

[For Immediate Release]



Lifestyle International Acquires 59.4% Interest in Largest Retail Complex in Hebei Province

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***Adding 162,151 sq.m. to the Group's Operating Area
Further Extend Group's Presence in PRC's Retail Markets in Key Cities***

(Hong Kong, October 4, 2007) - Lifestyle International Holdings Limited ("Lifestyle International" or the "Company", together with its subsidiaries, collectively as the "Group"; stock code: 1212) today announced that the Group has entered into an acquisition agreement (the "Agreement") to acquire 59.4% of the equity interest in a sino-foreign joint venture, owner of the Xian Tian Xia Square (先天下廣場), the largest retail shopping complex in Shijiazhuang (石家莊), Hebei Province, at a consideration of RMB538,989,000 (equivalent to approximately HK\$558,939,000).

Located in a prime location in the city centre of Shijiazhuang, Xian Tian Xia Square offers excellent connectivity with high pedestrian traffic. Spanning across an aggregate gross floor area of approximately 162,000 sq.m., this brand new premise, in operation only since May 2006, is currently being leased to a leading retail group in Hebei Province for the operation of a high-end retail shopping mall with some of the leading international brands amongst its tenants under a 5-plus-5 year lease.

In view of the existence of the current tenancy arrangement, the vendor has provided to the Group a guaranteed investment income of no less than RMB100,000,000 (equivalent to approximately HK\$103,600,000) during the period from completion of this acquisition up to April 30th, 2011, upon the expiry date of the first 5-year tenancy.

Commenting on the acquisition, Mr. Thomas Lau, Managing Director of the Group, said, "Hebei is one of the rapidly developing, high growth provinces in China and Shijiazhuang is also increasingly becoming a major economic development zone along the coastal area with strong consumption power and a 13.4% year-on-year GDP growth for the first half of 2007. The property is at the landmark location in the city of Shijiazhuang and we believe it will be able to create a retailing focal point in that area comparable to our other retailing complexes in China. "

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Mr. Lau concluded, "The acquisition will extend the Group's geographic coverage and exposure to different cities and further our expansion in the Mainland. We believe this acquisition will also provide the Group with an excellent opportunity to interact with the leading regional retailing group, and explore other potential cooperation opportunities in Hebei Province in the future."

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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 and the Jiuguang Department Store in Shanghai.

As the market leader in Hong Kong, SOGO stores account for 2.1% of the total retail sales in the territory. In view of the robust growth of the Chinese retail market, the Group introduced SOGO Hong Kong's successful business model to mainland China by establishing the Jiuguang Department Store in September 2004. The store has become a major shopping destination in Shanghai.

The Group announced, in December 2006, the acquisition of two new sites for the development of fully-fledged retail complexes in Suzhou and Shengyang, which are due to be completed by 2008 to 2010 respectively. In April 2007, the Group announced the acquisition of four retail properties respectively in Dalian, Tianjin, Harbin and, Qingdao and the Dalian and Tianjin stores will be ready for business in 2008. These new projects will provide future growth drivers for the Group on top of its solid foundation that embodies its impressive track record.

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