



Lifestyle International Announces 2014 Annual Results

***Profit attributable to owners fell due mainly to
Shenyang store's first full-year operating loss and old SOGO TST closure***

SOGO CWB outperformed market and Jiuguang operations remained healthy

HK\$'000	For the year ended 31 December		Change
	2014	2013	
Total sales proceeds	13,616,709	13,795,500	-1.3%
Turnover	5,969,740	5,955,335	+0.2%
Profit attributable to owners before one-off gains*	2,143,994	2,291,087	-6.4%
Profit attributable to owners	2,143,994	2,448,247	-12.4%
Earnings per share – basic	HK\$1.31	HK\$1.48	-11.5%
Final dividend per share	34.3 HK cents	32.7 HK cents	+4.9%

*2013 figure excluded one-off disposal gains of HK\$157.2 million

(16 March 2015 – 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 annual results for the year ended 31 December 2014.

Against the backdrop of the deteriorating market conditions in both Hong Kong and mainland China, the Group was able to deliver a steady and satisfactory performance for the year 2014, with the aggregate gross sales proceeds held up at approximately HK\$13.6 billion, a mere 1.3% down from 2013. Profit attributable to owners amounted to HK\$2,144 million, down 12.4%. Earnings per share were HK\$1.31, down 11.5% from last year. The net profit drop was primarily the combined effect of the first full-year operating loss of the Shenyang store, and the absence of profit contribution from the old SOGO TST store between February and November. The current year profit decline was also due to the absence of one-off gains of HK\$157.2 million which was recorded in 2013. Excluding this latter effect, the net profit drop for the year was only 6.4%. The Board declared a final dividend of 34.3 Hong Kong cents per share, maintaining the same full year dividend amount as in 2013 and represents approximately 45% dividend payout.

Commenting on the results, Mr. Thomas Lau, Chief Executive Officer of Lifestyle International, said, “During the year, the retail markets in both mainland China and Hong Kong remained sluggish while consumer sentiment remained weak, due to the slowdown in economic activities and the central government's anti-grafting measures. The Group, however, took the opportunity to further strengthen the brand equity of its SOGO and Jiuguang operations by enhancing its product and brand portfolio. These improvement initiatives are expected to further enhance the Group's competitiveness and will result in better positive performance of the stores in a few years down the road.”

Defying the slowdown trend in the Hong Kong retail market, SOGO CWB outperformed the general retail market in terms of revenue growth, recording approximately 3.4% growth year-on-year. The Group implemented a series of renovation projects at SOGO CWB, giving the store a new look, with not just a more stylish interior but also a notably bigger variety of trendy clothing items and accessories catering to different customer groups. SOGO TST successfully reopened in November, in just less than four months after taking possession of the new premises, at an arterial road in the key shopping area of Tsim Sha Tsui. The traffic footfall and performance of the store up to the end of 2014 was above the management's expectation. The encouraging results so far were partly attributable to the autumn “Thankful Week” event, which coincided with the soft opening, and partly to the fact that SOGO TST had developed a strong client base over the years.

The overall business results of Jiuguang stores in mainland China remained healthy. In particular, Shanghai Jiuguang and Suzhou Jiuguang continued to demonstrate their strengths and continued to turn in a steady performance despite the severe competition and weak market sentiment. In the meantime, the relatively young Shenyang Jiuguang gradually strengthened its foothold as it made ongoing efforts to fine tune brand and product mix. Leveraging its leadership position, the Group's strategic investment, the Beiren Group in Shijiazhuang, continued to deliver healthy results.

Looking ahead, the management takes a cautious view for the year of 2015 and believes the general economic condition and retail environment will remain tough and challenging. For Hong Kong, the Group will continue to fine tune the product and brand mix for the new SOGO TST and to open up an area not filled when it was soft-opened to provide more product categories, including certain popular food and confection items. At SOGO CWB, the Group will continue to work on the remaining renovation project. As for the operations in mainland China, the Group will also continue the renovation and improvement works for the Shanghai store, while continuing to boost further Suzhou and Shenyang Jiuguang's strength through carefully planned marketing and promotion strategies amid the lacklustre market environment.

Mr. Lau concluded, "While the strategic partnership with the new shareholder QIA may provide a platform for exploring future collaborative opportunities, Lifestyle International will continue to adhere to its own operation strategy as well as staying open to new strategic and sensible investment and expansion opportunities, with a view to generating maximum returns for its shareholders and also further solidifying the business foundation of the Group."

-End -

About Lifestyle International

Lifestyle International Holdings Limited is a successful lifestyle department store operator which owns and operates the SOGO department stores 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