



Lifestyle International Announces 2018 Interim Results

***Same Store Sales surged 23.5% y-o-y
Widened its lead over the general retail market***

HK\$'000	For the six months ended 30 June		
	2018	2017	Change
Total sales proceeds	5,762,489	4,666,623	+23.5%
Turnover	2,112,795	1,674,641	+26.2%
Profit attributable to owners	882,854	1,720,256	-48.7%
Earnings per share – basic	55.1 HK cents	107.3 HK cents	-48.7%
Interim cash dividend per share	29.5 HK cents	28.9 HK cents	2.1%

(13 August 2018 – 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 2018.

Against the backdrop of firming consumer sentiment and a revival in inbound tourism, the Group’s operations in Hong Kong widened its lead over the Hong Kong retail market, thanks to the Group’s strong management team and revolving product and brand mix. Total gross sales proceeds rose 23.5% to approximately HK\$5.76 billion, while its turnover saw an increase of 26.2% to HK\$2.11 billion. Profit attributable to owners amounted to HK\$882.9 million, down 48.7% from the same period in 2017. The drop in net profit was primarily a result of a significant drop in investment income; absence of the one-off gain on disposal of the Group’s 59.56% interest in a subsidiary recorded in the same period in 2017; and a lower revaluation gain in respect of the Group’s investment properties. Earnings per share amounted to 55.1 HK cents and the Board has declared an interim cash dividend of 29.5 HK cents per share.

Benefiting from the strengthening consumer demand bolstered by favourable labor market conditions and sustained rebound in mainland tourist arrivals, SOGO Causeway Bay (“SOGO CWB”) recorded a 20.1% growth in sales revenue for the period. By offering a more refined shopping experience after the completion of the store enhancement program, the store has seen improvements in the overall traffic footfall, stay-and-buy ratio as well as the average ticket size.

SOGO Tsim Sha Tsui (“SOGO TST”) continued to deliver outstanding performance and recorded a 42.8% increase in sales revenue during the period, with cosmetics and skin care products remained the key growth driver. SOGO TST extended robust growth momentum with both average ticket size and traffic footfall increased from the previous period, thanks to stronger inbound tourism and local demand.

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Thanks to the Group's aggressive sales promotions and streamlined payment services, the bi-annual "Thankful Week" event once again received overwhelming responses from shoppers and achieved record-breaking sales revenue for both stores. In addition, the Group's SOGO Rewards loyalty program has been crowd-pleasing with over 480,000 registered members as at 30 June 2018. It has helped strengthen customers' engagement and reinforced the Group's brand equity. Sales revenue from members accounted for 51.5% of the total sales revenue of the Group in the first half of the year.

Construction work of the Group's Kai Tak Project, which commenced ground breaking works in December 2017, has been proceeding as scheduled. The construction of the two commercial blocks that at completion in 2022, will host a new SOGO department store along the other retailing, entertainment and dining facilities to serving the needs of Kai Tak and broader Eastern Kowloon districts.

Commenting on the results, **Ms. Kam Shim Lau, Executive Director of Lifestyle International**, said, "Hong Kong, the Group's home market, has continued its recovery track with retail sales posted double-digit growth so far this year. Leveraging its loyal clientele and strong brand equity, the Group has been the key beneficiary of improving retail momentum."

Looking ahead, while the local consumption will likely be supported by the solid job market and a still-buoyant property market, the weakening of the Chinese yuan against the Hong Kong dollar and concerns over a potential slowdown in China's economy could dampen Chinese tourist spending in Hong Kong.

Ms. Lau concluded, "The Group remains prudently optimistic on the business outlook for the second half of 2018. As a leading department store operator, the Group will continue to take note on the changing consumer behaviors and preferences that are increasingly demanding and sophisticated."

"With the Group's strong brand equity and competent management team, we are confident of maintaining our leading position in the retailing market of Hong Kong."

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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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