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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)

(1) POLL RESULTS OF THE EXTRAORDINARY GENERAL MEETING HELD ON 24 JUNE 2016 AND (2) NEWCO NON-COMPETE DEED

POLL RESULTS OF THE EXTRAORDINARY GENERAL MEETING HELD ON 24 JUNE 2016

The Board is pleased to announce that the Resolutions as set out in the Notice were duly passed by the LP Independent Shareholders at the EGM held on 24 June 2016 by way of poll.

NEWCO NON-COMPETE DEED

Further to the Announcement, the Board is pleased to announce that in connection with the Proposed Spin-off, Newco executed the Newco Non-compete Deed in favour of the Company on 24 June 2016 to provide undertakings on the terms similar to those given by Lifestyle International to the Company under the Existing LP Non-compete Deed.

As the terms of the undertakings from Newco under the Newco Non-compete Deed are similar to those given by Lifestyle International to the Company under the Existing LP Non-compete Deed and the Newco Non-compete Deed enables the Company to continue to have similar rights conferred under the Existing LP Non-compete Deed following the Proposed Spin-off, the Directors are of the view that the terms of the Newco Non-compete Deed are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

A. POLL RESULTS OF THE EXTRAORDINARY GENERAL MEETING HELD ON 24 JUNE 2016

Reference is made to the circular of the Company dated 8 June 2016 (the “**Circular**”) and the notice (“**Notice**”) of the EGM.

The Board is pleased to announce that the ordinary resolutions (“**Resolutions**”) as set out in the Notice were duly passed by the LP Independent Shareholders at the EGM held on 24 June 2016 by way of poll.

The poll results of the Resolutions passed at the EGM are as follows:

Ordinary Resolutions		Number of Votes (%)	
		For	Against
1.	To approve the Supplemental Deed (as defined in the Circular) and the transactions contemplated thereunder.	34,586,096 (100%)	0 (0%)
2.	To approve the Newco Framework Agreement (as defined in the Circular) and the transactions contemplated thereunder and the Service Fee Caps (as defined in the Circular) in respect of the service fee payable under the Newco Framework Agreement for each of the three years ending 31 December 2016, 2017 and 2018.	34,586,096 (100%)	0 (0%)

Note: The full text of the Resolutions is set out in the Notice.

As at the date of the EGM, the total number of Shares in issue is 419,114,000 Shares. As stated in the Circular, Lifestyle International, Mr. Thomas Lau and their respective associates, in aggregate holding 323,182,050 Shares as at the date of the EGM, were required to, and did, abstain from voting on the Resolutions at the EGM. The total number of Shares entitling the LP Independent Shareholders to attend and vote for or against the Resolutions at the EGM was 95,931,950 Shares. No shareholder of the Company was entitled to attend and abstain from voting in favour of the Resolutions at the EGM as set out in Rule 13.40 of the Listing Rules.

Computershare Hong Kong Investor Services Limited, the Company’s share registrar in Hong Kong, was appointed as the scrutineer for the poll taking at the EGM.

B. NEWCO NON-COMPETE DEED

Backgrounds

Reference is made to the Announcement in which it was noted that:

- (a) Lifestyle International has given non-compete undertakings to the Company pursuant to the Existing LP Non-compete Deed in order to ensure that there is a clear delineation between the business of the Lifestyle International Group and the business of the Lifestyle Properties Group following the spin-off of the Company from Lifestyle International in September 2013 (the “**LP Spin-off**”); and
- (b) as the Newco Group was part of the Lifestyle International Group at the time of the LP Spin-off and Mr. Thomas Lau and its close associates will remain to be the controlling shareholders of both Lifestyle International and Newco even after the Proposed Spin-off, in order to enable the Company to continue to have similar rights conferred under the Existing LP Non-compete Deed following the Proposed Spin-off which, when completed, will result in the Newco Group ceasing to be part of the Lifestyle International Group, it was the understanding of the Company from Lifestyle International that Newco would also execute the Newco Non-compete Deed in favour of the Company for the purpose of the Proposed Spin-off to provide undertakings on the terms similar to those given by Lifestyle International to the Company under the Existing LP Non-compete Deed.

Further to the Announcement, the Board is pleased to announce that in connection with the Proposed Spin-off, Newco executed the Newco Non-compete Deed in favour of the Company on 24 June 2016 to provide undertakings on terms similar to those given by Lifestyle International to the Company under the Existing LP Non-compete Deed.

Principal terms of the Newco Non-compete Deed

The principal terms of the Newco Non-compete Deed are set out below:

- Date: 24 June 2016
- Parties: (a) the Company; and
(b) Newco

Upon completion of the Proposed Spin-off, it is expected that (i) United Goal will hold approximately 33.70% of the shareholding of Newco; and (ii) Mr. Thomas Lau will also either directly or through Dynamic Castle hold another 17.99% of the shareholding of Newco. As such, Newco will become a 30%-controlled company of Mr. Thomas Lau, and hence an associate of Mr. Thomas Lau and a connected person of the Company pursuant to Chapter 14A of the Listing Rules following the Proposed Spin-off.

Conditions

The Newco Non-compete Deed is conditional upon the shares of Newco having becoming listed on the Stock Exchange for dealings on or before the date falling 30 days after the date of the listing document to be issued to the public in Hong Kong by Newco in connection with the Proposed Spin-off or such later date as the sponsor for the Proposed Spin-off and Newco shall agree in writing, whichever is later.

Restrictive covenants

Pursuant to the Newco Non-compete Deed, during the period (the “**LP Non-compete Period**”) for which the Newco Non-compete Deed is in force and subject to the exceptions set out below, Newco shall not, and shall procure that its subsidiaries will not:

- (a) acquire, hold or develop, whether directly or indirectly, any land or properties (i) for residential usage or (ii) for commercial usage in Hong Kong or the PRC, or
- (b) acquire an interest in any company principally engaged in the business of property development and/or property investment whose principal assets comprise such land or properties as are referred to in (a) above, if such company will become a subsidiary of Newco under the Listing Rules following such acquisition (the “**Relevant Company**”),

in each case regardless of the size of the land or properties (collectively, the “**Restrictions**”), provided that the Restrictions shall not apply to the existing properties owned by the Newco Group (including the Daning Project and its project in Shenyang) as of the date of the Newco Non-compete Deed.

Notwithstanding the Restrictions, the Newco Group shall be entitled to acquire, hold or develop the following new land or properties which may be acquired by the Newco Group after the date of the Newco Non-compete Deed, whether directly or indirectly (including through the acquisition of the Relevant Company):

- (a) any land or properties for the own use and occupation of the Newco Group (including without limitation those used for the supermarkets, restaurants or other business operations by the Newco Group and warehouses and offices used in connection with the business operations of the Newco Group) and/or for its department store operations and/or for purposes complementary to its department store operations, regardless of the size of the land or properties; or
- (b) any other land or properties, whether partly or wholly, for commercial and/or residential usage on the strict condition that the relevant land, property or interest therein (the opportunity to acquire such land, property or interest therein being hereinafter referred to as the “**LP Opportunity**”) has first been offered to the Lifestyle Properties Group and rejected by an independent committee of the Board comprising the independent non-executive Directors who do not hold any role in the Newco Group (the “**LP Independent Board Committee**”), and the principal

terms on which the Newco Group invests, participates or engages in the project are not more favourable to the Newco Group as those disclosed to the Lifestyle Properties Group in relation to the LP Opportunity.

In addition, under the Newco Non-compete Deed, Newco has undertaken to and for the benefit of the Company and its subsidiaries to procure that the Newco Group shall not change the existing use of the Newco Group's owned properties or relevant parts thereof and which are designated either for its department store operations or for purposes complementary to its department store operations or for the Newco Group's own use and occupation (including without limitation those used for the supermarkets, restaurants or other business operations by the Newco Group and warehouses and offices used in connection with the business operations of the Newco Group) (the "**Permitted Usages**"), to any other usages which do not fall within the scope of the Permitted Usages (the "**Other Usages**"), unless:

- (a) the Newco Group offers to the Lifestyle Properties Group for the purchase of the relevant property or relevant portions thereof which is or are proposed to be designated for the Other Usages (collectively the "**Sale Portions**") at a price equivalent to the fair valuation attributable to the Sale Portions as determined by an independent property valuer; and
- (b) such offer has been rejected by the LP Independent Board Committee. If such offer is rejected by the LP Independent Board Committee, the Newco Group shall be entitled to deal with, hold or use the Sale Portions for the Other Usages.

In relation to the Daning Project owned by the Newco Group, in view of similar undertakings having been given by Lifestyle International under the Existing LP Non-compete Deed, Newco has also undertaken to and for the benefit of the Company and its subsidiaries under the Newco Non-compete Deed that if and whenever the development of a property, or the relevant part thereof, comprised in the Daning Project which is for the Other Usages has been completed and is legally permissible for transfer or sale, Newco will procure the Newco Group to offer such property or the relevant part thereof (the "**Offered Jing'an Property**") to the Lifestyle Properties Group for purchase at a price equivalent to the fair valuation attributable to the Offered Jing'an Property as determined by an independent property valuer. The Company will make the decision on such offer through the LP Independent Board Committee. If such offer is rejected by the LP Independent Board Committee, the Newco Group shall be entitled to deal with, hold or use the Offered Jing'an Property for the Other Usages.

The Shenyang Jiuguang department store operation was closed down by the Newco Group in December 2015 and the property remains as is but vacant. If the Newco Group decides to change the use of the Shenyang property to the Other Usages after completion of the Proposed Spin-off, the provisions regarding the change of usages under the Newco Non-compete Deed will apply to the Shenyang property. In such an event, the Newco Group will make an offer to the Lifestyle Properties Group for the purchase of the relevant property at a price equivalent to the fair valuation of the relevant property as determined by an independent valuer in accordance with the requirements of the Newco Non-compete Deed. If such offer is rejected by the LP

Independent Board Committee and (where necessary) independent shareholders of the Company, the Newco Group shall be entitled to deal with, hold or use the relevant property for the Other Usages.

Newco has also undertaken to and for the benefit of the Company and its subsidiaries under the Newco Non-compete Deed that during the LP Non-compete Period, Newco will procure the Newco Group to refer any potential tenants of its retail space (excluding for this purpose the retail space within the department stores or supermarkets owned or operated by the Newco Group) to the Lifestyle Properties Group whenever enquiries are received from such potential tenants in the event that such retail space of the Newco Group and the Lifestyle Properties Group are in the same city.

In deciding whether to pursue the LP Opportunity or to accept the offer for the purchase of the Sale Portions or the Offered Jing'an Property (such LP Opportunity or offer being hereinafter referred to as the "**LP New Investment Opportunity**") offered under the Newco Non-compete Deed, the Company will seek approval from the LP Independent Board Committee.

Newco has further undertaken to and for the benefit of the Company and its subsidiaries that, during the LP Non-compete Period:

- (a) Newco will provide to the Company all such information as the Company may reasonably require in order to make an informed assessment of the LP New Investment Opportunity;
- (b) Newco will provide to the Company all such information as the Newco Group possesses, including without limitation all relevant financial, operational and market information and any other necessary information, which is necessary for (i) the annual review by the LP Independent Board Committee in relation to the compliance of the terms set out in the Newco Non-compete Deed by Newco; and (ii) disclosure of decisions made by the LP Independent Board Committee on matters reviewed by them relating to the compliance of the terms set out in the Newco Non-compete Deed by Newco in the Company's annual report, circular or public announcements or notices, and Newco will give consent to the disclosure of all information in the Company's annual report, circular or public announcements or notices;
- (c) Newco will allow the Directors, their respective representatives and the auditors of the Company to have sufficient access to the records of the Newco Group to ensure the Newco Group's compliance with the terms and provisions of the Newco Non-compete Deed;
- (d) Newco will within three (3) months after the end of each financial year of the Company deliver to the Company an annual confirmation in writing signed by the Newco Group (the "**LP Annual Confirmation**") confirming (a) whether or not the Newco Group have complied with the terms of the Newco Non-compete Deed, and if not, will give particulars of any non-compliance in the LP Annual Confirmation; and (b) whether or not the Newco Group has entered into any transaction with intent to circumvent the terms of the Newco Non-compete Deed, and if so, will give details of such transaction in the LP Annual Confirmation; and

- (e) Newco will procure those directors of Newco who are also Directors of the Company to abstain from voting at any meetings of board of directors of both the Company and Newco for consideration and approval of any matters referred to in the Newco Non-compete Deed which have or may give rise to conflicts of interest, whether actual or potential.

Under the Newco Non-compete Deed, all future transactions which may be conducted by the Lifestyle Properties Group and the Newco Group in connection with or otherwise relating to the LP New Investment Opportunities are subject to and conditional upon compliance by Newco and the Company with the Listing Rules including the obtaining of relevant independent shareholders' approval of Newco and/or the Company. Each of Newco and the Company shall use their respective best endeavours to ensure compliance with the Listing Rules when undertaking such transactions.

Termination

The Newco Non-compete Deed will cease to have effect upon occurrence of the earliest of any of the following events or circumstances:

- (a) the day on which the shares of the Company cease to be listed on the Stock Exchange;
- (b) the day on which the TL Parties, taken as a whole, (i) ceases to hold 30% or more of the issued share capital of either the Company or Newco (excluding for this purpose any temporary reduction in the direct or indirect shareholdings in the Company or Newco (as the case may be) by reason of a placing of shares in the Company or Newco (as the case may be) by the TL Parties with one or more persons and then, as soon as is practicable, subscribes for new shares of the Company or Newco (as the case may be) and again becomes holding 30% or more of the issued share capital of the Company or Newco (as the case may be)), (ii) does not have power to control the Board or the board of directors of Newco (as the case may be) and (iii) there is at least one other shareholder of the Company or Newco (as the case may be) holding (together with its close associates) more voting power attaching to shares in the Company or Newco (as the case may be) than that held by the TL Parties; or
- (c) the day on which the Remaining Lifestyle Group or the TL Parties beneficially owns the entire issued share capital of the Company.

Reasons and benefits for the Newco Non-compete Deed

As the terms of the undertakings from Newco under the Newco Non-compete Deed are similar to those given by Lifestyle International to the Company under the Existing LP Non-compete Deed and the Newco Non-compete Deed enables the Company to continue to have similar rights conferred under the Existing LP Non-compete Deed following the Proposed Spin-off, the Directors are of the view that the terms of the Newco Non-compete Deed are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

INFORMATION OF THE LIFESTYLE PROPERTIES GROUP AND NEWCO GROUP

The Lifestyle Properties Group is principally engaged in property development and property investment.

The Newco Group is principally engaged in the operation of department stores and supermarket business in the PRC and restaurant business.

DEFINITIONS

“30%-controlled company”	has the meaning ascribed to it under the Listing Rules
“Announcement”	the announcement of the Company dated 6 June 2016 in respect of, amongst others, the amendments to the Existing LP Non-compete Deed and the services framework agreement entered into between the Company and Newco dated 6 June 2016
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“close associates”	has the meaning ascribed to it under the Listing Rules
“Company”	Lifestyle Properties Development Limited (利福地產發展有限公司), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 2183) and is owned as to approximately 59.56% by Lifestyle International as at the date of this announcement
“Daning Project”	a property project of the Newco Group, comprising a sizable commercial complex under development in the Zhabei District (now known as Jing’an District) of Shanghai, the PRC
“Directors”	the director(s) of the Company
“Dynamic Castle”	Dynamic Castle Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Mr. Thomas Lau
“EGM”	the extraordinary general meeting of the Company held on Friday, 24 June 2016 in relation to the amendments to the Existing LP Non-compete Deed and the services framework agreement entered into between Newco and the Company dated 6 June 2016

“Existing LP Non-compete Deed”	the deed of non-competition dated 26 August 2013 entered into by Lifestyle International in favour of 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”
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Lifestyle International”	Lifestyle International Holdings Limited (利福國際集團有限公司), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 1212)
“Lifestyle International Group”	Lifestyle International and its subsidiaries (excluding members of the Lifestyle Properties Group) prior to completion of the Proposed Spin-off
“Lifestyle Properties Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LP Independent Shareholders”	the shareholders of the Company other than Lifestyle International, Mr. Thomas Lau and their respective associates
“Mr. Thomas Lau”	Mr. Lau Luen Hung, Thomas, a non-executive Director and the Chairman of the Company, who is also the Chairman, chief executive officer and an executive director of Lifestyle International and is deemed to be interested in an aggregate of approximately 51.69% of shareholding in Lifestyle International as at the date of this announcement
“Newco”	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 with limited liability
“Newco Group”	Newco and its subsidiaries following completion of a corporate reorganization to be undertaken for the purpose of the Proposed Spin-off
“Newco Non-compete Deed”	the deed of non-competition dated 24 June 2016 entered into by Newco in favour of the Company
“PRC”	the People’s Republic of China which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan

“Proposed Spin-off”	the proposed spin-off of the Newco Group by way of a separate listing of shares in Newco on the main board of the Stock Exchange, as disclosed in the announcement of Lifestyle International dated 22 April 2016
“Remaining Lifestyle Group”	Lifestyle International and its subsidiaries (excluding members of the Lifestyle Properties Group and the Newco Group) after completion of the Proposed Spinoff
“Shares”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TL Parties”	Mr. Thomas Lau and United Goal and their respective close associates
“United Goal”	United Goal Resources Limited, a company incorporated in the British Virgin Islands with limited liability, which is ultimately owned as to 80% by Mr. Thomas Lau and as to 20% by a family trust of which Mr. Lau Luen Hung, Joseph and certain of his family members are eligible beneficiaries
“%”	per cent.

On behalf of the Board
Lifestyle Properties Development Limited
Chan Siu Chun, Candy
Executive Director

Hong Kong, 24 June 2016

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