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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)

ANNOUNCEMENT

As stated in the announcement dated 26 September 2008, the Bridging Loan was matured at 1:00 p.m. (Hong Kong time) on 26 September 2008, and no full repayment of the Bridging Loan was made by Egana. On 28 October 2008, Billion Empire Limited had filed a Writ (Action No: HCA2132/2008) to the High Court to demand Egana for repayment of the Bridging Loan.

On 31 October 2008, Billion Empire Limited has served a statutory demand on Egana to require repayment of the Remaining Loan plus interest within twenty one (21) days failing which Billion Empire Limited may proceed under the provisions of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) to taking further legal actions against Egana.

In view of the latest development, the directors of Lifestyle considered that the likelihood of full recovery of the Remaining Loan is remote and that a provision for impairment of the Remaining Loan is likely to be required in its financial statements for the year ending 31 December 2008. As at the date of this announcement, the realizable value of the securities of the Bridging Loan and hence the recoverable amount of the Remaining Loan is unable to be determined. Lifestyle will assess the impact to the financial statements during the course of preparation of the financial statements for the year ending 31 December 2008. Shareholders and investors should note that this may have an adverse impact on the financial results for the year ending 31 December 2008.

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "***Listing Rules***").

Reference is made to the announcement of Lifestyle International Holdings Limited (“**Lifestyle**”) dated 4 September 2008 in relation to, among other matters, the HK\$300 million bridging loan (the “**Bridging Loan**”) granted by Billion Empire Limited (the “**Lender**”) to EganaGoldpfeil (Holdings) Limited (“**Egana**”).

As stated in the announcement dated 26 September 2008, the Bridging Loan was matured at 1:00 p.m. (Hong Kong time) on 26 September 2008, and no full repayment of the Bridging Loan was made by Egana. On 28 October 2008, Billion Empire Limited had filed a writ of summons (Action No: HCA2132 of 2008) (the “**Writ**”) to the High Court of the Hong Kong Special Administrative Region to demand Egana for repayment of the Bridging Loan.

Pursuant to the Writ, as of 14 October 2008, Egana had made partial repayment of the principle amount in the sum of HK\$3,385,017.02 to the Lender and as a result the outstanding principle amount of the Bridging Loan (the “**Remaining Loan**”) at the date of this announcement is HK\$296,614,982.98. On 31 October 2008, Billion Empire Limited has served a statutory demand on Egana to require repayment of the Remaining Loan plus interest within twenty one (21) days failing which Billion Empire Limited may proceed under the provisions of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) to taking further legal actions against Egana.

In view of the latest development, the directors of Lifestyle considered that the likelihood of full recovery of the Remaining Loan is remote and that a provision for impairment of the Remaining Loan is likely to be required in its financial statements for the year ending 31 December 2008. As at the date of this announcement, the realizable value of the securities of the Bridging Loan and hence the recoverable amount of the Remaining Loan is unable to be determined. Lifestyle will assess the impact to the financial statements during the course of preparation of the financial statements for the year ending 31 December 2008. Shareholders and investors should note that this may have an adverse impact on the financial results for the year ending 31 December 2008.

Further announcement will be made by Lifestyle as and when required and in accordance with the Listing Rules.

As at the date of this announcement, the board of directors of Lifestyle 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, Mr. Lam Siu-lun, Simon, Mr. Cheung Yuet-man, Raymond, The Hon. Shek Lai-him, Abraham and Mr. Hui Chiu-chung, Stephen.

By order of the board of
Lifestyle International Holdings Limited
Lau Luen-hung, Thomas
Managing Director

Hong Kong, 31 October 2008

The directors of Lifestyle jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.