

[For Immediate Release]



Lifestyle International Announces 2009 Annual Results

Hong Kong operations maintains competitiveness

Mainland businesses continues to gain traction

HK\$'000	For the 12 months ended 31 December		
	2009	2008	Change
Total sales proceeds	8,399,095	7,674,699	9.4%
Turnover	3,756,208	3,521,633	6.7%
Profit attributable to owners	1,142,468	927,226	23.2%
Earnings per share - basic	HK68.49cents	HK54.52cents	25.6%
Final dividend per share	HK17.0cents	HK12.0cents	41.7%

(9 March 2010 – 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 audited annual results for the year ended 31 December 2009.

Despite the challenges posed by the global financial crisis, Lifestyle International managed to deliver a satisfactory set of results for the financial year 2009. During the review period, the Group achieved record-high turnover that represented a 6.7% increase to HK\$3,756.2 million. Total sales proceeds increased 9.4% from HK\$7,674.7 million in 2008 to HK\$8,399.1 million in 2009. Profit attributable to owners of the Company amounted to HK\$1,142.5 million, up 23.2% year on year. Earnings per share was HK68.49 cents, up 25.6% from last year. The Board has declared payment of a final cash dividend amounted to HK17.0 cents per share (2008: HK12.0 cents). Taking into account the interim dividend of HK11.0 cents paid during the year, full year dividend amounted to HK28.0 cents per share (2008: HK24.0 cents).

Commenting on the 2009 results, Mr. Thomas Lau, Managing Director of Lifestyle International, said: “The year 2009 was a turbulent and yet a dramatic year, with most economies around the world rocked by the global financial crisis emanating from the United States in 2008. Yet the Group continued to focus on implementing its business strategies and was able to weather the crisis relatively well during the first half of the year. With the gradual improvement in the market sentiment and consumer confidence in the second half of the year, the Group’s business was able to regain the growth momentum with relative ease. As a result, the Group’s Hong Kong operations during the year once again outperformed the market average while the mainland businesses continued to gain traction.”

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SOGO CWB remained the major contributor of the Group's revenue and profit in 2009. The store recorded a 2.9% year-on-year sales growth for 2009 as a whole which was largely attributable to higher average ticket size. The steady performance of this flagship store was a reflection of SOGO CWB's well established market status, its huge loyal clientele, and effective marketing and promotion campaigns. During the "Thankful Week" in November, the store broke record for the third year in a row, with daily sales revenue at new high of HK\$53.9 million, up approximately 21.5% from the then record a year ago.

SOGO TST's performance was by and large steady and consistent with an overall sales growth for the whole year of 9.2%. The results were remarkable in view of the economic uncertainties and were attributable to the continued popularity of the store and the constant inflow of tourists. The sales growth during the year was a combined result of higher average ticket size and increase in traffic footfall.

On the China front, Shanghai Jiuguang, which has firmly secured its standing as one of the most sought-after shopping destinations in Shanghai, posted 11.1% increase in sales year-on-year. The growth during the year was mainly attributable to higher average ticket size and stay-and-buy ratio, reflecting strong customer loyalty and the store's success in adjusting its product mix.

Expansion in China has been in good progress and the new Suzhou Jiuguang and Dalian Jiuguang, inaugurated in January and May 2009 respectively, both got off to a steady start. The Group adopted a host of marketing and promotion strategies to boost traffic for the new stores, a move that was in line with the Group's long-term expansion plan in the PRC.

The Group also has two new projects in the pipeline to fuelling the growth, namely the Tianjin property and the Shenyang Jiuguang. Preliminary renovation work at the Tianjin property has already begun and opening of the shopping mall has been rescheduled to the fourth quarter 2010. As for the Shenyang project, the land will be developed in two phases and inauguration of the store has been rescheduled to end of 2012.

Looking forward, Mr. Lau opined, "Looking ahead, while there are signs that the world's economy may return to growth but the pace and extent of the recovery will be very much dependent on the monetary policy stance and the manner in which governments across the globe withdraw liquidity from the market. While we maintain a cautiously optimistic outlook on the Hong Kong and China retail markets in 2010, growing domestic demand and job creations, coupled with major events such as the Shanghai World Expo this year are expected to enhance the growth momentum of China's economy which should benefit Hong Kong as a whole."

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Mr Lau continued, "With our strong balance sheet and fast-growing brand equity, and our proven ability in identifying lucrative opportunities and translate them into business profits, we will continue to pursue new projects with a view to expanding further the Group's retailing business in China in the coming years while we continue efforts in maintaining our market leadership in Hong Kong. In sum, Lifestyle International will in 2010 focus on upholding its leading marketing position and profitability in order to safeguard its leading status in the industry with the aim of establishing the Group as a leading retail player in the PRC."

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About Lifestyle International

Lifestyle International Holdings Limited is a successful department store operator which owns and operates two SOGO department stores in Hong Kong, three Jiuguang department stores respectively in Shanghai, Suzhou and Dalian.

The Group has been working on a number of new stores to be launched in different PRC cities which will further strengthen the Group's market presence in the PRC.

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