

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities nor is it calculated to invite any such offer or invitation. In particular, this announcement does not constitute and is not an offer to sell or a solicitation of any offer to buy securities in Hong Kong, the United States or elsewhere.



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)

PROPOSED SPIN-OFF AND SEPARATE LISTING OF LIFESTYLE CHINA GROUP LIMITED ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

DECLARATION OF THE CONDITIONAL DISTRIBUTION IN SPECIE

EXPECTED TIMETABLE FOR THE LISTING BY WAY OF INTRODUCTION OF THE LIFESTYLE CHINA SHARES

ISSUE OF THE LISTING DOCUMENT OF LIFESTYLE CHINA

AMENDMENTS TO THE LP NON-COMPETE DEED

CONTINUING CONNECTED TRANSACTIONS

RE-DESIGNATION OF DIRECTOR AND RESIGNATION OF CHIEF EXECUTIVE OFFICER

Reference is made to the announcements of the Company dated 22 April 2016, 16 June 2016 and 22 June 2016 in respect of the Proposed Spin-off and separate listing of the Lifestyle China Shares by way of introduction to be implemented by means of a distribution in specie by the Company of the Lifestyle China Shares to the Shareholders.

DECLARATION OF THE CONDITIONAL DISTRIBUTION IN SPECIE

On 28 June 2016, the Board declared a conditional distribution in specie of the entire issued share capital of Lifestyle China to the registered holders of the Shares whose names appear on the register of members of the Company at the close of business on the Distribution Record Date.

The Conditional Distribution is conditional upon the satisfaction of the Spin-off Condition. If the Spin-off Condition is not satisfied on or before the Long Stop Date, the Conditional Distribution will not be made and the Proposed Spin-off will not take place.

As indicated in the Company's announcement dated 22 June 2016, the Distribution Record Date for ascertaining the entitlements will be on Monday, 11 July 2016, and the register of members of the Company will be closed from Thursday, 7 July 2016 to Monday, 11 July 2016 (both days inclusive), during which no transfer of shares of the Company will be effected. In order to qualify for entitlement to the Conditional Distribution, all properly completed and duly stamped transfer forms accompanied by the relevant share certificates should be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 6 July 2016.

ISSUE OF THE LISTING DOCUMENT OF LIFESTYLE CHINA

The Listing Document in relation to the Proposed Spin-off to be issued by Lifestyle China on 30 June 2016 will be despatched to the Shareholders (subject to any legal restrictions under the laws of the relevant jurisdictions where they are located or resident and/or the requirements of the relevant regulatory bodies or stock exchanges in those jurisdictions). It will also be available on the Stock Exchange's website at www.hkexnews.hk, on Lifestyle China's website at www.lifestylechina.com.hk and on the Company's website at www.lifestylehk.com.hk. Copies of the Listing Document will also be available at the office of the sponsor of the proposed listing of Lifestyle China, details of which will be announced by Lifestyle China on 30 June 2016.

AMENDMENTS TO THE LP NON-COMPETE DEED

In connection with the Proposed Spin-off, the Company and Lifestyle Properties entered into the Supplemental Deed on 6 June 2016 to amend the LP Non-compete Deed. The LP Independent Shareholders have approved the Supplemental Deed at the extraordinary general meeting of Lifestyle Properties held on 24 June 2016. The Supplemental Deed is still conditional on fulfillment of the conditions of the listing of, and permission to deal in, the Lifestyle China Shares having been granted by the Stock Exchange and the commencement of dealings in the Lifestyle China Shares on the Stock Exchange in connection with the Proposed Spin-off, on or before 31 December 2016 or such other date as shall be mutually agreed between the Company and Lifestyle Properties.

CONTINUING CONNECTED TRANSACTIONS

On 10 June 2016, Global Top Limited (a wholly owned subsidiary of Lifestyle China) as tenant entered into an agreement with Congenial Company Limited, a member of the Group as landlord with respect of the HK Restaurant Property.

The Company is owned as to 33.70% by United Goal Resources Limited and United Goal Resources Limited will become one of the controlling shareholders of Lifestyle China upon completion of the Conditional Distribution. Mr. Lau, being a non-executive Director, ultimately owns 80% interest in United Goal Resources Limited through Asia Prime Assets Limited. Mr. Lau will also either directly or through Dynamic Castle Limited own another 17.99% interest in Lifestyle China upon completion of the Conditional Distribution. Pursuant to Rule 14A.13(3) of the Listing Rules, Lifestyle China and its subsidiaries will be associates of United Goal and, therefore, will become connected persons of the Company within the meaning of the Listing Rules. Hence, the transactions contemplated under the HK Restaurant Tenancy Agreement will constitute continuing connected transactions for the Company under Rule 14A.31 of the Listing Rules upon completion of the Conditional Distribution.

As the highest of the applicable percentage ratios for the HK Annual Caps under the Listing Rules exceeds 0.1% but is less than 5% on an annual basis, the continuing connected transactions contemplated under the HK Restaurant Tenancy Agreement are subject to the reporting, announcement and annual review requirements but are exempt from shareholders' approval requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules.

RE-DESIGNATION OF DIRECTOR AND RESIGNATION OF CHIEF EXECUTIVE OFFICER

The Board announces that with effect from 28 June 2016, Mr. Lau has been re-designated from an executive Director to a non-executive Director of the Company and has resigned as the Chief Executive Officer of the Company. Mr. Lau has been re-designated as a non-executive Director and the Chairman of the Company in view of his new role in Lifestyle China as its executive director, chairman and chief executive officer. He will continue to be the Chairman of the Company. Mr. Lau has confirmed that he has no disagreement with the Board.

The Proposed Spin-off is subject to, among other things, the approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Lifestyle China Shares on the Main Board of the Stock Exchange and the final decisions of the Board and of the board of directors of Lifestyle China. Accordingly, shareholders of and potential investors in the Company should be aware that there is no assurance that the Proposed Spin-off and the separate listing of the Lifestyle China Shares will take place or as to when it may take place. If the Proposed Spin-off does not proceed for any reason, the Conditional Distribution will not be made. Shareholders of and potential investors in the Company should therefore exercise caution when dealing in or investing in the securities of the Company.

INTRODUCTION

Reference is made to the announcements of the Company dated 22 April 2016, 16 June 2016 and 22 June 2016 in respect of the proposed spin-off and separate listing of the Lifestyle China Shares by way of introduction to be implemented by means of a distribution in specie by the Company of the Lifestyle China Shares to the Shareholders (the “**Proposed Spin-off**”).

DECLARATION OF THE CONDITIONAL DISTRIBUTION IN SPECIE

On 28 June 2016, the Board declared a conditional distribution in specie of the entire issued share capital of Lifestyle China to the registered holders of the Shares whose names appear on the register of members of the Company at the close of business on the Distribution Record Date.

Condition to the Conditional Distribution

The Conditional Distribution is conditional upon the satisfaction of the Spin-off Condition. If the Spin-off Condition is not satisfied on or before the Long Stop Date, the Conditional Distribution will not be made and the Proposed Spin-off will not take place.

Entitlement of Qualifying Shareholders

If the Spin-off Condition is satisfied, the Conditional Distribution will be satisfied wholly by way of a distribution in specie to the Qualifying Shareholders the entire issued share capital of Lifestyle China in proportion to their respective shareholdings in the Company on the Distribution Record Date. The Qualifying Shareholders will be entitled to one Lifestyle China Share for every one Share held as at the close of business on the Distribution Record Date. Fractional entitlements under the Conditional Distribution will be retained by the Company for sale in the market and the Company will keep the net proceeds of sale, after deduction of the related expenses therefrom, for its own benefit.

As the Qualifying Shareholders will be entitled to one Lifestyle China Share for every one Share held as at the close of business on the Distribution Record Date in proportion to their respective shareholdings in the Company under the Conditional Distribution, no agent will be appointed to provide a matching service to match the sale and purchase of odd lots of the

Lifestyle China Shares. Lifestyle China Shareholders who wish to sell their odd lots of the Lifestyle China Shares received under the Conditional Distribution should contact their own broker.

Excluded Shareholders

The Excluded Shareholders (if any) will be entitled to the Conditional Distribution but will not receive the Lifestyle China Shares. Instead, they will receive a cash amount which equals to the net proceeds of the sale by the Company (if such proceeds shall exceed HK\$100.00) on their behalf of the Lifestyle China Shares to which they would otherwise be entitled pursuant to the Conditional Distribution after dealings in the Lifestyle China Shares commence on the Stock Exchange at the prevailing market price. The net proceeds of such sale will be paid to the relevant Excluded Shareholders in HK dollars.

According to the register of members of the Company as at 23 June 2016, there were 3 Overseas Shareholders of the Company with their addresses in the British Virgin Islands and the Cayman Islands, respectively. By reference to the register of members of the Company as at 23 June 2016, there should be no Excluded Jurisdiction(s).

If the Excluded Jurisdiction(s) turn out to be different based on the register of members of the Company at the close of business on the Distribution Record Date, the Company will announce, after the Distribution Record Date, the Excluded Jurisdiction(s). Such announcement, if any, is expected to be made on Friday, 14 July 2016. Please refer to the Listing Document for further details in respect of the Excluded Shareholders. The availability of the Listing Document is set out in the paragraph headed “Issue of the Listing Document of Lifestyle China” below.

The PRC Stock Connect Investors

According to the “CCASS Shareholding Search” available on the Stock Exchange’s website (www.hkexnews.hk), as at Thursday, 23 June 2016, ChinaClear held 586,500 Shares, representing approximately 0.03% of the total issued Shares. ChinaClear is a CCASS Participant with the HKSCC Nominees Limited.

The Board and the board of directors of Lifestyle China have made the relevant enquiries and have been advised by the PRC legal adviser that the PRC Stock Connect Investors may receive the Lifestyle China Shares pursuant to the Conditional Distribution through ChinaClear. In addition, according to the PRC legal adviser and the Frequently Asked Questions Series 29 regarding Shanghai-Hong Kong Stock Connect, the PRC Stock Connect Investors (or the relevant ChinaClear participants, as the case may be) whose stock accounts in ChinaClear are credited with the Lifestyle China Shares may only sell them on the Stock Exchange under Shanghai-Hong Kong Stock Connect but may not purchase the Lifestyle China Shares as the Lifestyle China Shares are not eligible securities under the Shanghai-Hong Kong Stock Connect.

PRC Stock Connect Investors should seek advice from their intermediary (including broker, custodian, nominee or ChinaClear participant) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear.

Book closure date and Distribution Record Date

As indicated in the Company's announcement dated 22 June 2016, the Distribution Record Date for ascertaining the entitlements will be on Monday, 11 July 2016, and the register of members of the Company will be closed from Thursday, 7 July 2016 to Monday, 11 July 2016 (both days inclusive), during which no transfer of shares of the Company will be effected. In order to qualify for entitlement to the Conditional Distribution, all properly completed and duly stamped transfer forms accompanied by the relevant share certificates should be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 6 July 2016.

EXPECTED TIMETABLE FOR THE LISTING BY WAY OF INTRODUCTION OF THE LIFESTYLE CHINA SHARES

The expected timetable for the listing by way of introduction of the Lifestyle China Shares is set out as follows:

Last day of dealings in the Shares on a cum entitlement basis Monday, 4 July

First day of dealings in the Shares on an ex entitlement basis Tuesday, 5 July

Latest time for lodging transfers of the Shares cum
entitlement to the Lifestyle China Shares pursuant to
the Conditional Distribution 4:30 p.m. on
Wednesday, 6 July

Register of members of the Company closes
(both dates inclusive)..... Thursday, 7 July to
Monday, 11 July

Distribution Record Date Monday, 11 July

Register of members of the Company re-opens on Tuesday, 12 July

Share certificates of the Lifestyle China Shares
to be despatched on Thursday, 14 July

Dealings in the Lifestyle China Shares on the
Stock Exchange expected to commence at 9:00 a.m. on
Friday, 15 July

Payment to the Excluded Shareholders of the net proceeds
of the sale of the Lifestyle China Shares which they
would otherwise receive pursuant to the Conditional
Distribution on or around..... Friday, 5 August

ISSUE OF THE LISTING DOCUMENT OF LIFESTYLE CHINA

The Listing Document in relation to the Proposed Spin-off to be issued by Lifestyle China on 30 June 2016 will be despatched to the Shareholders (subject to any legal restrictions under the laws of the relevant jurisdictions where they are located or resident and/or the requirements of the relevant regulatory bodies or stock exchanges in those jurisdictions). It will also be available on the Stock Exchange's website at www.hkexnews.hk, on Lifestyle China's website at www.lifestylechina.com.hk and on the Company's website at www.lifestylehk.com.hk. Copies of the Listing Document will also be available at the office of the sponsor of the proposed listing of Lifestyle China, details of which will be announced by Lifestyle China on 30 June 2016.

AMENDMENTS TO LP NON-COMPETE DEED

Reference is made to the announcement of Lifestyle Properties dated 6 June 2016 in relation to, among others, amendments to the LP Non-compete Deed which is the deed of non-competition made by the Company in favour of Lifestyle Properties on 26 August 2013 in connection with the spin-off exercise completed in September 2013 for the separate listing of Lifestyle Properties on the Main Board of the Stock Exchange.

In connection with the Proposed Spin-off, the Company and Lifestyle Properties have entered into the Supplemental Deed on 6 June 2016 to amend the LP Non-compete Deed. The Company is the controlling shareholder of Lifestyle Properties and hence a connected person of Lifestyle Properties under Chapter 14A of the Listing Rules. According to Chapter 14A of the Listing Rules, amending the LP Non-compete Deed by entering into the Supplemental Deed between the Company and Lifestyle Properties constitutes a connected transaction for Lifestyle Properties which is subject to the requirements of reporting, announcement and approval by the LP Independent Shareholders. The LP Independent Shareholders have approved the Supplemental Deed at the extraordinary general meeting of Lifestyle Properties held on 24 June 2016.

The Supplemental Deed is still conditional on fulfillment of the conditions of the listing of, and permission to deal in, the Lifestyle China Shares having been granted by the Stock Exchange and the commencement of dealings in the Lifestyle China Shares on the Stock Exchange in connection with the Proposed Spin-off, on or before 31 December 2016 or such other date as shall be mutually agreed between the Company and Lifestyle Properties. Subject to the fulfillment of the above conditions, the Supplemental Deed (in other words the proposed amendments to the LP Non-compete Deed) will become effective on the date of the Conditional Distribution.

CONTINUING CONNECTED TRANSACTIONS

On 10 June 2016, Global Top Limited (a wholly owned subsidiary of Lifestyle China) (“**Global Top**”) as tenant entered into an agreement (the “**HK Restaurant Tenancy Agreement**”) with Congenial Company Limited (“**Congenial**”), a member of the Group as landlord with respect of the following property. The principal terms of the HK Restaurant Tenancy Agreement are set out below:

Principal terms

Date	:	10 June 2016
Parties	:	(1) Congenial as landlord of the HK Restaurant Property (as defined below) (2) Global Top as tenant of the HK Restaurant Property
Location of the property subject to the HK Restaurant Tenancy Agreement	:	a portion of 22nd Floor, East Point Centre, 555 Hennessy Road, Causeway Bay, Hong Kong with a total gross floor area of approximately 11,569 square feet (the “ HK Restaurant Property ”)
Term	:	From 1 June 2016 to 31 December 2018
Monthly rental payable by the tenant	:	turnover rent at the rate of 17% of the monthly sales proceeds of Global Top generated at the HK Restaurant Property (exclusive of government rent, rates and management fee) DTZ Cushman & Wakefield Limited, an independent property valuer, has reviewed the terms of the HK Restaurant Tenancy Agreement and is of the opinion that the rent payable by Global Top under the HK Restaurant Tenancy Agreement is fair and reasonable and consistent with prevailing market rates for similar restaurant at similar locations as at the date of the HK Restaurant Tenancy Agreement.
Government rent, rates and management fee	:	Government rent, rates and management fee in relation to the HK Restaurant Property will be charged to Global Top at cost.
Use	:	The HK Restaurant Property shall only be used for restaurant purpose by members of the Lifestyle China Group.

Reasons for the Transactions

During and after the three financial years ended 31 December 2015, the HK Restaurant Property has been used by the Lifestyle China Group for its operation of Wa San Mai in Hong Kong which serve Japanese foods and the Lifestyle China Group has been paying a turnover rent at the rate of 17% of the monthly sales proceeds. Upon Listing, the HK Restaurant Property will continue to be used for such purpose. The Directors, after taking into account the view of the independent property valuer that the rent payable by Global Top under the HK Restaurant Tenancy Agreement is fair and reasonable and consistent with prevailing market rates for similar restaurant at similar locations as at the date of the HK Restaurant Tenancy Agreement, consider that entering into the HK Restaurant Tenancy Agreement could provide the Group with stable rental income without the need to search for new tenant.

Annual Caps for the HK Restaurant Tenancy Agreement

For the purpose of the Listing Rules, the annual caps are set at HK\$6,500,000, HK\$14,000,000 and HK\$15,000,000 for each of the three years ending 31 December 2018 respectively in respect of the rental payable by Global Top (the “**HK Annual Caps**”). The HK Annual Caps for the year ending 31 December 2016 are substantially lower than those for the years ending 31 December 2017 and 2018 because the period covered by it is not a full year and is only around 6 months commencing from the Listing Date to the year end of 2016.

If the actual amount payable by Global Top to Congenial under the HK Restaurant Tenancy Agreement shall exceed the HK Annual Caps or upon the expiry of the HK Annual Caps on 31 December 2018, the Company will re-comply with all applicable requirements under the Listing Rules, including (where required) the obtaining of approval of its independent shareholders.

The HK Annual Caps are determined with reference to the estimated turnover rent payable by Global Top to Congenial pursuant to the HK Restaurant Tenancy Agreement based on the estimated sales proceeds after taking into account the historical turnover performance of Wa San Mai in Hong Kong and expected turnover growth of Wa San Mai in Hong Kong.

Historical figures

The rental paid by Global Top for each of the three years ended 31 December 2015 are set out below:

	For the financial year ended 31 December		
	2013	2014	2015
	<i>HK\$('000)</i>	<i>HK\$('000)</i>	<i>HK\$('000)</i>
Rental paid	10,336	10,719	11,505

Listing Rules implications

The Company is owned as to 33.70% by United Goal Resources Limited and United Goal Resources Limited will become one of the controlling shareholders of Lifestyle China upon completion of the Conditional Distribution. Mr. Lau Luen Hung, Thomas (“**Mr. Lau**”), being a non-executive Director, ultimately owns 80% interest in United Goal Resources Limited through Asia Prime Assets Limited. Mr. Lau will also either directly or through Dynamic Castle Limited own another 17.99% interest in Lifestyle China upon completion of the Conditional Distribution. Pursuant to Rule 14A.13(3) of the Listing Rules, Lifestyle China and its subsidiaries will be associates of United Goal and, therefore, will become connected persons of the Company within the meaning of the Listing Rules. Hence, the transactions contemplated under the HK Restaurant Tenancy Agreement will constitute continuing connected transactions for the Company under Rule 14A.31 of the Listing Rules upon completion of the Conditional Distribution.

Though both the HK Restaurant Tenancy Agreement and the tenancy agreement entered into between Wise Fortune Limited (a wholly owned subsidiary of Lifestyle China) as tenant and Grand Kinetic Limited (a member of the Group) as landlord on 17 June 2016 with respect to the tenancy of a portion of 20th Floor, East Point Centre, 555 Hennessy Road, Causeway Bay, Hong Kong with a total gross floor area of approximately 273 square feet to be used for office purpose by members of the Lifestyle China Group (the “**HK Tenancy Agreement**”) were entered into between the Group and the Lifestyle China Group within a 12-month period, they have not been aggregated for the purpose of classification of connected transactions under Rule 14A.81 of the Listing Rules as the two tenancy agreements were entered into on separate dates and negotiated separately with reference to the then prevailing rental rates for similar properties, each of them involves a different usage and were on separate commercial terms and not inter-dependent on each other.

As the highest of the applicable percentage ratios for the HK Annual Caps under the Listing Rules exceeds 0.1% but is less than 5% on an annual basis, the continuing connected transactions contemplated under the HK Restaurant Tenancy Agreement are subject to the reporting, announcement and annual review requirements but are exempt from shareholders’ approval requirements applicable to continuing connected transactions under Chapter 14A of the Listing Rules.

Confirmation from the Directors

The Directors (including the independent non-executive Directors) are of the view that the terms of the non-exempt continuing connected transactions described above are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and such non-exempt continuing connected transactions have been entered into in the ordinary and usual course of business of the Group and on normal commercial terms. In addition, the Directors (including our independent non-executive Directors) consider the proposed annual caps for the above non-exempt continuing connected transactions are fair and reasonable and in the interest of the Company and the Shareholders as a whole. Mr. Lau, Ms. Lau Kam Shim (being the daughter of Mr. Lau) and Ms. Lau Yuk-wai, Amy (being the sister of Mr. Lau), all being Directors, were deemed to have an interest in the HK Restaurant Tenancy

Agreement or otherwise had a potential conflict of interests in the transaction under the HK Restaurant Tenancy Agreement. As such, they agreed to abstain from voting and were not counted towards the quorum in respect of the HK Restaurant Tenancy Agreement.

INFORMATION ON THE GROUP, THE LIFESTYLE CHINA GROUP AND THE LIFESTYLE PROPERTIES GROUP

The Group is principally engaged in the operation of department stores and other related operations and property holding.

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

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

RE-DESIGNATION OF DIRECTOR AND RESIGNATION OF CHIEF EXECUTIVE OFFICER

The Board announces that with effect from 28 June 2016, Mr. Lau has been re-designated from an executive Director to a non-executive Director of the Company and has resigned as the Chief Executive Officer of the Company. Mr. Lau has been re-designated as a non-executive Director and Chairman of the Company in view of his new role in Lifestyle China as its executive director, chairman and chief executive officer. He will continue to be the Chairman of the Company. Mr. Lau has confirmed that he has no disagreement with the Board. His biographical details are set out below.

Mr. Lau, aged 62, became the managing director of the Company in January 2004. He was the Chairman and the Chief Executive Officer of the Company who leads and manages the Group by setting and implementing policies and strategies, and monitoring results and targets of the operations of the Group. He was re-designated as a non-executive director in June 2016 and will continue to be the Chairman of the Company after such re-designation. Mr. Lau was awarded a Bachelor of Arts degree by the University of Toronto in June 1975 and a Bachelor degree of Commerce and a Master degree of Business Administration by the University of Windsor, Canada in October 1976 and May 1978 respectively. Mr. Lau has substantial entrepreneurial experience in department store retailing as well as restaurant and supermarket business.

Mr. Lau was an independent director of AutoChina International Limited, a company listed on NASDAQ until cessation of his office on 29 December 2011. He has been the chairman and a non-executive director of Lifestyle Properties, since August 2013. He was also appointed as an executive director of Lifestyle China on 4 January 2016. He was also the chairman and chief executive officer of Lifestyle China. He is currently a member of the Chinese People's Political Consultative Conference Shanghai Committee and a member of the board of directors of Shanghai Jiao Tong University, the PRC.

In 2006, the Insider Dealing Tribunal of Hong Kong (“IDT”) found that Mr. Lau’s trading of shares of Asia Orient Holdings Limited, a company listed on the Stock Exchange, between 14 and 20 September 1999 constituted insider dealing. Mr. Lau was ordered not to act as a director of Chinese Estates Holdings Limited (stock code: 127) (“**Chinese Estates**”)

or CNNC International Limited (“**CNNC**”) (formerly known as United Metals Holdings Limited) (stock code: 2302), both being companies listed on the Stock Exchange, for a period of 12 months commencing from 22 December 2006 without the leave of the court. He was also ordered to pay the government the relevant profit gained, a penalty and the inquiry expenses. There is no outstanding order against Mr. Lau since 22 December 2007.

Several subsidiaries of Chi Cheung Investment Co., Ltd. (“**Chi Cheung**”) (later known as LT Holdings Limited from June 2013 to June 2014, and now known as LT Commercial Real Estate Limited) (stock code: 112), the shares of which are listed on the Stock Exchange, namely Winner Ways Limited, Best Funds Investment Limited, Unioncorp Limited, Right Joint International Limited, Cosmos Win Investment Limited, Fortune Trinity Limited, Grand Asia Investment Limited, Homewell Investment Limited and Super Culture Limited, had been put into creditors’ voluntary winding up while Mr. Lau was one of their respective directors. Mr. Lau, who was then an executive director of Chinese Estates, was appointed as a director of the aforesaid subsidiaries of Chi Cheung on 20 November 2000 after Chinese Estates, as the investor under the restructuring, became the then controlling shareholder of Chi Cheung upon completion of the restructuring of Chi Cheung group through a scheme of arrangement on 20 November 2000. The said restructuring of Chi Cheung group was a rescue plan reached against the background of high debt level and liquidity difficulties of Chi Cheung group at the material time.

Before Chinese Estates became the then controlling shareholder of Chi Cheung, the financial position of Chi Cheung group had already been unsatisfactory. Mr. Lau’s appointment as a director of the aforementioned subsidiaries of Chi Cheung was to represent the interest of Chinese Estates in these companies following its acquisition of a controlling stake in Chi Cheung and Mr. Lau had not been involved in the affairs of these companies which ultimately put them into financial difficulties and liquidation. Liquidation of the said subsidiaries of Chi Cheung commenced during the period from 2001 to 2005 and all of them have been dissolved.

Besides, a winding up order was made against an associated company of Chinese Estates, Victory Mark Investment Limited (“**Victory Mark**”), in 2004 upon the petition of a creditor within 12 months after Mr. Thomas Lau ceased to act as one of its directors. The debt which was the subject of the petition was a sum of approximately HK\$3,960,000, being the petitioner’s legal costs and disbursements in a litigation against Victory Mark involving certain defects in a flat purchased by the petitioner in a building for which Victory Mark was the developer, plus interest thereon. Mr. Lau was not a director of Victory Mark when the building was under development by Victory Mark or when the flat was sold to the petitioner. No claims have been brought against Mr. Lau personally in respect of the liquidation of the subsidiaries of Chi Cheung and the associated company of Chinese Estates as mentioned above.

Mr. Lau has entered into a new letter of appointment with the Company for a period of 3 years commencing from 28 June 2016 subject to the provision of retirement and rotation of directors of the Company under the articles of association of the Company. Such appointment may be terminated by not less than one month’s advance notice in writing served by either party on the other. The annual director’s fee payable to Mr. Lau is HK\$200,000.

Mr. Lau is the sole director of Asia Prime Assets Limited and Dynamic Castle Limited and a director of United Goal Resources Limited, all being the substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Lau is the father of Ms. Lau Kam Shim and the brother of Ms. Lau Yuk Wai, Amy.

The Company is owned as to 33.70% by United Goal Resources Limited and Mr. Lau, being a non-executive Director, ultimately owns 80% interest in United Goal Resources Limited through Asia Prime Assets Limited. Mr. Lau also either directly or through Dynamic Castle Limited owns another 17.99% interest in the Company.

Save as disclosed above, as at the date of this announcement, Mr. Lau (i) has not held any other positions within the Group; (ii) does not have any relationships with any directors, senior management or substantial or controlling shareholder of the Company; and (iii) has not held any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iv) does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, the Board is not aware of any other information which is required to be disclosed pursuant to any requirements under Rule 13.51(2) of the Listing Rules nor are there any matters which need to be brought to the attention of the Shareholders in respect of the re-designation and/or resignation of Mr. Lau.

Following Mr. Lau's resignation as the Chief Executive Officer of the Company and before an appropriate replacement is appointed, as agreed and approved by the Board, the existing management team of the Group, including the executive Director, would take care of the day-to-day running of the Group's business in accordance with the business plans and within the budgets approved by the Board.

GENERAL

The Proposed Spin-off is subject to, among other things, the approval by the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Lifestyle China Shares on the Main Board of the Stock Exchange and the final decisions of the Board and of the board of directors of Lifestyle China. Accordingly, shareholders of and potential investors in the Company should be aware that there is no assurance that the Proposed Spin-off and the separate listing of the Lifestyle China Shares will take place or as to when it may take place. If the Proposed Spin-off does not proceed for any reason, the Conditional Distribution will not be made. Shareholders of and potential investors in the Company should therefore exercise caution when dealing in or investing in the securities of the Company.

DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“ChinaClear”	China Securities Depository and Clearing Corporation Limited
“Company”	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)
“Conditional Distribution”	(subject to the Spin-off Condition being fulfilled) the conditional special interim dividend declared by the Company on 28 June 2016, to be satisfied: (a) by way of distribution in specie of such number of Lifestyle China Shares to the Qualifying Shareholders in the proportion of one Lifestyle China Share for every one Share held by them as at the close of business on the Distribution Record Date; and

(b) by way of cash payment (after deducting expenses) to the Excluded Shareholders which equals to the net proceeds of the sale by the Company on their behalf of the Lifestyle China Shares to which the Excluded Shareholders would otherwise be entitled to receive under the Conditional Distribution after dealings in the Lifestyle China Shares commence on the Stock Exchange at the prevailing market price,

in either case, on the terms and conditions to be determined by the Board

“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Distribution Record Date”	11 July 2016, being the record date for ascertaining entitlements to the Conditional Distribution
“Excluded Jurisdiction(s)”	those jurisdictions outside Hong Kong in respect of which the Board, after making relevant enquiries and based on the legal opinions provided by legal advisers, considers that it is necessary or expedient not to distribute the Lifestyle China Shares to the Overseas Shareholder(s) located or resident in those jurisdictions pursuant to the Conditional Distribution, on account either of the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction. By reference to the register of members of the Company as at 23 June 2016, there should be no Excluded Jurisdiction(s)
“Excluded Shareholders”	the Overseas Shareholder(s) in relation to whom the Board, after making relevant enquiries and based on the legal opinions provided by legal advisers, considers its/their exclusion from the entitlement to receive Lifestyle China Share(s) under the Conditional Distribution to be necessary or expedient on account either of the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction
“Group”	the Company and its subsidiaries
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“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 with limited liability on 4 January 2016, which is currently a wholly-owned subsidiary of the Company
“Lifestyle China Group”	Lifestyle China and its subsidiaries
“Lifestyle China Shareholders”	holders of the Lifestyle China Shares
“Lifestyle China Shares”	ordinary shares in the share capital of Lifestyle China
“Lifestyle Properties”	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 which is currently owned as to approximately 59.56% by the Company
“Lifestyle Properties Group”	Lifestyle Properties and its subsidiaries
“Listing”	listing of the Lifestyle China Shares on the Main Board of the Stock Exchange
“Listing Date”	the date on which dealings in the Lifestyle China Shares on the Main Board of the Stock Exchange commence
“Listing Document”	the listing document in relation to the Proposed Spin-off to be issued by Lifestyle China on 30 June 2016
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	22 July 2016 or such later date as the Board may decide as the long stop date for the satisfaction of the Spin-off Condition
“LP Non-compete Deed”	the deed of non-competition dated 26 August 2013 entered into between the Company and Lifestyle Properties
“LP Independent Shareholder(s)”	the shareholders of Lifestyle Properties other than the Company, Mr. Lau and their respective associates
“Mr. Lau”	Mr. Lau Luen Hung, Thomas, the Chairman and a non-executive Director of the Company

“Overseas Shareholder(s)”	Shareholder(s) whose addresses appear on the register of members of the Company at the close of business on the Distribution Record Date and are in jurisdictions outside Hong Kong
“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
“PRC Stock Connect Investors”	the PRC southbound trading investor(s) through Shanghai-Hong Kong Stock Connect who hold Shares through ChinaClear as nominee
“Qualifying Shareholders”	Shareholders at the close of business on the Distribution Record Date other than the Excluded Shareholders
“Shareholders”	the shareholders of the Company
“Shares”	ordinary share(s) of HK\$0.005 each in the share capital of the Company
“Spin-off Condition”	the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Lifestyle China Shares in issue as at the Distribution Record Date on the Main Board of the Stock Exchange on or before the Long Stop Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Deed”	the supplemental deed dated 6 June 2016 entered into between the Company and Lifestyle Properties to amend the LP Non-compete Deed
“%”	per cent

On behalf of the Board
Lifestyle International Holdings Limited
Lau Kam Shim
Executive Director

Hong Kong, 28 June 2016

As at the date of this announcement, the Board comprises one executive Director, namely, Ms. Lau Kam Shim; three non-executive Directors, namely Mr. Lau Luen Hung, Thomas, Mr. Doo Wai Hoi, William and Ms. Lau Yuk Wai, Amy; and four independent non-executive Directors, namely, Mr. Lam Siu Lun, Simon, The Hon. Shek Lai Him, Abraham, Mr. Hui Chiu Chung and Mr. Ip Yuk Keung.