

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



**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)

ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board is pleased to announce that on 9th December 2006, Charm Wave, a wholly-owned subsidiary of the Company, has entered into the Investment Agreement with SIPAC and SIPUDC for, *inter alia*, the establishment of the Proposed JVs.

The Board wishes to emphasise that in the event the Formal Agreement is not entered into by Charm Wave and SIPUDC within 45 days from the date of the Investment Agreement, the Investment Agreement will automatically terminate in which case none of the parties thereto shall be liable for the said termination. As such, the transactions contemplated under the Investment Agreement may or may not proceed. Establishment of the Proposed JVs, if proceeds, may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. The Company will keep the market informed by way of announcement in compliance with the requirements of the Listing Rules as and when appropriate.

The Board is pleased to announce that on 9th December 2006, Charm Wave, a wholly-owned subsidiary of the Company, has entered into the Investment Agreement with SIPAC and SIPUDC for, *inter alia*, the establishment of the Proposed JVs. Detailed terms of the Proposed JVs including the joint venture structure, the equity interests of the respective parties and the consideration thereof are still subject to further negotiations and approval by relevant government authorities of the People's Republic of China.

The Proposed JVs are to be incorporated in the People's Republic of China for developing and constructing a shopping mall with a site area of approximately 53,192.77 square meters for opening a department store as part of the Group's expansion plan in the People's Republic of China and developing and constructing an office building covering a site area of approximately 13,834 square meters for providing office space for the Group and its concessionaire counters, at a plot of land which is part of the Suzhou Industrial Park development and is situated at the east part of the Jin Ji Lake, east of the Suzhou Old City. Charm Wave intends to participate in developing and constructing the said shopping mall and office building through the Proposed JVs. SIPUDC is currently the developer of the piece of land where the proposed shopping mall and office building will be situated. Under the Investment Agreement, SIPAC will render assistance to the proposed establishment of the Proposed JVs. The minimum total investments of the Proposed JVs are estimated to be

no less than USD100,000,000. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of SIPAC and SIPUDC is not a connected person of the Company.

Under the terms of the Investment Agreement, Charm Wave and SIPUDC will use their best endeavours to negotiate and finalise the terms of the Formal Agreement within 45 days from the date of the Investment Agreement and that the Investment Agreement itself does not constitute a Formal Agreement. The Board wishes to emphasise that in the event the Formal Agreement is not entered into by Charm Wave and SIPUDC within 45 days from the date of the Investment Agreement, the Investment Agreement will automatically terminate in which case none of the parties thereto shall be liable for the said termination. As such, the transactions contemplated under the Investment Agreement may or may not proceed. Establishment of the Proposed JVs, if proceeds, may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. The Company will keep the market informed by way of announcement in compliance with the requirements of the Listing Rules as and when appropriate.

As establishment of the Proposed JVs may or may not materialise, shareholders of the Company and public investors are advised to exercise caution when dealing in the shares of the Company.

Save for the matters disclosed in this announcement, the Board confirms that there are no negotiations or agreements relating to intended transactions which are discloseable under Chapters 14 and 14A of the Listing Rules, nor is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

“Board” or “Directors”	the board of directors of the Company;
“Charm Wave”	Charm Wave Limited (祥華有限公司), a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company;

“Company”	Lifestyle International Holdings Limited (利福國際集團有限公司), a company incorporated in the Cayman Islands whose shares are listed on the main board of the Stock Exchange;
“connected person”	the meaning ascribed to it in the Listing Rules;
“Formal Agreement”	The formal joint venture agreement(s) or contract(s) which may or may not be entered into in relation to the establishment of the Proposed JVs;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	Any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with any director, chief executive or substantial shareholders of the Company and its subsidiaries or any of their respective associates;
“Investment Agreement”	An investment agreement dated 9th December 2006 entered into by and among SIPAC, Charm Wave and SIPUDC setting out the preliminary understanding of the parties thereto in relation to the proposed establishment of the Proposed JVs;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Proposed JVs”	The proposed establishment of (1) a joint venture for developing and constructing a shopping mall; and (2) a joint venture for developing and constructing an office building at Suzhou Industrial Park;
“SIPAC”	蘇州工業園區管理委員會 (Suzhou Industrial Park Administrative Committee), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is an Independent Third Party;
“SIPUDC”	蘇州工業園區城市發展有限公司 (Suzhou Industrial Park Urban Development Co. Ltd.), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is an Independent Third Party;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Suzhou Industrial Park”	The China- Singapore Suzhou Industrial Park (中國－新加坡蘇州工業園), Suzhou, the People’s Republic of China;
“USD”	United States of America dollars, the lawful currency of the United States of America.

By Order of the Board
Lifestyle International Holdings Limited
Siu Po Sim, Katherine
Company Secretary

Hong Kong, 9th December 2006

As at the date of this announcement, the Board comprises two executive Directors, namely, Messrs. Lau Luen Hung, Thomas and Doo Wai Hoi, William, four non-executive Directors, namely Dató Dr. Cheng Yu Tung, Dr. Cheng Kar Shun, Henry, Mr. Lau Luen Hung, Joseph and Ms. Lau Yuk Wai, Amy and four independent non-executive Directors, namely, Messrs. Lam Siu Lun, Simon, Cheung Yuet Man, Raymond, Shek Lai Him, Abraham and Hui Chiu Chung.

“Please also refer to the published version of this announcement in South China Morning Post.”