[For Immediate Release]

Lifestyle International Announces 2012 Annual Results

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Safeguarding profit margin amid intensifying competition
Sharpened focus on department store business while laying ground for China expansion

	For the 12 months ended 31 December		
HK$'000	**2012**	2011	Change
Total sales proceeds	**12,883,804**	12,052,081	+6.9%
Turnover	**5,523,443**	5,131,950	+7.6%
Profit attributable to owners	**2,057,461**	1,867,170	+10.2%
Earnings per share – basic	**HK123.49 cents**	HK111.25 cents	+11.0%
Final dividend per share	**HK27.6 cents**	HK25.7 cents	+7.4%

(4 March 2013 – 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 2012.

Despite the challenging and volatile global economy, the Group managed to deliver once again a strong set of results for 2012. Turnover was up 7.6% from 2011 to HK$5.523 billion with the total sales proceeds (net of VAT) rose by 6.9% to HK$12.88 billion. Profit attributable to owners amounted to HK$2,057 million, up 10.2% from 2011. Earnings per share were HK123.49 cents, up 11.0% from last year. The Board has recommended the payment of a final cash dividend of HK27.6 cents per share (2011: HK25.7 cents). Taking into account the interim dividend of HK21.8 cents paid for the first half of 2012, full year dividend amounted to HK49.4 cents per share (2011: HK44.9 cents), equivalent to approximately 40% dividend payout.

Commenting on the 2012 results, Mr. Thomas Lau, Managing Director of Lifestyle International, said, "During the year, the mounting uncertainties on the global economies continued to weigh on consumer sentiment. Thanks to a host of well-executed business strategies and our solid position in the Hong Kong and mainland China retail markets, Lifestyle International continued to demonstrate its resilience and managed to deliver decent sales and profit growth."

The Group's Hong Kong operations continued to benefit from its concrete foundation and leadership status, ensuring generally satisfactory performance despite the fluctuations in economic climate and consumption sentiment. Sales revenue of Hong Kong operations grew 7.8% and accounted for 73.9% of the Group's total revenue and 21.3% of the gross sales revenue of Hong Kong's department store sector. SOGO CWB remained the biggest contributor to the Group's revenue, total sales proceeds increased by 7.4% year-on-year to HK$8.54 billion. The highly-anticipated "Thankful Week" event in May and November once again charted new records with HK$565 million of sales recorded in May and HK$711 million recorded in November.

Performance of the Group's mainland operations was largely healthy, due in part to continued efforts to nurture brand equity of Jiuguang and to enhance operational efficiency. Impacted by the weakening sentiment and intensifying competition, Shanghai Jiuguang and Dalian Jiuguang mirrored the market condition and recorded a slight negative growth during the year. While Suzhou Jiuguang continued to gain market share and maintained impressive growth with net sales revenue rose 19.4% from the previous year.

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The Group's strategic investment in the Beiren Group continued to deliver stellar performance, with sales revenue grew 11.4% year-on-year and the share of profit from this associated company has become more and more significant.

The renovation and leasing work of the Shenyang Jiuguang store is progressing according to plan and the store is scheduled for 2013 opening. In addition, to leverage on the success of our "Freshmart" operation in the food and confectionary business, the Group has scheduled to launch its first standalone "Freshmart" in the Chang Ning district in Shanghai in around May/June this year. As for the Zhabei project in Shanghai, the process of obtaining official permits and approvals is underway, and it is expected to further broaden the Group's presence in Shanghai upon its completion in 2016/2017.

In line with the strategy to optimise operational efficiency and asset base, the Group recently unveiled its plan for a proposed spin-off of its Hong Kong and mainland China property investment and development business on the Hong Kong Stock Exchange. The process is currently continuing and there is no timetable regarding completion of the exercise and the listing. While the proposed spin-off is progressing, the Group continued its asset optimization exercise and disposed of its entire interest in the Tianjin Lifestyle Plaza by entering into a sale and purchase agreement in December 2012. Completion of this disposal is expected to take place around end of March 2013.

Looking ahead, the management takes a prudently yet optimistic view on the retail sector in both mainland China and Hong Kong against the backdrop of lingering global uncertainties. Competition in mainland China is expected to remain keen but the Group believes its operations can stay on a growth path given its experience and good track record as a veteran retail industry player. As for the Hong Kong operations, SOGO CWB's leading position as an attractive shopping destination should continue to support healthy growth both in terms of sales revenue and profit margin. As the SOGO TST store will cease business on 15 February 2014, the Group will also try to look for a replacement location when opportunities arise.

Mr. Lau concluded, "Riding on our unique business model and unrivalled market presence, we will remain focused on sustaining our leading position in the Hong Kong market and continuing our efforts in further ramping up our stores in China. While making strategic moves to enhance the profitability of our existing department stores, we will also allocate sufficient resources to take care of our upcoming Shenyang store and the newly acquired Zhabei project. As well, Lifestyle International will remain open to new investment opportunities 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 two SOGO department stores in Hong Kong, three Jiuguang department stores respectively in Shanghai, Suzhou and Dalian.

The Group has been working on a number of new stores to be launched in different PRC cities which will further strengthen the Group's market presence in the PRC.

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