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LIFESTYLE CHINA GROUP LIMITED

利福中國集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2136)

CHANGES IN SHAREHOLDING OF SUBSTANTIAL SHAREHOLDERS AND RESUMPTION OF TRADING

This announcement is made in accordance with Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

PLACING AND UNDERWRITING

On 19 March 2018 (after close of trading hours), the Company has been notified that:

- (i) Bellshill entered into the Placing Agreement with UBS pursuant to which Bellshill appointed UBS as its sole placing agent to procure purchasers, on an underwritten basis, to purchase 371,122,958 ordinary shares, representing approximately 23.16% of the issued share capital of the Company at HK\$2.03 per share during the placing period from 19 March 2018 to 28 March 2018; and
- (ii) Mr. Thomas Lau entered into a placing and underwriting letter with UBS pursuant to which he will purchase (a) 186,000,000 Placing Shares, representing approximately 11.61% of the issued share capital of the Company, at the placing price under the Placing; and (b) any unsold portion of the remaining Placing Shares that have not been taken up by the market.

UBS has informed Mr. Thomas Lau that the remaining Placing Shares have been fully taken up by other investors as at the date of this announcement.

The closing date of the Placing Agreement is expected to be on or around 28 March 2018.

CAUTION

The Placing Agreement is subject to termination exercisable by UBS upon occurrence of certain customary termination events, at the sole discretion of UBS on or before the closing date.

As such, the Placing Agreement may or may not proceed. Shareholders and Investors are advised to exercise caution when dealing in the securities of the Company.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited has been halted with effect from 9:00 a.m. on 20 March 2018 pending the release of this announcement. Application has been made for the resumption of the trading of the shares of the Company with effect from 9:00 a.m. on 21 March 2018.

This announcement is made by Lifestyle China Group Limited (the “**Company**”) in accordance with Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

PLACING AND UNDERWRITING

On 19 March 2018 (after close of trading hours), the Company has been notified that:

- (i) Bellshill Investment Company (“**Bellshill**”), a substantial shareholder of the Company, entered into a secondary block trade agreement (the “**Placing Agreement**”) with UBS AG Hong Kong Branch (“**UBS**”) pursuant to which Bellshill appointed UBS as its sole placing agent to procure purchasers, on an underwritten basis, to purchase 371,122,958 ordinary shares of the Company (the “**Placing Shares**”) at HK\$2.03 per share during the placing period from 19 March 2018 to 28 March 2018 (the “**Placing**”); and
- (ii) Mr. Lau Luen Hung, Thomas, controlling shareholder and director of the Company (“**Mr. Thomas Lau**”) entered into a placing and underwriting letter with UBS pursuant to which he will purchase (a) 186,000,000 Placing Shares (the “**Relevant Shares**”), at the placing price under the Placing; and (b) any unsold portion of the Placing Shares that have not been taken up by the market.

The Company has also been informed that Bellshill has entered into a similar secondary block trade agreement with UBS in respect of 371,122,958 ordinary shares of Lifestyle International Holdings Limited (Stock Code: 1212). The Placing Agreement and this secondary block trade agreement are inter-conditional.

The closing date of the Placing Agreement is expected to be on or around 28 March 2018.

SHAREHOLDING STRUCTURE

Set out below the shareholding structure of the Company (i) as at 19 March 2018, being the latest practicable date for ascertaining information for inclusion in this announcement, and (ii) upon completion of the Placing:

	As at 19 March 2018		Upon completion of the Placing ⁽²⁾	
	No. of shares	%	No. of shares	%
Mr. Thomas Lau	66,051,460	4.12%	252,051,460	15.73%
Dynamic Castle Limited	222,350,332	13.87%	222,350,332	13.87%
United Goal Resources Limited ⁽¹⁾	<u>540,000,000</u>	<u>33.70%</u>	<u>540,000,000</u>	<u>33.70%</u>
Mr. Thomas Lau and his associates	828,401,792	51.69%	1,014,401,792	63.30%
Bellshill	371,122,958	23.16%	0	0.00%
Other public shareholders	<u>403,061,750</u>	<u>25.15%</u>	<u>588,184,708</u>	<u>36.70%</u>
Total	<u>1,602,586,500</u>	<u>100.00%</u>	<u>1,602,586,500</u>	<u>100.00%</u>

Note (1): United Goal Resources Limited is ultimately owned as to 80% by Mr. Thomas Lau through Asia Prime Assets Limited and as to 20% by certain family members of Mr. Lau Luen Hung, elder brother of Mr. Thomas Lau.

Note (2): UBS has informed Mr. Thomas Lau that the remaining Placing Shares have been fully taken up by other investors as at the date of this announcement.

TERMINATION EVENTS OF THE PLACING AGREEMENT

Notwithstanding the undertakings provided by Mr. Thomas Lau to purchase the Relevant Shares and any unsold portion of the remaining Placing Shares, the Placing Agreement is subject to customary conditions and termination events. If the conditions to the Placing Agreement (which include, without limitation, there not having come to UBS's attention any breach of any representation, warranty or undertaking by Bellshill in the Placing Agreement and/or any change in local, national or international monetary, financial, political, or economic conditions or foreign exchange controls as would in the opinion of UBS be likely to prejudice materially the success of the Placing) have not been fulfilled and UBS decides not to waive any of those conditions, or if the Placing Agreement is otherwise terminated in accordance with its terms, the purchase of the Relevant Shares and any unsold portion of the remaining Placing Shares by Mr. Thomas Lau will not occur.

As such, the Placing Agreement may or may not proceed. Shareholders and Investors are advised to exercise caution when dealing in the shares of the Company.

RESUMPTION OF TRADING

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By order of the Board
Lifestyle China Group Limited
Poon Fuk Chuen
Company Secretary

Hong Kong, 20 March 2018

As at the date of this announcement, the Board of the Company comprises Mr. Lau Luen Hung, Thomas as executive director, Ms. Chan Chor Ling, Amy as non-executive director, and Ms. Cheung Mei Han, Mr. Cheung Yuet Man, Raymond and Mr. Lam Kwong Wai as independent non-executive directors.