

[For Immediate Release]



Lifestyle International Achieves Record-High 2007 Interim Results

Turnover Jumped 19% to HK\$1,406 Million Profit Attributable to Shareholders Surged 40% to 427 Million

*Sustained Growth Momentum of the Hong Kong Operations and
Jiuguang Shanghai Store Boosted Sales and Profitability*

| <i>Unit: HK\$'000</i> | <i>For the six months ended 30 June</i> | | |
|-------------------------------------|---|----------------|--------|
| | 2007 | 2006 | Change |
| Sales proceeds | 3,065,760 | 2,565,706 | +19% |
| Turnover | 1,406,059 | 1,181,410 | +19% |
| Profit attributable to shareholders | 427,116 | 305,375 | +40% |
| Earnings per share - Basic | HK 50.35 cents | HK 36.05 cents | +40% |
| Interim dividend per share | HK 21.0 cents | HK 14.5 cents | +45% |

(8 August 2007 – 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 2007.

During the interim period, the Group’s sales proceeds reached HK\$3,066 million with an impressive 19% increase. The Group’s operations have benefited from the continuing growth in the Hong Kong economy, improved employment market and strong stock market as well as the strong economic growth in China. The Group’s profit attributable to shareholders for the period grew 40% to HK\$427 million and earnings per share increased by 40% to HK50.35 cents. The Board of Directors have declared an interim dividend of HK21.0 cents per share.

With its premium location and leading industry position that attracts heavy shopper traffic, SOGO Causeway Bay continued to perform its function as the barometer of Hong Kong’s retail industry. Sales revenue surged 15.1% year-on-year to HK\$2,345 million, outperforming once again the market average retail sales growth of 9.5%. The impressive same-store growth was driven by volume increase as the stay-buy ratio jumped 2.3% percentage points to 30.4% while the daily shopper traffic stayed flat at around 91,000 (2006: 91,000). On the other hand, average per-ticket sales increased 6.3% to HK\$457 (2006: HK\$430).

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SOGO TST, into its second year of operation, has gradually established itself as one of the shopping hotspots in Kowloon, with a strong sales growth of 15.0% to HK\$198 million for the period under review (2006: HK\$172 million). Average per-ticket sales increased 13.5% to HK\$294 (2006: HK\$259).

Supported by China's strong economic growth and retail market, Jiuguang Shanghai continued to enjoy the strong growth momentum it experienced in the previous year. Sales revenue grew by a robust 46.3% to HK\$522 million (2006: HK\$357 million), with the average daily shopper traffic increased 14.1% to 42,100. The average per-ticket sales jumped 13.1% to RMB251 (2006: RMB222).

The Group announced, towards the end of 2006, its plan to open two large-scale department stores in Suzhou and Shenyang that will add an approximately 300,000 sq. m. of department store space to the Group. The second phase of the Shenyang project will further provide approximately 200,000 sq. m. of other retailing facilities around 2012. Construction work of the Suzhou store, due to start operation in the fourth quarter of 2008, has been proceeding according to schedule. For the department store in Shenyang, due to open in 2010, the Group expects development work will commence following the delivery of the vacant land site from the district government that is expected to take place before the end of this year.

The acquisition of the four retail properties located each in Dalian, Tianjin, Harbin and Qingdao respectively, will provide additional gross retailing area of approximately 100,000 sq. m. to the Group. These stores will be refurbished to transform them into retail environments in line with the Group's strategy and positioning. The refurbished stores in Dalian and Tianjin, to be branded as Jiuguang department stores, will commence operation before the end of second quarter 2008.

Remarking on the outlook, Mr. Thomas Lau, Managing Director of the Group, said, "Looking ahead, we remain cautiously optimistic about the Hong Kong retail market in the second half of 2007 when improving income and employment prospects are expected to support consumer sentiment at high levels. In China, the upcoming Olympic Games and World-Expo shall boost inbound tourism with a positive bearing on the retail industry. We believe the strong growth of our significant Hong Kong operations will continue to provide a solid foundation for the Group's profitability and cash flows and that Jiuguang Shanghai will continue outperforming the market and be another key source of revenue to the Group."

He continued, "We are confident that the Group's upcoming new stores in China which may be in different retailing format to suit the situation, upon operation, are poised to replicate the success of Jiuguang Shanghai and seize a considerable share in their respective markets. We will continue capitalizing our ability to identify attractive acquisition opportunities and new retailing formats to further expedite our growth in China in the coming years."

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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 leading department stores in Hong Kong, SOGO CWB and SOGO TST 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 retail shopping destination in Shanghai.

The Group announced the acquisition of two new sites for the development of fully-fledged retail complexes in Shengyang and Suzhou in December 2006. The projects are due to be completed by 2008 to 2010 respectively. In April 2007, the Group announced the acquisition of four department stores in Dalian, Tianjin, Harbin and, Qingdao to be revamped and launched in line with the Group's signature lifestyle store format in 2008. These new projects will provide a sound platform on top of the Group's solid foundation that embodies its impressive track record. They are set to replicate the Group's success in the promising retailing market of the PRC.

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