[For Immediate Release]

Lifestyle International Announces 2011 Annual Results

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Strong results amid global challenges
Hong Kong operations seized retail boom while Mainland operations fared well

	For the 12 months ended 31 December		
HK$'000	**2011**	2010	Change
Turnover	**5,131,950**	4,317,465	+18.9%
Total sales proceeds	**12,052,081**	9,832,734	+22.6%
Profit attributable to owners	**1,886,301**	1,407,534	+34.0%
Earnings per share – basic	**HK112.39 cents**	HK83.92 cents	+33.9%
Final dividend per share	**HK25.7 cents**	HK19.0 cents	+35.3%

(27 February 2012 – 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 2011.

Despite the challenging and volatile global economy, the Group managed to deliver once again a strong set of results for 2011. Turnover was up 18.9% from 2010 to HK$5,132.0 million with the total sales proceeds (net of VAT) surging by 22.6% to HK$12,052.1 million. Profit attributable to owners amounted to HK$1,886.3 million, up 34.0% from 2010. Earning per share was HK112.39 cents, up 33.9% from last year. The Board has declared payment of a final cash dividend of HK25.7 cents per share (2010: HK19.0 cents). Taking into account the interim dividend of HK19.2 cents paid during the year, full year dividend amounted to HK44.9 cents per share (2010: HK33.7 cents), equivalent to approximately 40% dividend payout.

Commenting on the 2011 results, Mr. Thomas Lau, Managing Director of Lifestyle International, said, "The year 2011 was a year when Lifestyle International showed its strength and resilience amid challenges. The Group's Hong Kong operations managed to capture the opportunities from the retail boom, while our operations in mainland China stayed on an upward trend throughout the year. All these would not have been achieved without our well-tuned business strategies and solid foothold in Hong Kong and mainland China retail markets."

The Group's Hong Kong operations recorded over 23.0% growth in sales revenue that accounted for 73.2% of the Group's total revenue and 21.7% 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 revenue expanded by 23.2% year-on-year to HK$7.96 billion. 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 an all-time high of HK$79.9 million, up 16.2% year-on-year.

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The Group's three stores in mainland China, namely Shanghai Jiuguang, Suzhou Jiuguang and Dalian Jiuguang, also delivered healthier and improving performance with the combined sales revenue grew approximately 21.0%. Both the Suzhou and Dalian stores started to provide meaningful EBITDA during the year, with the amount of loss during the year reduced significantly from the previous year.

Performance of the Group's major associated company, namely the Beiren Group, continued to shine in 2011 with the profit more than double of that of the previous year.

To continue the Group's long-term growth plan in China, the Group acquired a plot of land in the area of Zhabei District, Shanghai, in December 2011 at a consideration of RMB2.467 billion, in an attempt to tap the vast potential of retail market in Shanghai. The site will be developed into a commercial complex, part of which will be the home to its second Shanghai Jiuguang store. Upon completion in around 2016, the project is expected to enable the Group to further broaden its presence in the important Shanghai market, while solidifying its presence in the Yangtze River Delta.

Looking ahead, in view of the challenging environment, the management takes a relatively cautious view regarding the growth of the retail markets in China and Hong Kong as a whole but believes that given Hong Kong's unique position as a shopping paradise and its ability in attracting mainland shoppers, together with the persistent wealth effect and resilient local demands, the retail market in Hong Kong should perform relatively better comparing to its counterpart in mainland China.

Mr. Lau concluded, "Into 2012, we will remain focused on sustaining our leading position in the Hong Kong market and pay substantial attention to our upcoming Shenyang store and our newly acquired Zhabei project. We are already geared up to tackle challenges in the year to come and capture growth opportunities through a host of sound and sensible business strategies. With the Group's HK$5 billion 5-year loan facility provided by a syndicate of banks; proceeds from our issue in January 2012 of the USD350 million 5-year US dollar bonds; together with our strong recurring operating cash flow, Lifestyle International is always open to new investment opportunities with the ultimate aim of bringing greater returns to 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 as well as Lifestyle Plaza in Tianjin.

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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