

[For Immediate Release]



Lifestyle International Announces 2019 Interim Results

***Solid performance despite sluggish consumer sentiment
SOGO TST outshined the market with a 9.5% SSSG***

HK\$'000	For the six months ended 30 June		Change
	2019	2018*	
Total sales proceeds	5,661,045	5,798,155	-2.4%
Turnover	2,103,333	2,142,399	-1.8%
Profit attributable to owners	1,286,138	888,100	+44.8%
Earnings per share – basic	85.6 HK cents	55.4 HK cents	+54.5%
Interim cash dividend per share	30.0 HK cents	29.5 HK cents	+1.7%

Remark: *Acquisition of the Japanese restaurant operation in July 2018 was accounted for under merger accounting and comparative figures have been restated

(12 August 2019 – 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 2019.

For the first half of 2019, while the retailing market in Hong Kong generally grappled with sluggish consumer confidence stemming from equity market turbulence and macro headwinds, the Group still managed to outperform the broader market, thanks to its strong brand equity and seasoned leadership. For the period under review, the Group achieved total gross sales proceeds of HK\$5.66 billion with turnover declined by 1.8% to HK\$2.10 billion. Net profit attributable to owners of the Group for the period amounted to HK\$1.29 billion, up 44.8% from HK\$888.1 million recorded for the same period in 2018. The increase was primarily a result of a relatively large positive investment income recorded during the period under review whereas it was a negative investment income last year. Earnings per share amounted to 85.6 HK cents and the Board has declared an interim cash dividend of 30.0 HK cents per share.

As global political uncertainties and the slowdown of the Chinese economy casted a damper on the consumer spending, SOGO Causeway Bay (“SOGO CWB”) recorded a 4.8% decline in sales revenue for the period under review. The store saw a decline in traffic footfall but stable average ticket size. The anti-extradition protests that took place in June also played a part in bringing down the traffic footfall and revenue of the store.

SOGO Tsim Sha Tsui (“SOGO TST”) continued to outshine the market with a 9.5% increase in sales revenue during the period under review as the store has established itself as a popular shopping destination for tourists. Cosmetics and skin care products remained the leading growth driver for the TST store. SOGO TST sustained its robust growth momentum with both average ticket size and traffic footfall increased as comparing to the same period last year.

Thanks to the Group’s effective marketing program and enhanced online shopping platform, the iconic SOGO “Thankful Week” event was repeatedly well received by shoppers. Leveraging on the Group’s dynamic marketing strategies and distinguished shopping experience, the SOGO Rewards program continued to gain traction, with members increased to 657,000 up to 30 June 2019. The program has helped keep customers engaged and reinforced the Group’s brand equity. Sales revenue from members of the SOGO Reward program accounted for 50.5% of the total sales revenue of the store during the period, up from 49.8% for the full year in 2018.

- cont’d -

The foundation construction works of the Group's Kai Tak Project has been progressing satisfactorily. The construction of the twin blocks of commercial buildings, that upon completion in 2022, will host a new SOGO department store and other retailing, entertainment, dining and lifestyle facilities in the new Kai Tak development area, East Kowloon.

Commenting on the results, **Ms. Kam Shim Lau, Executive Director of Lifestyle International**, said, "Hong Kong, the Group's home market, saw its growth slow in the first half of 2019 amid external headwinds and financial market volatility. In spite of the challenging operating environment, the Group managed to deliver solid performance underpinned by competent management team and shrewd business strategies."

Looking ahead, whilst prolonged China-US trade tensions and heightened economic uncertainties would pose challenges to the Hong Kong economy, the city's ongoing political and social unrest may cause further damages to the local economy, souring consumers' appetites and suppressing investor sentiments in both the property and stock markets.

Ms. Lau concluded, "The Group believes that the outlook for Hong Kong's retail sector is set for a challenging second half of the year. Nevertheless, as a prominent retail operator in Hong Kong with solid brand equity and a loyal clientele base, the Group remains committed to our mission of servicing our customers and providing them with a compelling range of products and services within a continuously enhanced shopping environment."

"We continue to work upon deepening our customer engagement, which will allow us to further devise strategies that cater to the increasingly refined and diversified needs of our shoppers, thereby reinforcing our strong foothold in the retail market of Hong Kong.

– End –

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.

For further information, please contact:

iPR Ogilvy

Gary Li / Lorraine Luk / Shana Li / Camellia Johnson

Tel : 3170 6753 / 2169 0467 / 3920 7649 / 3920 7640

Fax : 3170 6606

E-mail : lifestyle@iprogilvy.com