

**LIFESTYLE PROPERTIES DEVELOPMENT LTD:  
IT EITHER FEASTS OR SUFFERS FROM EXTREME HUNGER**

For Lifestyle Properties Development Ltd () (Code: 2183, Main Board, The Stock Exchange of Hongkong Ltd), it is either feast or famine.

Based on the most-recent history of this Company, there is little to be expected in between these two extremes.

This Company published and disseminated its Share Offer Prospectus on September 2, 2013, when it Offered 83.60 million, 10-cent Shares at the Indicative Offer Price Per Share, ranging from \$HK1.80 to \$HK2.43.

On September 11, 2013, the Company announced that the Offer Price Per Share had been struck at \$HK1.98 and that the estimated net proceeds from the cash-raising exercise would amount to approximately \$HK135 million.

According to Page 260 of the Share Offer Prospectus:

*‘The Group intends to use the entire net proceeds ... for developing its existing project on Yifu Land.’*

Yifu Land is a parcel of land, located in western side of Zhengyang Street, Shenhe District, Shenyang, Liaoning Province, the People’s Republic of China (PRC), the land use rights of which are owned by the Group.

As at June 30, 2013, Lifestyle Properties had bank balances and cash of about \$HK212 million – with no appreciable debt.

Trading in the shares of Lifestyle Properties commenced last Thursday (September 12).

**The Business**

Lifestyle Properties makes the claim of being a property developer and property investment company, but, at the same time, it states, by innuendo, that it is, in fact, a property wheeler and dealer, interested, mostly, in making capital gains from its property purchases.

At Page 104 of the Share Offer Prospectus, the Company’s ‘**OVERVIEW**’ explains:

*The Group is principally engaged in property development and property investment with the main objective of generating return through capital appreciation, including subsequent disposal of the properties concerned. The Group endeavors to enhance its income and the capital value of its properties through a range of different approaches after assessing the conditions of such properties at acquisition. Generally, the Group will continue to develop those properties which are under development and will renovate those completed properties to enhance their capital*

*value further. In addition, the Group will lease the properties out when a reasonable rental income can be generated from such properties. The business model of the Group is not only buying and holding properties for rental income and/or short term capital gain, but also carrying out value-added work or activities to enhance further the capital value of the properties before they are leased out or sold. In order to maximise the return on the properties, either in the form of capital appreciation or increased rental, management of the Company has been making active efforts throughout the Track Record Period to carry out value-added work on the properties (including construction, redesign and renovation) and making appropriate and timely decisions for disposing of or leasing out the properties. As the Group's main objective is to achieve capital appreciation, the Group may sell its properties at various levels or stages of development, should opportunities arise. The management of the Group is of the view that, under present business and operating conditions, the Company is inclined to seek maximum return through capital gains, rather than recurring income in the form of rental. Since 2007, the Group has acquired interests in properties in the PRC and Hong Kong, including Yifu Land, Tianjin Property, Harbin Property, Qingdao Property, Sun Plaza and certain workshops and car parking spaces in Hong Kong. The PRC properties of the Group are located in prime locations of major cities in the PRC, which generally benefit from the policies of the PRC government for accelerating the pace of economic development of these regions.'*

The parent company ... [CLICK TO ORDER FULL ARTICLE](#)

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