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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)

MEMORANDUM OF UNDERSTANDING RELATING TO THE FORMATION OF JOINT VENTURES WITH SHANGHAI LUJIAZUI FINANCE & TRADE ZONE DEVELOPMENT CO., LTD.

On 14 April 2011, the Company entered into the MOU with LJZ in relation to the proposed formation of the Joint Ventures for the sole purpose of acquiring the retailing portion of the Property Development Projects for operation of department stores and/or commercial centres. The MOU sets out the mutual understanding of the parties in relation to the proposed business cooperation and the terms of the MOU, except the clauses on confidentiality, are not legally-binding.

As at the date of this announcement, no legally binding agreement has been entered into between the Company and LJZ in relation to the proposed formation of the Joint Ventures and the related project/asset transfer. Should any definitive agreements be concluded in relation to the proposed formation of the Joint Ventures and the related project/asset transfer, such agreements may together result in a major transaction for the Company under Chapter 14 of the Listing Rules and the Company will comply with the relevant requirements under the Listing Rules, including making further announcement(s) and (if necessary) obtaining shareholder's approval.

The proposed formation of the Joint Ventures is still subject to, among others, the conclusion and signing of definitive agreements by the parties. Accordingly, the proposed formation of the Joint Ventures may or may not proceed. Shareholders of the Company and other investors are advised to exercise caution when dealing in the shares of the Company.

The board of directors (the "**Board**") of Lifestyle International Holdings Limited (the "**Company**") wishes to announce that on 14 April 2011, the Company entered into a memorandum of

understanding (the “**MOU**”) with Shanghai Lujiazui Finance & Trade Zone Development Co., Ltd. (上海陸家嘴金融貿易區開發股份有限公司)(“**LJZ**”) in relation to the proposed formation of two joint ventures (the “**Joint Ventures**”) in Shanghai and Tianjin, the People’s Republic of China (the “**PRC**”) respectively for the purpose of acquiring the retailing portion of the Property Development Projects (as hereinafter defined) for operation of department stores and/or commercial centres.

LJZ and its subsidiary are the respective owners of the land use rights in certain plots of land located at SN1, Lujiazui Finance and Trade Zone of Shanghai (上海市陸家嘴金融貿易區 SN1) (the “**Shanghai Land**”) and Xiao Huo Xiang, Hongqiao District of Tianjin (天津市紅橋區小伙巷) (the “**Tianjin Land**”). It is intended that a complex of approximately 300,000 square metres (which may consist of 3 office blocks and one shopping mall) and a comprehensive complex including a shopping mall of approximately 120,000 square metres will be erected on the Shanghai Land and the Tianjin Land respectively (collectively the “**Property Development Projects**” and each a “**Property Development Project**”). At present, approval for the detailed control plan relating to the Shanghai Land has been granted by the Shanghai People’s Government. Approval for the development plan for the Tianjin Land has also been obtained.

It is intended under the MOU that each of the Joint Venture will be owned as to 70% by the Company and 30% by LJZ and LJZ and its subsidiary will transfer their respective interests in the retailing portion in the Property Development Projects to the Joint Ventures. The consideration of such project/asset transfers will be determined with reference to the appraised market value of the land plus construction costs, management fee, intellectual property and other expenses and relevant taxes (if any), details of which will be agreed by the parties in the definitive agreements for the Joint Ventures. The Company anticipates that the signing (if any) of the joint venture agreement and the related project/asset transfer agreement for the same Property Development Project will take place simultaneously though agreements (if any) in relation to the two different projects may or may not be signed at the same time.

The MOU will terminate if LJZ and the Company do not enter into any definitive agreements regarding the Joint Ventures on or before 30 June 2011 (or such later date as may be agreed by the parties in writing).

LJZ is a limited liability company established in Shanghai, the PRC, whose securities (both A and B share) are listed on the Shanghai Stock Exchange (Stock codes: 600663 and 900932), which is principally engaged in the business of property development, investment and leasing. To the best of the knowledge, information and belief of the directors of the Company (the “**Directors**”) having made all reasonable enquiries, LJZ and its controlling shareholders are third parties independent of the Company and not connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) of the Company.

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formation of the Joint Ventures and the related project/asset transfer, such agreements may together result in a major transaction for the Company under Chapter 14 of the Listing Rules and the Company will comply with the relevant requirements under the Listing Rules, including making further announcement(s) and (if necessary) obtaining shareholder's approval.

The proposed formation of the Joint Ventures is still subject to, among others, the conclusion and signing of definitive agreements by the parties. Accordingly, the proposed formation of the Joint Ventures may or may not proceed. Shareholders of the Company and other investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 14 April 2011

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Lau Luen-hung, Thomas (*Managing Director*) and Mr. Doo Wai-hoi, William, four non-executive Directors, namely, Dató Dr. Cheng Yu-tung (*Chairman*), 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.