

[For Immediate Release]



Lifestyle International Announces 2009 Unaudited Interim Results

Core earnings remained robust despite initial losses from two new stores

***Reinforced leading position in Hong Kong
Drove forward expansion in China***

HK\$'000	For the six month ended 30 June		
	2009	2008	Change
Total sales proceeds	3,836,423	3,664,746	4.7%
Turnover	1,739,764	1,696,982	2.5%
Profit attributable to owners	443,710	606,253	-26.8%
Profit excluding fair-value gain on investment property after tax	443,710	475,946	-6.8%
Earnings per share - basic	HK26.6cents	HK35.5cents	-25.1%
Interim dividend per share	HK11.0cents	HK12.0cents	-8.3%

(10 August, 2009 – 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 2009.

Despite the low market sentiment brought by the global financial crisis, the Group managed to record a 2.5% increase in turnover to HK\$1,739.8 million, when compared to HK\$1,697.0 million in 1H2008. Total sales proceeds increased 4.7% from HK\$3,664.7 million in 1H2008 to HK\$3,836.4 million. Profit attributable to owners of the Company saw a drop to HK\$443.7 million or 26.8% due to the initial losses from the two new stores and the absence of a fair-value gain on investment properties. Profit for the period dropped only slightly by 6.8% if the fair-value gain on investment properties recorded last year was excluded. Earnings per share was HK26.6 cents, down 25.1% from last year. The Board of Directors declared an interim dividend of HK11.0 cents per share, maintaining a dividend payout policy of at least 40%.

Commenting on the results in 1H2009, Mr. Thomas Lau, Managing Director of Lifestyle International, said: “During the first half of 2009, the impact of the global financial tsunami continued to have negative effect on the retail industry in Hong Kong and China. Consumer sentiment remained weak and spending conservatism prevailed. Against this backdrop, thanks to excellent brand equity and strong customer loyalty, the Group’s Hong Kong operations outperformed the general market while Shanghai Jiuguang showed immense resilience. In addition, the Group also drove forward its expansion in China and has made successful inroads to Suzhou and Dalian.”

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As the barometer of the economic climate, SOGO CWB's performance tends to echo the general market conditions but it has always outperformed slightly the market. During the review period, it recorded a small negative growth of 2.5% with sales revenue totalling HK\$2.6 billion. During the semi-annual promotion event, Thankful Week that took place in May, SOGO CWB once again achieved record-breaking daily sales to the tune of HK\$47 million, a testimony to strong customer loyalty.

Following a year of impressive growth in 2008, SOGO TST continued to deliver robust growth figures during the period, logging a 9.6% rise year-on-year to HK\$277 million. This was a result of an increase in traffic footfall and average per-ticket sales. However, sales at the store were brought down by a drop in the number of inbound tourists in June due possibly to the spread of the H1N1 influenza.

On the China front, as one of the most sought-after shopping destinations in Shanghai, Shanghai Jiuguang's performance proved to be rather resilient and recorded same-store sales growth of 6.7% during the period. This reflected a strong customer base but a softer retail environment in general during the period under review.

Expansion in China is at the heart of the Group's growth strategy, and during the first half of 2009, at a time when the global market sentiment was at its lowest, Suzhou Jiuguang and Dalian Jiuguang were launched in January and May respectively. The two stores added to the Group approximately 200,000 sq.m. of gross floor area. Although it is too early to conclude the performance of these stores, the Group is particularly confident about the future prospect of the Suzhou Jiuguang in the long run and will continue to implement specific strategies to meet local demands while seeking to build a loyal clientele. Dalian Jiuguang has been met with encouraging response from customers since the grand opening on 25 May 2009, with improvements in both traffic footfall and sales.

Following the opening of the Suzhou and Dalian Jiuguang earlier this year, the Group still has two projects in the pipeline, namely the Tianjin property and the Shenyang project.

With respect to the Tianjin property, the Group took advantage of the opportune time to adjust its strategy for this project by converting it into a shopping mall rather than for department store use. The change will generate better return with stable stream of cash flow and rental income and is in line with the Group's fundamental objectives of maximizing profits and strengthening its business portfolio in China. The mall is scheduled to be launched in the first half of 2010. Meanwhile, the Group's department store project in Shenyang is progressing and in view of the latest development progress and market conditions, it has been scheduled for 2011/12 opening.

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Looking forward, Mr. Lau opined, "In light of the current economic climate, we maintain a cautious outlook on the Hong Kong and China retail markets for the second half of 2009. Uncertainties on the economic recovery remain and consumers will continue to be very conservative about spending. Nevertheless, with the right degree of realism and optimism, the medium- to long-term prospects remain bright. There is already market consensus that China will no doubt achieve its 8% growth target this year and effect of the government's stimulus measures into the real economy is becoming more apparent. We believe that Lifestyle International's underlying strengths and solid industry position will best position us for the next round of economic growth. We will continue to seize the benefits of high operating leverage and will constantly look for opportunities that befit the Group's growth strategy. Above all, our top priority will be to upkeep our leading position in Hong Kong and Shanghai while propelling our other China operations further to making it our long-term growth driver."

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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, Dalian and Suzhou.

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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