

[For Immediate Release]



Lifestyle International Announces 2008 Interim Results

***Turnover & Profit Surge 19.5% & 41.9% respectively
Strengthened profitability and cash flow New stores in the pipeline***

| HK\$'000 | For the six months ended 30 June | | |
|-------------------------------------|----------------------------------|--------------|--------|
| | 2008 | 2007 | Change |
| Total sales proceeds | 3,664,746 | 3,065,760 | +19.5% |
| Turnover | 1,696,982 | 1,419,562 | +19.5% |
| Profit attributable to shareholders | 606,253 | 427,115 | +41.9% |
| Earnings per share - basic | HK35.5 cents | HK25.2 cents | +40.9% |
| Interim dividend per share | HK12 cents | HK10.5 cents | +14.3% |

(11 August 2008 – Hong Kong) Lifestyle International Holdings Limited (“Lifestyle International” or the “Company”, together with its subsidiaries, collectively as the “Group”; stock code: 1212), is pleased to announce its interim results for the six months ended 30 June 2008.

For the reviewed period, the Group’s turnover grew to HK\$1,697.0 million, representing an increase of 19.5% from same period last year. The Group’s net sales proceeds amounted to HK\$3,664.7 million for the period, a 19.5% increase from HK\$3,065.8 million in 1H2007. Profit attributable to shareholders for the period grew 41.9% to HK\$606.3 million that included a fair value gain (net of tax) of approximately HK\$130 million on the Group’s investment properties. Earnings per share increased by 40.9% to HK35.5 cents. The Board of Directors has declared an interim dividend of HK12 cents per share.

“Hong Kong’s retail market continued to enjoy the growth momentum carried forward from last year. Notwithstanding that we were under the effect of low sentiment in the global and local financial market and the wet weather in June coupled by the Sichuan earthquake, which lead to a immoderate growth rate in June, we manage to achieve a satisfactory growth rate of 19.5%, attributable to our superb store locations, leading industry status, strong customer loyalty and proactive yet innovative marketing initiatives. The continuing influx of tourists and mainland shoppers which was partly boosted by appreciation of the Renminbi, the burgeoning middle class, and rising number of high-net worth individuals in the PRC also play a key role in bringing a satisfactory performance,” commented by Mr. Thomas Lau, the Managing Director of Lifestyle International.

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With its leading position in the department sector in Hong Kong and its renowned “one-stop-shop” concept, SOGO CWB remained the shopping Mecca for Hong Kong people and in-bound tourists from the mainland and other countries. Sales revenue increased 13.6% year-on-year.

Owing to the continued efforts in bringing interesting and new brands, SOGO TST has firmly established itself as a widely popular shopping destination for young and fashion-conscious customers in Kowloon. Its strong growth momentum found expression in the 27.6% same-store sales growth.

Meanwhile, Jiuguang Shanghai has been delivering consistently outstanding performance. Positioned as a department store offering a quality lifestyle shopping environment and experience and a vast array of renowned international brands and premium products, the store continued to grow in popularity, as evident by a staggering 43.4% (or 30.4% in RMB term) same-store sales growth recorded for the period under review.

Building on the success of our Hong Kong and Shanghai operations, the Group further widens its presence in mainland China through a number of new stores in the pipeline to be launched in different cities. Both the Suzhou store, a one-stop shopping complex featuring a department store as well as a variety of entertainment and dining facilities, and the Dalian store will open their doors for business in the fourth quarter of 2008. Following on their heels will be the Tianjin store, which is expected to open in the first quarter of 2009. In the meantime, major development work for the Shenyang store is being planned and opening of the store is scheduled for the second half of 2010.

To establish the Group’s presence in the retail market in the northern China, the Group completed in April 2008 an acquisition of an effective 23% equity interests in the Beiren Group. The Beiren Group, together with its 73.96% subsidiary Beiguo, is a leading retail group in Shijiazhuang. During the review period, Beiren Group recorded 21.1% growth year-on-year in gross sales revenue to approximately RMB 3,953 million.

“Regarding the EganaGoldpfeil acquisition, the parties are working on resolving the issues as mentioned in the Company’s recent announcements as well as those other conditions in the debt restructuring agreement and the Company will keep the market informed of any further development.” Mr. Lau said.

In view of the current economic climate, Mr. Lau, said, “We take a cautious view on the outlook of the retail market in the second half of 2008, both in Hong Kong and other PRC cities. However, we will continue to strengthen profitability and cash flows of our existing stores, and invest efforts in the new stores which will be gradually rolled out in different PRC cities. Moreover, we will be on the lookout for acquisition opportunities that are conducive to the Group’s long-term growth. With our solid and intact underlying strengths, we always endeavour to seek growth and achieve our business objectives, aiming to bring fruitful returns to our shareholders.”

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About Lifestyle International

Lifestyle International Holdings Limited is a successful department store operator which owns and operates two SOGO department stores in Hong Kong, the Jiuguang department store in Shanghai.

The Group has been working on a number of new stores to be launched in different PRC cities which will further solidify the Group's foothold in the PRC market.

For further information, please contact:

iPR Ogilvy Ltd.

Phillip Lo / Stephanie Yuen

Tel : 3170 6754 / 3170 6609

Fax : 3170 6606

E-mail : philip.lo@iprogilvy.com / stephanie.yuen@iprogilvy.com