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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 SUBDIVISION OF SHARES

The Board proposes that each of the existing issued and unissued shares of HK\$0.01 each in the share capital of the Company be subdivided into two shares of HK\$0.005 each. The Share Subdivision will become effective upon the fulfillment of the conditions set out under the paragraph headed "Conditions of the Share Subdivision" below.

The Existing Shares are currently traded in board lots of 500 Existing Shares. Upon the Share Subdivision becoming effective, the Subdivided Shares will be traded in board lots of 500 Subdivided Shares.

An ordinary resolution will be proposed at the EGM for the Shareholders to approve the Share Subdivision.

A circular containing, amongst other things, details of the Share Subdivision, the trading arrangements in respect of the Subdivided Shares and the procedure for the free exchange of the Existing Share Certificates for the New Share Certificates, together with notice of the EGM, will be despatched to the Shareholders as soon as practicable.

PROPOSED SUBDIVISION OF SHARES

The Board proposes that each of the existing issued and unissued shares of HK\$0.01 each in the share capital of the Company be subdivided into two shares of HK\$0.005 each. The Share Subdivision will become effective upon the fulfillment of the conditions set out under the paragraph headed "Conditions of the Share Subdivision" below.

The Existing Shares are currently traded in board lots of 500 Existing Shares. Upon the Share Subdivision becoming effective, the Subdivided Shares will be traded in board lots of 500 Subdivided Shares. The Share Subdivision will not result in any odd board lots other than those which already exist.

As at the date of this announcement, the authorized share capital of the Company is HK\$20,000,000, divided into 2,000,000,000 Existing Shares, of which 851,965,000 Existing Shares are in issue and are fully paid. Assuming no further Existing Shares will be issued or repurchased after the date of this announcement and prior to the Share Subdivision becoming effective, the effect of the Share Subdivision to the capital structure of the Company is set out below:–

	As at the date of this announcement and before completion of the Share Subdivision	Immediately after completion of the Share Subdivision
Par value of each share	HK\$0.01	HK\$0.005
Number of authorized shares	2,000,000,000 Existing Shares	4,000,000,000 Subdivided Shares
Authorized share capital	HK\$20,000,000	HK\$20,000,000
Number of shares in issue	851,965,000 Existing Shares	1,703,930,000 Subdivided Shares
Issued share capital	HK\$8,519,650	HK\$8,519,650
Number of unissued shares	1,148,035,000 Existing Shares	2,296,070,000 Subdivided Shares
Unissued share capital	HK\$11,480,350	HK\$11,480,350

The Subdivided Shares will rank pari passu in all respect with each other and the Share Subdivision will not result in any change in the rights of the Shareholders.

ADJUSTMENTS TO SHARE OPTIONS

As at the date of this announcement, there are outstanding share options for the subscription of up to 423,000 Existing Shares granted under the Share Option Scheme. Adjustments are required to be made to the exercise price and the number of shares of the Company which may fall to be issued upon exercise of the outstanding share options as a result of the Share Subdivision. The Company will engage the auditors of the Company to confirm that the adjustments to be made to the share options will satisfy the requirements of the Share Option Scheme. Details of such adjustments will be disclosed in the circular to be despatched to the Shareholders in relation to the proposed Share Subdivision.

REASONS FOR THE SHARE SUBDIVISION

The Share Subdivision is intended to improve the liquidity in the trading of the shares of the Company and widen the Company's shareholder base. Accordingly, the Board considers the Share Subdivision to be in the interests of the Company and the Shareholders as a whole given the prevailing market conditions.

Save for the costs incurred by the Company in implementing the Share Subdivision, the Share Subdivision will not alter the underlying assets, business operations, management or financial position of the Company or the proportional interests of the Shareholders.

The Board considers that the Share Subdivision will not have any adverse effect on the financial position of the Company.

CONDITIONS OF THE SHARE SUBDIVISION

The Share Subdivision is conditional upon:-

- (a) the passing of an ordinary resolution to approve the Share Subdivision by the Shareholders at the EGM; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares in issue and the Subdivided Shares to be issued pursuant to the exercise of options granted or to be granted under the Share Option Scheme following the Share Subdivision becoming effective.

EXPECTED TIMETABLE

It is currently expected that the Share Subdivision will become effective on Thursday, 27 September 2007. Subject to the fulfillment of the conditions set out under the paragraph headed "Conditions of the Share Subdivision" above, the expected timetable for the implementation of the Share Subdivision and the relevant trading arrangement is as follows:-

2007

Circular relating to the Share Subdivision to be despatched on or before	Tuesday, 4 September
Latest time for lodging forms of proxy for the EGM	10 a.m. on Sunday, 23 September
EGM	10 a.m. on Tuesday, 25 September
Effective date of the Share Subdivision	9:30 a.m. on Thursday, 27 September
Dealings in the Subdivided Shares commence	9:30 a.m. on Thursday, 27 September
Original counter for trading in Existing Shares in board lots of 500 Existing Shares temporarily closes	9:30 a.m. on Thursday, 27 September

Temporary counter for trading in Subdivided Shares in board lots of 1,000 Subdivided Shares (in the form of certificates of Existing Shares ("**Existing Share Certificates**")) opens 9:30 a.m. on Thursday, 27 September

First day of free exchange of Existing Share Certificates for new certificates for the Subdivided Shares ("**New Share Certificates**") Thursday, 27 September

Original counter for trading in Subdivided Shares in board lots of 500 Subdivided Shares (in the form of New Share Certificates) re-opens 9:30 a.m. on Friday, 12 October

Parallel trading in Subdivided Shares (in the form of New Share Certificates and Existing Share Certificates) commences 9:30 a.m. on Friday, 12 October

Temporary counter for trading in Subdivided Shares in board lots of 1,000 Subdivided Shares (in the form of Existing Share Certificates) closes 4:00 p.m. on Monday, 5 November

Parallel trading in Subdivided Shares (in the form of New Share Certificates and Existing Share Certificates) ends 4:00 p.m. on Monday, 5 November

Last day for free exchange of Existing Share Certificates for New Share Certificates Thursday, 8 November

The Existing Share Certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on Monday, 5 November 2007 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the Existing Share Certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one Existing Share for two Subdivided Shares and may be exchanged free of charge for New Share Certificates for Subdivided Shares during the business hours of the Company's Registrar between Thursday, 27 September 2007 and Thursday, 8 November 2007 (both dates inclusive) and on payment of a prescribed fee at any time after 4:30 p.m. on Thursday, 8 November 2007. It is expected that New Share Certificates will be available for collection within a period of 10 business days after the submission of the Existing Share Certificates.

The New Share Certificates will be issued in blue colour in order to distinguish them from the Existing Share Certificates which are in light green colour.

GENERAL

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subdivided Shares in issue and the Subdivided Shares to be issued pursuant to the exercise of options granted or to be granted in accordance with the Share Option Scheme following the Share Subdivision becoming effective.

An ordinary resolution will be proposed at the EGM for the Shareholders to approve the Share Subdivision.

A circular containing, amongst other things, details of the Share Subdivision, the trading arrangements in respect of the Subdivided Shares and the procedure for the free exchange of the Existing Share Certificates for the New Share Certificates, together with notice of the EGM, will be despatched to the Shareholders as soon as practicable.

A further announcement will be made by the Company as soon as the Share Subdivision becomes unconditional.

DEFINITIONS

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

“Board” or “Director(s)”	the board of directors 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;
“Company’s Registrar”	Computershare Hong Kong Investor Services Ltd., the branch share registrar of the Company in Hong Kong;
“EGM”	an extraordinary general meeting of the Company to be convened for approving the Share Subdivision;
“Existing Share(s)”	existing ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Shareholder(s)”	holder(s) of the Existing Shares prior to the Share Subdivision becoming effective, or holder(s) of the Subdivided Shares after the Share Subdivision becoming effective;

“Share Option Scheme”	the share option scheme of the Company adopted on 27 March 2004;
“Share Subdivision”	the subdivision of one Existing Share of HK\$0.01 each into two Subdivided Shares of HK\$0.005 each;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subdivided Share(s)”	ordinary share(s) of HK\$0.005 each in the share capital of the Company upon the Share Subdivision becoming effective; and
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

By Order of the Board
Lifestyle International Holdings Limited
Lau Luen-hung, Thomas
Managing Director

Hong Kong, 8 August 2007

The Board of Directors 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, Stephen.