

[For Immediate Release]



## Lifestyle International Announces 2017 Interim Results

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**Net profit attributable to continuing operation surged 196.9%**

**Sales Revenue outperformed the broader market  
SOGO TST sustained strong growth momentum**

HK\$'000	For the six months ended 30 June		
	2017	2016	Change
Total sales proceeds	<b>4,666,623</b>	4,622,322	+1.0%
Turnover	<b>2,223,764</b>	2,280,404	-2.5%
Profit attributable to owners (continuing and discontinued operations)	<b>1,717,392</b>	587,030	+192.6%
Profit attributable to continuing operation (before the gain on disposal of interest in Lifestyle Properties)	<b>1,292,544</b>	435,345	+196.9%
Earnings per share – basic (Continuing operation)	<b>80.7 HK cents</b>	27.2 HK cents	+196.9%
Interim dividend per share	<b>28.9 HK cents</b>	28.9 HK cents	--

(7 August 2017 – 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 2017.

For the first half of 2017, while the retailing market in Hong Kong was generally recovering slowly from an extended period of decline, the Group’s department stores outperformed the broader market, thanks to the Group’s loyal clientele and effective business strategies. Total gross sales proceeds rose 1% to approximately 4.67 billion, while its turnover saw a slight decline of 2.5% to HK\$2.22 billion. Profit attributable to owners from continuing operation amounted to HK\$1,293 million, up 196.9% from the same period in 2016, while the Group’s reported profit (continuing and discontinued) was up 192.6%. The substantial increase in the Group’s continuing operations was primarily a result of a net investment income of HK\$328.0 million recorded during the period under review, a revaluation gain of HK\$351.5 million on the Group’s investment properties and a decrease in finance costs of HK\$44.2 million. The reported profit was further pushed up by the one-off gain on disposal of the Group’s 59.56% in Lifestyle Properties Development Limited to the tune of HK\$420.8 million. Earnings per share from the Group’s continuing operation amounted to 80.7 HK cents and the Board has declared an interim cash dividend of 28.9 HK cents per share.

Benefiting from improved local consumer sentiment amid strengthening global demand, sales growth of SOGO Causeway Bay (“SOGO CWB”) in the second quarter turned positive and almost offsetting the sales decline recorded in the first quarter of 2017. The flagship store recorded sales revenue of approximately HK\$3,971.7 million for the first six months of 2017, a slight decline of 1.5% from same period last year. The decline in sales revenue at CWB store was largely a result of the complete closure of the Freshmart supermarket for almost two months during March and April for renovation, which affected not only directly sales of the Freshmart supermarket but also the overall traffic footfall to the store and sales at other departments.

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SOGO Tsim Sha Tsui (“SOGO TST”) continued to deliver strong performance, with cosmetics and skin care products being the key growth driver, and recorded 17.7% sales growth during the period under review.

As part of the Group’s ongoing efforts to strengthen its brand equity, the Group launched in July 2016 the SOGO Rewards loyalty program which has been well received with more than 281,000 registered members as of 30 June 2017. With the renovation works at SOGO CWB nearing completion, the Group expects the store’s traffic footfall will resume normal going forward.

In April 2017, the Group completed the disposal of its entire interest in Lifestyle Properties Development Limited, realizing a gain on disposal of approximately HK\$420.8 million. After the disposal, the Group will continue to focus on its department store operations and property development and investment.

Commenting on the results, **Ms. Kam Shim Lau, Executive Director of Lifestyle International**, said, “Hong Kong, the Group’s home market, has shown signs of recovery with retail sales resumed positive growth since March this year. With a strong brand equity and seasoned management team, the Group has been well-positioned to capitalize on the improving retail market.”

Looking ahead, while Hong Kong’s retail market has seen gradual recovery, the near-term outlook for the retail sector still hinges on external uncertainties including the U.S interest rate upcycle, sustainable economic growth and geopolitical tensions.

Ms. Lau concluded, “The Group remains prudently optimistic on the retail market outlook for the second half of 2017. As a reputable department store operator, the Group will stay focused on consolidating its business strength and leading market position.”

“The Group will continue to leverage on the SOGO Rewards loyalty program to further strengthen its customer relationships, deepen engagement and further leverage upon the program to attract new customers. With a more engaging shopping experience and optimized layout at the newly revamped SOGO CWB, the Group is confident that the store efficiency and customer traffic footfall will further improve.”

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## About Lifestyle International

Lifestyle International is a successful lifestyle department store operator. The Group operates SOGO department stores in Hong Kong, namely Causeway Bay and Tsim Sha Tsui, with mid to upper-end market positioning. Characterized by the ‘one-stop shopping’ concept and unparalleled brand equity, the Group’s department stores offer a wide variety of goods ranging from daily necessities to luxury products as well as personal care services, including beauty salons, in a comfortable and pleasurable shopping environment.

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