the Offeror in compliance with the Takeovers Code on the following terms:

For every Offer Share.....HK\$5.18 in cash

The Offer Price of HK\$5.18 per Offer Share will not be adjusted as a result of the downward adjustment of the consideration of the Sale Shares.

As at the date of this joint announcement, the Company has no outstanding securities, options, derivatives or warrants which are convertible or exchangeable into the Shares and has not entered into any agreement for the issue of such securities, options, derivatives or warrants of the Company.

The Offer will be unconditional in all respects when made.

The Offer Price

The Offer Price of HK\$5.18 per Offer Share represents:

- (i) a premium of approximately 4.65% over the closing price of HK\$4.95 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 7.25% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day of approximately HK\$4.83 per Share;
- (iii) a premium of approximately 7.69% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day of approximately HK\$4.81 per Share; and
- (iv) a premium of approximately 46.74% over the audited net asset value of the Group of approximately HK\$3.53 per Share as at 31 December 2016.

Highest and lowest Share price

During the six-month period preceding and up to the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$4.95 on 13 April 2017, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$1.82 on 2 November 2016.

The Undertaking

On 13 April 2017, Springboard (being the substantial shareholder of the Company holding approximately 14.97% of the issued share capital of the Company as at the date of this joint announcement) has irrevocably undertaken to the Offeror that it will not transfer, dispose of, or tender 41,784,975 Shares (representing approximately 9.97% of the issued share capital of the Company as at the date of this joint announcement) held by it for acceptance of the Offer. As advised by Springboard, it intends to tender 20,955,700 Shares (representing 5% of the issued share capital of the Company) for acceptance of the Offer.

Upon close of the Offer, it is expected that Springboard will hold approximately 9.97% of the issued share capital of the Company.

Value of the Offer

As at the date of this joint announcement, there are 419,114,000 Shares in issue. Save for 249,611,200 Shares that are already owned or agreed to be acquired by the Offeror and parties acting in concert with it and 41,784,975 Shares held by Springboard which are subject to the Undertaking, a total of 127,717,825 Shares will be subject to the Offer.

Based on the Offer Price of HK\$5.18 per Offer Share and a total of 127,717,825 Offer Shares (assuming there is no change in the total number of issued Shares from the date of this joint announcement up to the making of the Offer), the value of the Offer will amount to approximately HK\$661.6 million.

Confirmation of financial resources available for the Offer

The maximum cash consideration for the Offer is approximately HK\$661.6 million. The Offeror intends to finance the Offer by its internal resources.

Optima Capital, being the financial adviser to the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy full acceptance of the Offer.

Effect of accepting the Offer

The acceptance of the Offer by the Shareholders will constitute warranties by such Shareholders to the Offeror that the Shares acquired under the Offer are fully paid, free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of posting of the Composite Document.

The Offer will be made in compliance with the Takeovers Code which is administered by the Executive. Acceptance of the Offer shall be irrevocable and shall not be capable of being withdrawn, except as permitted under the Takeovers Code.

The Independent Shareholders are reminded to read the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in respect of the Offer and the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offer which will be included in the Composite Document.

Dealing and interest in the Company's securities

Save for the Agreement and the Investment Agreement, none of the Offeror, its ultimate beneficial owner and parties acting in concert with any of them (including the Investor) has dealt in the Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to the date of this joint announcement.

Stamp duty

In Hong Kong, the seller's ad valorem stamp duty arising in connection with acceptance of the Offer will be payable by the relevant Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptance of the Offer, whichever is higher, which will be deducted from the cash amount payable by the Offeror to such Shareholder on acceptance of the Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty would be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Payment

Payment in cash in respect of acceptance of the Offer will be made as soon as possible but in any event within seven (7) Business Days of the date on which the duly completed acceptance of the Offer and the relevant documents of title of the Offer Shares in respect of such acceptance are received by the Offeror or its agent acting on behalf of it to render each of such acceptance complete and valid.

Taxation advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, the Company, and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Shareholders

The availability of the Offer to persons who are not residents in Hong Kong may be affected by the applicable laws of the relevant jurisdiction in which they reside. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, seek their own legal advice. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

Any acceptance of any Shareholders will be deemed to constitute a representation and warranty from such Shareholders to the Offeror that the local laws and requirements have been complied with. The Shareholders should consult their professional advisers if in doubt.

Other arrangements

The Offeror confirms that as at the date of this joint announcement:

- (i) save for the Undertaking, the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them or presumed parties acting in concert with any of them (including the Investor) have not received any irrevocable commitment to accept or reject the Offer;
- (ii) there are no outstanding derivatives in respect of the securities in the Company which have been entered into by the Offeror, its ultimate beneficial owner and/or any person acting in concert with any of them or presumed parties acting in concert with any of them (including the Investor);
- (iii) save for the Undertaking, the Investment Agreement and the Share Charges (details of which are set out in the section headed “Investment Agreement” below), there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Shares and which may be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (iv) save for the Sale Shares, none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them or presumed parties acting in concert with any of them (including the Investor) owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (v) there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them or presumed parties acting in concert with any of them (including the Investor) is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; and
- (vi) none of the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them or presumed parties acting in concert with any of them (including the Investor) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

INFORMATION ON THE OFFEROR

The Offeror was incorporated in the BVI with limited liability and the ultimate beneficial owner is Mr. Lin, who is also the sole director of the Offeror. The Offeror is principally engaged in investment holding. Mr. Lin is the founder and president of 福州三盛投資有限公司 (Fuzhou Sansheng Investment Co. Ltd.*), a private company established in the PRC with principal business in property development in the PRC. Mr. Lin has over 15 years of experience in the areas of property development in the PRC.

Investment Agreement

On 11 April 2017, the Offeror, Modern Times (the sole shareholder of the Offeror) and the Investor, with Mr. Lin and Ms. Cheng being the guarantors, entered into the Investment Agreement, pursuant to which the Investor agreed to subscribe for 10,500,000 Preference Shares and 1,000,000 CPS at the subscription price of HK\$100 per Preference Shares and per CPS. The aggregate subscription monies of HK\$1,150,000,000 were used to settle the consideration of the Sale Shares.

Under the Investment Agreement, the Offeror and Modern Times respectively have also given share charges in favour of the Investor over all the Shares owned by the Offeror (including the Sale Shares and the Offer Shares to be acquired by the Offeror under the Offer) and all the ordinary shares in the Offeror (i.e. the Share Charges), which are immediately enforceable upon the occurrence of certain events including but not limited to failure to pay the dividends in respect of the Preference Shares and the CPS under the Investment Agreement.

The Preference Shares and the CPS carry no voting rights of the Offeror and are redeemable at the option of either the Offeror or the Investor in various periods as stipulated in the Investment Agreement ranging from the close of the Offer to the third anniversary of the date of issue. The holder of the CPS shall at any time after the expiry of six (6) months of the close of the Offer, be entitled to convert, without the payment of additional consideration, any of the CPS held by it into the Shares held by the Offeror at a conversion ratio of one CPS for approximately 17.2 Shares. For illustration purpose, all the 1,000,000 CPS can be converted in full into 17,236,625 Shares, representing approximately 4.1% of the issued share capital of the Company as at the date of this joint announcement.

The Investor was incorporated in Hong Kong in 2015 with the approval of China Securities Regulatory Commission, and is the subsidiary of Dongxing Securities Co., Ltd (東興證券股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601198). The Investor is not a connected person of the Offeror under the Listing Rules. The Investor serves as the platform for its group's global strategy and is principally responsible for managing, planning, implementing the group's international business development.

INTENTION OF THE OFFEROR ON THE COMPANY

As detailed in the section headed "Information on the Group" below, the Group is principally engaged in property development and property investment.

The Offeror intends to continue the existing principal businesses of the Group. Leveraging on Mr. Lin's experience in the PRC property market, the Offeror will explore possible business opportunities and strive for a sustainable development of the Group. Upon close of the Offer, the Offeror will conduct a detailed review of the business operations and financial position of the Group for the purpose of formulating a sustainable business plan or strategy for the Group's long term development. Subject to the results of the review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance long-term growth potential of the Company.

Notwithstanding the above, as at the date of this joint announcement, no investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group, and the Offeror has no intention to discontinue the employment of the employees (save for the proposed changes to the Board) or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than 25% of the issued Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.

The Offeror has no intention to privatize the Company and intends the Company to remain listed on the Main Board of the Stock Exchange after close of the Offer. The sole director of the Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float will exist in the Shares after the close of the Offer.

PROPOSED CHANGE OF BOARD COMPOSITION

The Board currently comprises two executive Directors, namely Ms. Chan Siu Chun, Candy and Mr. Lau Kam Sen, two non-executive Directors, namely Mr. Lau Luen Hung, Thomas and Mr. Wong Man Hoi, and three independent non-executive Directors, namely Mr. Lam Siu Lun, Simon, Mr. Robert Charles Nicholson and Mr. Wong Kun Kau.

The Offeror intends to nominate directors to the Board for appointment with effect from a date which is no earlier than such date as permitted under Rule 26.4 of the Takeovers Code. The Offeror also intends that all existing Directors will resign from the Board with effect from the earliest date as permitted under the Takeovers Code or other applicable laws, whichever is later. As at the date of this joint announcement, the Offeror has not decided on the future composition of the Board. Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made by the Company as and when appropriate.

INFORMATION ON THE GROUP

The Company is an investment holding company incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange (stock code: 2183). The Group is principally engaged in property development and property investment.

The Group's current portfolio of investment properties comprises certain office units/workshops and a car park space in Hong Kong and two retail properties in Harbin and Qingdao in mainland China for rental and/or capital appreciation purposes. In addition, the Group has on hand a commercial complex development project in Shenyang but as at the date of this joint announcement, no construction work has been commenced.

During the financial year ended 31 December 2016, no turnover was recorded as none of the Group's properties were leased out or sold and the investment properties remained vacant throughout the year. Leveraging the management team's extensive experience in property development and project management, the Group continued to provide project management services to connected parties during the year.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the non-executive Directors (other than Mr. Lau in view of the Undertaking given by Springboard, which is wholly owned by Mr. Lau, and Mr. Lau being the ultimate beneficial owner interested directly or indirectly in approximately 51.69% of the issued share capital of the Vendor) and independent non-executive Directors who have no direct or indirect interest in the Offer, has been established by the Company in accordance with Rule 2.1 of the Takeovers Code to make recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to acceptance of the Offer. The Independent Financial Adviser will be appointed by the Company with approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer. Further announcement will be made by the Company in respect of appointment of the Independent Financial Adviser as and when appropriate.

DESPATCH OF COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Offeror and the Company are required to despatch the Composite Document containing, among other things, (i) details of the Offer and its terms and conditions (including the expected timetable); (ii) the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Offer; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer; (iv) the valuation of the property interests of the Company; and (v) relevant forms of acceptance and transfer, to the Shareholders within 21 days from the date of this joint announcement. It is expected that the Composite Document will be despatched on or before 10 May 2017.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, the respective associates of the Company and the Offeror (as defined under the Takeovers Code, including but not limited to a person who owns or controls 5% or more of any class of relevant securities of the Company or the Offeror or any person who as a result of any transaction owns or controls 5% or more of any class of relevant securities of the Company or the Offeror) are reminded to disclose their dealings in the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

Reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code in accordance with Rule 3.8 of the Takeovers Code:

“Responsibility of stockbrokers, banks and other intermediaries

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that cooperation.”

WARNING

The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Offer and the letter of advice from the Independent Financial Adviser to the Independent Board Committee.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their own professional advisers.

LAPSE OF THE AMENDED LI NON-COMPETE DEED AND THE LC NON-COMPETE DEED

Lapse of the Amended LI Non-compete Deed

Reference is made to the announcement and circular of the Company dated 6 June 2016 and 8 June 2016 respectively, in respect of, amongst others, the amendments to the Original LI Non-compete Deed.

The Original LI Non-compete Deed was entered into between the Vendor and the Company on 26 August 2013 in connection with the spin-off exercise completed in September 2013 for the separate listing of the Company on the Main Board of the Stock Exchange to ensure there is a clear delineation of business between the Vendor Group (excluding the Group) and the Group.

The Supplemental Deed was entered into between the Vendor and the Company on 6 June 2016 to amend the Original LI Non-compete Deed in connection with the spin-off exercise completed in July 2016 for the separate listing of Lifestyle China on the Main Board of the Stock Exchange.

Under the terms of the Amended LI Non-compete Deed, the Amended LI Non-compete Deed shall be terminated and cease to have effect upon the occurrence of certain termination events. One of such termination events will trigger when the Vendor Group, taken as a whole, (a) ceases to be or ceases to be deemed as controlling shareholder(s) of the Company (within the meaning ascribed to it under the Listing Rules); (b) does not have power to control the Board; and (c) there is at least one other Shareholder holding (together with its associates) more voting power attaching to Shares than that held by the Vendor Group.

Since the Vendor has ceased to be a controlling shareholder of the Company and does not have further power to control the Board, and the Offeror has replaced the Vendor as the controlling shareholder of the Company upon Completion, the Amended LI Non-compete Deed has lapsed automatically and ceased to have effect on the parties immediately following Completion.

Lapse of the LC Non-compete Deed

Reference is made to the listing document of Lifestyle China dated 30 June 2016 in respect of, amongst others, the LC Non-compete Deed disclosed under the section "Relationship with our Controlling Shareholders and the Lifestyle Group".

The LC Non-compete Deed was entered into between the Company and Lifestyle China to ensure there is a clear delineation between the business of the Group and the business of Lifestyle China Group.

Under the terms of the LC Non-compete Deed, the LC Non-compete Deed shall cease to have effect upon occurrence of certain termination events. One of such termination events will trigger when the TL Parties, taken as a whole, (a) ceases to hold 30% or more of the issued share capital of the Company; (b) does not have power to control the Board; and (c) there is at least one other Shareholder holding (together with its close associates) more voting power attaching to Shares than that held by the TL Parties.

Since the Vendor (being a close associate of Mr. Lau and therefore a member of the TL Parties) has ceased to be a controlling shareholder of the Company and the TL Parties does not have further power to control the Board, and the Offeror has replaced the TL Parties as the controlling shareholder of the Company upon Completion, the LC Non-compete Deed has lapsed automatically and ceased to have effect on the parties immediately following Completion.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 1:00 p.m. on 13 April 2017 pending the publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 20 April 2017.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this joint announcement:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Agreement”	the sale and purchase agreement dated 13 April 2017 entered into between the Offeror and the Vendor in relation to the acquisition of the Sale Shares by the Offeror from the Vendor
“Amended LI Non-compete Deed”	the Original LI Non-compete Deed as varied and amended by the Supplemental Deed
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“close associates”	has the meaning ascribed to it under the Listing Rules
“Company”	Lifestyle Properties Development Limited, 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: 2183)
“Completion”	completion of the sale and purchase of the Sale Shares under the Agreement

“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Shareholders in connection with the Offer in compliance with the Takeovers Code containing, among other things, terms and conditions of the Offer, procedures for acceptance of the Offer, letters from the Independent Board Committee and the Independent Financial Adviser, and the relevant forms of acceptance and transfer
“CPS”	the 1,000,000 redeemable preference shares to be issued by the Offeror at the subscription price of HK\$100 per CPS under the Investment Agreement which are convertible into the Shares held by the Offeror at the conversion ratio of one CPS to 17.2 Shares
“Director(s)”	director(s) of the Company for the time being
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all the non-executive Directors (other than Mr. Lau) and independent non-executive Directors who have no direct or indirect interest in the Offer, established for the purpose of advising the Independent Shareholders in respect of the Offer
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company with the approval of the Independent Board Committee to advise the Independent Board Committee in respect of the Offer
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with it
“Investment Agreement”	the agreement dated 11 April 2017 entered into between the Offeror, Modern Times, Mr. Lin, Ms. Cheng, and the Investor in relation to the subscription of the Preference Shares and the CPS by the Investor
“Investor”	Dongxing Securities (Hong Kong) Financial Holdings Limited (東興證券(香港)金融控股有限公司), a company incorporated in Hong Kong with limited liability

“Last Trading Day”	13 April 2017, being the last trading day for the Shares immediately before the publication of this joint announcement
“LC Non-compete Deed”	the deed of non-competition dated 24 June 2016 entered into between the Company and Lifestyle China, further details of which are disclosed in the listing document of Lifestyle China dated 30 June 2016 under the section “Relationship with our Controlling Shareholders and the Lifestyle Group”
“Lifestyle China”	Lifestyle China Group Limited (利福中國集團有限公司) (formerly known as Lifestyle China Limited (利福中國有限公司)), a company incorporated in the Cayman Islands whose shares are listed on the Main Board of the Stock Exchange (stock code: 2136)
“Lifestyle China Group”	Lifestyle China and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Modern Times”	Modern Times Development Limited, a company incorporated in the BVI with limited liability and solely owned by Mr. Lin
“Mr. Lau”	Mr. Lau Luen Hung, Thomas, a non-executive Director and the ultimate beneficial owner of Springboard, which is the substantial shareholder of the Company as at the date of this joint announcement
“Mr. Lin”	Mr. Lin Rongbin (林榮濱), the ultimate beneficial owner of all the issued ordinary shares in the Offeror and the sole director of the Offeror
“Ms. Cheng”	Ms. Cheng Xuan (程璇), the spouse of Mr. Lin
“Offer”	the unconditional mandatory cash offer to be made by Optima Capital on behalf of the Offeror to acquire the Offer Shares on the terms and conditions set out in this joint announcement and in compliance with the Takeovers Code
“Offer Price”	HK\$5.18 for each Offer Share payable by the Offeror to the Independent Shareholders accepting the Offer
“Offer Share(s)”	the Share(s) subject to the Offer, being the Share(s) other than (a) those already owned or agreed to be acquired by the Offeror and parties acting in concert with it, and (b) 41,784,975 Shares held by Springboard which are subject to the Undertaking

“Offeror”	Mega Regal Limited, a company incorporated in the BVI with limited liability
“Optima Capital”	Optima Capital Limited, a licensed corporation under the SFO to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities, being the financial adviser to the Offeror
“Original LI Non-compete Deed”	the deed of non-competition dated 26 August 2013 entered into between the Vendor and the Company, further details of which are disclosed in the prospectus of the Company dated 2 September 2013 under the section “Relationship with the Controlling Shareholder — Clear delineation of business”
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the register of members of the Company is/are outside Hong Kong
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, shall exclude the Hong Kong and Macao Special Administrative Regions of the People’s Republic of China and Taiwan
“Preference Shares”	the 10,500,000 redeemable preference shares to be issued by the Offeror under the Investment Agreement at an aggregate subscription price of HK\$1,050,000,000
“Sale Share(s)”	an aggregate of 249,611,200 Shares acquired by the Offeror from the Vendor pursuant to the terms and conditions of the Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Charges”	the share charges dated 11 April 2017 given by the Offeror and Modern Times respectively in favour of the Investor over all the Shares owned by the Offeror and the ordinary shares in the Offeror
“Shareholder(s)”	holder(s) of the Share(s)
“Springboard”	Springboard Holdings Limited, a company incorporated in the BVI with limited liability, and the substantial shareholder of the Company as at the date of this joint announcement

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Supplemental Deed”	the supplemental deed dated 6 June 2016 entered into between the Vendor and the Company to amend the Original LI Non-compete Deed, further details of which are disclosed in the circular of the Company dated 8 June 2016 under the section “The Supplemental Deed” in the “Letter from the Board”
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Undertaking”	an irrevocable undertaking dated 13 April 2017 given by Springboard that, among others, Springboard will not transfer or tender 41,784,975 Shares held by it for acceptance of the Offer
“TL Parties”	Mr. Lau and United Goal and their respective close associates
“United Goal”	United Goal Resources Limited, a company incorporated in the BVI with limited liability, which is ultimately owned as to 80% by Mr. Lau and as to 20% by family members of Mr. Lau Luen Hung, Joseph
“Vendor”	Lifestyle International Holdings Limited (利福國際集團有限公司), 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: 1212)
“Vendor Group”	the Vendor and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the sole director
MEGA REGAL LIMITED
Lin Rongbin
Director

By order of the Board
**LIFESTYLE PROPERTIES
DEVELOPMENT LIMITED**
Poon Fuk Chuen
Company Secretary

Hong Kong, 19 April 2017

* *The English translation of the Chinese name here denoted is for illustration purpose only. Shall there be any inconsistencies, the Chinese name prevail.*

As at the date of this joint announcement, the sole director of the Offeror is Mr. Lin.

Mr. Lin accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group), and confirms, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this announcement, the Board comprises two executive Directors, namely Ms. Chan Siu Chun, Candy and Mr. Lau Kam Sen; two non-executive Directors, namely Mr. Lau Luen Hung, Thomas and Mr. Wong Man Hoi; and three independent non-executive Directors, namely Mr. Lam Siu Lun, Simon, Mr. Robert Charles Nicholson and Mr. Wong Kun Kau.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinion expressed in this joint announcement (other than those expressed by the director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.