



## Lifestyle International Announces 2013 Annual Results

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### *Sustained Healthy Growth in Hong Kong and Mainland China A Department Store Operator Showcasing Life and Style through 'SOGO', 'Jiuguang' and 'Freshmart'*

HK\$'000	For the year ended 31 December		
	2013	2012	Change
Total sales proceeds	<b>13,795,500</b>	12,883,804	+7.1%
Turnover	<b>5,955,335</b>	5,523,443	+7.8%
Profit attributable to owners	<b>2,448,247</b>	2,057,461	+19.0%
Earnings per share – basic	<b>HK\$1.48</b>	HK\$1.23	+20.3%
Final dividend per share	<b>HK32.7 cents</b>	HK27.6 cents	+18.5%

(24 February 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 audited annual results for the year ended 31 December 2013.

With the world economy on a relatively firm recovery path in 2013, the Group’s results once again registered satisfactory growth. For the year under review, turnover was up 7.8% to HK\$5.96 billion with the total sales proceeds (net of VAT) rose by 7.1% to HK\$13.8 billion. Profit attributable to owners amounted to HK\$2.45 billion, up 19.0% from 2012. Earnings per share were HK\$1.48, up 20.3% from last year. The Board has recommended the payment of a final cash dividend of HK32.7 cents per share (2012: HK27.6 cents). Taking into account the interim dividend of HK26.4 cents paid for the first half of 2013, full year dividend amounted to HK59.1 cents per share (2012: HK49.4 cents), equivalent to approximately 40% dividend payout.

Commenting on the 2013 results, Mr. Thomas Lau, Chief Executive Officer and Managing Director of Lifestyle International, said, “The global economy stayed on a largely steady footing in 2013. Although the domestic consumption in Hong Kong and mainland China were not particularly strong, we adhered to our superior and sound business strategy anchored by solid objectives, high brand equity and sensible moves. This enabled Lifestyle International to continue to deliver a healthy set of results.”

Thanks to SOGO’s unrivalled position, as well as the meticulous efforts to refine brand mix and optimize sales and marketing strategies on a timely and proactive manner, the Group’s two Hong Kong SOGO stores continued to enjoy sustained growth during the year. Sales revenue of Hong Kong operations grew 6.5% and accounted for 73.5% of the Group’s total revenue. The “Thankful Week” event, which has become the talk-of-the-town in recent years, in November charted new records with the first day raking in HK\$110.4 million, and an all-time high of HK\$797 million for the whole event, up 12.1% year-on-year.

Building on Jiuguang’s rising brand equity, the Group’s mainland China operations as a whole grew at a gradual pace. Shanghai Jiuguang’s sales performance stayed put as compared to the previous year, due largely to weak market sentiment and fierce competition. Suzhou Jiuguang logged an impressive sales revenue growth of 17.0% as it strengthened its position as a sought-after shopping destination in its locality. On the Dalian Jiuguang front, the Group’s formula of success in launching a series of marketing initiatives as well as optimizing its brand portfolio brought positive sales growth for the store. The year 2013 also saw the opening in Shenyang of the Group’s fourth Jiuguang store, which was off to a steady start. On the other hand, the Group’s first standalone high-end supermarket Freshmart store in Shanghai successfully led the Group’s expansion into a new market segment, and fared well since inception in July 2013.

The Group's strategic investment in the Beiren Group once again delivered stellar performance, with sales revenue grew 15.6% year-on-year and the share of profit from this associated company has become even more meaningful.

During the year, the Group successfully spun-off Lifestyle Properties Development Limited ("Lifestyle Properties"; stock code: 2183) for a separate listing of its shares on the Hong Kong Stock Exchange. The spin-off of Lifestyle Properties, the Group's property investment and development arm in Hong Kong and mainland China, optimized its operational efficiency and provided greater clarity to the separate interests of the retail and property businesses, enabling the two entities to be valued on a standalone basis. Following the IPO, the Group still holds approximately 60% equity interest in Lifestyle Properties.

Looking ahead, the management takes a prudent yet optimistic view on the retail sector in both mainland China and Hong Kong against the backdrop of relatively weaker consumer sentiment. As a leading department store operator, Lifestyle International has proven itself as an industry leader with a knack for capturing market demand and maintaining customer loyalty. On the other hand, SOGO TST has ceased business at its current location since 12 February 2014, but is already off to a new start as the replacement location in the same vicinity is scheduled for opening in the fourth quarter of 2014.

Mr. Lau concluded, "The year 2014 marks the 10<sup>th</sup> anniversary of Lifestyle International's public listing in Hong Kong, a milestone representing our solid standing in the Hong Kong department store sector and our continued expansion in China. Over the past decade, we have grown from being a conventional department store operator to a lifestyle department store operator. While our widely successful 'SOGO' and 'Jiuguang' brands, and our emerging 'Freshmart' brand continue to grow and shine, Lifestyle International will spare no effort to uphold our leading industry status and excel even further. With the support of our core competence and seasoned management team, we believe Lifestyle International will continue to play a pivotal role in the industry as we expand our business with the ultimate goal of generating greater returns for our shareholders."

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### **About Lifestyle International**

Lifestyle International Holdings Limited is a successful 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.

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