



## Lifestyle International Announces 2015 Interim Results

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***Turnover rose in spite of prevailing weak consumer sentiment  
Longstanding resilience underpinned healthy results***

HK\$'000	For the six months ended 30 June		
	2015	2014	Change
Total sales proceeds	<b>6,973,535</b>	6,601,133	+5.6%
Turnover	<b>3,068,154</b>	2,876,966	+6.6%
Profit attributable to owners	<b>1,171,551</b>	1,017,784	+15.1%
Earnings per share – basic	<b>72.2 HK cents</b>	62.0 HK cents	+16.5%
Interim dividend per share	<b>28.9 HK cents</b>	24.8 HK cents	+16.5%

(3 August 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 interim results for the six months ended 30 June 2015.

Against the backdrop of weak consumer sentiment in Mainland China and Hong Kong, the Group managed to deliver encouraging results for the first six months of 2015 with 5.6% growth in aggregate gross sales proceeds to HK\$7.0 billion. Turnover grew 6.6% to HK\$3.1 billion, while profit attributable to owners amounted to HK\$1,171.6 million, up 15.1%. Earnings per share were 72.2 HK cents, up 16.5% from last year. The Board declared an interim dividend of 28.9 HK cents per share, representing approximately 40% dividend payout.

Commenting on the results, Mr. Thomas Lau, Chairman and Chief Executive Officer of Lifestyle International, said, “With uncertainties in the global economy and financial markets, as well as lacklustre external demand, consumer sentiment in China remained subdued and retail market growth dull. Similarly, though Hong Kong recorded fairly mild economic growth during the same period, consumer sentiment in the retail sector was weak. Nonetheless, Lifestyle International stayed committed to its established business strategies to maintain our long-standing appeal to customers.”

SOGO CWB proved to be resilient and put in a steady and solid performance. During the period, the Group pressed on with the renovation program to reinforce the store’s market leadership and enhance shopper experience. This inevitably led to a decline in the store’s traffic, but SOGO CWB still saw an increase in the stay-and-buy ratio, a proof of customer loyalty. The biannual SOGO “Thankful Week” event at SOGO CWB has become the city’s major shopping event for consumers and once again seen strong revenue intake. The event was lengthened by 7 days to 17 days with an aim to encourage consumption, demonstrating management flexibility befitting prevailing market conditions.

After moving in November 2014 to another prime location in Tsim Sha Tsui, SOGO TST has quickly attracted a significant number of old and new customers, achieving better-than-expected performance and contributing to the Group’s profit for the period.

The generally healthy results of the mainland operations attested to the Group’s core competency and its ability to drive operational efficiencies in good or bad times. In particular, Shanghai Jiuguang and Suzhou Jiuguang continued to demonstrate their strengths and recorded 9.7% and 5.1% in sales revenue growth, respectively. Meanwhile, the relatively young Shenyang Jiuguang gradually strengthened its foothold as it made ongoing efforts to fine tune brand and product mix catering to a broad customer base. Leveraging its leadership position, the Group’s strategic investment, Beiren Group in Shijiazhuang, continued to deliver stable performance.

Looking ahead, the management is cautious about the global economy in the second half of 2015, believing that there are challenges and uncertainties on the horizon, which would translate into soft economic data. For the rest of this year, the Group will stay focused on consolidating its business strength and leading market position through a variety of strategies and measures. To maximise business performance of its mainland operations and broaden clientele, the Group will continue to fine-tune the brand and product portfolio of its existing stores, while preparing for the completion of the second Jiuguang store in Shanghai. As for the Group's home turf Hong Kong, the sluggish market conditions provide a window of opportunity to accelerate the revamp program at SOGO CWB.

Mr. Lau concluded, "We believe both SOGO CWB and SOGO TST will perform steadily in the second half of the year, leveraging the brand equity of SOGO and the Group's industry-leading position. With a series of specific promotion activities to celebrate the 30th anniversary of SOGO CWB this year, it shall further stimulate the spending by customers at both stores. Whilst remaining open to new strategic investment opportunities, the Group looks forward to generating greater returns for its shareholders through its existing operations."

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### **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.

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