



Lifestyle International Announces Unaudited 2014 Interim Results

***Longstanding resilience underpinned healthy results amid challenging environment
Hong Kong operations outperformed overall market***

HK\$'000	For the six months ended 30 June		
	2014	2013	Change
Total sales proceeds	6,601,133	6,626,607	-0.4%
Turnover	2,876,966	2,851,144	+0.9%
Profit attributable to owners	1,017,784	1,096,931	-7.2%
Earnings per share – basic	HK62.0 cents	HK66.0 cents	-6.1%
Interim dividend per share	HK24.8 cents	HK26.4 cents	-6.1%

(28 July 2014 – 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 unaudited interim results for the six months ended 30 June 2014.

Against the backdrop of a slowing Chinese economy and weak consumer market sentiment, the Group managed to sustain satisfactory profitability and delivered another set of healthy results. Total sales proceeds and turnover remained at the level of around HK\$6.60 billion and HK\$2.88 billion, respectively. Profit attributable to owners amounted to HK\$1,018 million, down 7.2%. Earnings per share were HK\$0.62, down 6.1% from last year. The Board declared an interim dividend of HK24.8 cents per share, maintaining approximately 40% dividend payout.

Commenting on the results, Mr. Thomas Lau, Chief Executive Officer of Lifestyle International, said, “Despite the slowing economy and weak sentiment, Lifestyle International’s performance was satisfactory, thanks to its longstanding inner strength and substantial experience in piloting retail operations through challenging times.”

SOGO’s unparalleled position as the famous shopping mecca in Hong Kong, and its huge selection of high quality products and customer services continued to appeal to a vast number of shoppers, locals and tourists alike. As a result, SOGO CWB defied the market downtrend and logged 5.0% sales revenue growth, outperforming the whole retail market and the department store sector. During the highly anticipated bi-annual “Thankful Week” in May, SOGO CWB set another new record, with daily sales revenue exceeding HK\$100 million on the first day of the week-long event.

The performance of the Group’s operations in Mainland China during the first half of 2014 was largely a reflection of the sluggish sentiment of the local retail market. Both Shanghai and Dalian Jiuguang recorded negative sales growth, whereas Suzhou Jiuguang settled on a decent expansion track and contributed consistently to the Group’s revenue. Performance of the Group’s fourth Jiuguang store in mainland China, Shenyang Jiuguang, was off to a steady start, indicating its growth potential in the longer run. On the other hand, the Group’s first standalone “Freshmart” store delivered satisfactory results, recording a sequential growth of 9.5% over the first six-month’s operation between July and December 2013.

Leveraging its leadership position, the Group’s strategic investment, the Beiren Group in Shijiazhuang, continued to deliver consistent results, with sales revenue grew 4.3% year-on-year.

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Looking ahead, the management takes a cautious view for the second half of 2014 and believes the general economic condition and retail environment will remain challenging. While remaining open to new strategic investment opportunities, the Group is currently in the process of devising a series of long-term plans for its project in Zhabei, Shanghai, a retail and commercial complex that will house the Group's second Shanghai Jiuguang store.

Mr. Lau concluded, "Looking ahead, the Group will focus on reinforcing its business strength and further improving sales productivity and profitability at our existing stores in both mainland China and Hong Kong. Ingenious and innovative promotion measures will be introduced to further foster our 'Jiuguang' stores in mainland China, while product and brand mix enhancements will be made on an ongoing basis. In our home turf in Hong Kong, not only are we pressing on with the revamp programme at SOGO CWB, we are preparing for the reopening of SOGO TST at another prime location in Tsim Sha Tsui in the fourth quarter this year. The new TST store will offer a wealth of quality brands in a refreshed boutique-type format, set to further solidify our presence in Hong Kong."

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About Lifestyle International

Lifestyle International Holdings Limited is a successful lifestyle department store operator which owns and operates the SOGO department store in Hong Kong, and four Jiuguang department stores respectively in Shanghai, Suzhou, Dalian and Shenyang.

The Group is working to further strengthen the Group's market presence in the PRC.

For further information, please contact:

iPR Ogilvy & Mather

Heng Tam/ Janis Lai/ Charis Yau/ Natalie Tam

Tel : 3920 7656/ 3920 7646/ 2136 6183/ 2136 6182

Fax : 3170 6606

E-mail : lifestyle@iprogilvy.com