

[For Immediate Release]



Lifestyle International Announces 2010 Annual Results

Six Consecutive Years of Consistent Growth

HK\$'000	For the 12 months ended 31 December		
	2010	2009	Change
Total sales proceeds	9,832,734	8,399,095	+17.1%
Turnover	4,317,465	3,756,208	+14.9%
Profit attributable to owners	1,407,534	1,142,468	+23.2%
Earnings per share - basic	HK83.92cents	HK68.49cents	+22.5%
Final dividend per share	HK19.0cents	HK17.0cents	+11.8%

(28 February 2011 – 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 2010.

During the year under review, the Group recorded the sixth consecutive year of consistent growth in both turnover and net profit, reaching a record-high of HK\$4,317.5 million and HK\$1,407.5 million respectively, with a year-on-year growth of 14.9% and 23.2%. Total sales proceeds increased 17.1% from HK\$8,399.1 million in 2009 to HK\$9,832.7 million in 2010. Earnings per share were HK83.9 cents, up 22.5% from last year. Consistent with the Group’s commitment to generating good and stable returns to shareholders, the Board has declared payment of a final cash dividend amounted to HK19.0 cents per share (2009: HK17.0 cents). Taking into account the interim dividend of HK14.7 cents paid during the year, full year dividend amounted to HK33.7 cents per share (2009: HK28.0 cents), equivalent to around 40% dividend payout ratio.

Commenting on the 2010 results, Mr. Thomas Lau, Managing Director of Lifestyle International, said: “The remarkable results stemmed in part from the favourable retail environment but more importantly, it demonstrates the sound strategies implemented by the Group and the operating leverage we enjoy from our self-owned model. All these have been made possible by the Group’s unrivalled experience and expertise in managing retail and property businesses.

SOGO CWB remained the biggest contributor to the Group's revenue and profit in 2010. During the year, the store raked in total annual sales revenue of HK\$6.4 billion, up 13.7% year-on-year. During the Thankful Week in November, the store set new sales record for four consecutive years and the event generated approximately HK\$487 million in sales revenue, up 21.6% from the previous year.

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SOGO TST also delivered solid results, total sales revenue went up 13.5% year-on-year, reaching approximately HK\$707 million. Having established itself as a competent industry player with a good track record, it consistently delivers solid results on a steady footing. During the year, product mix was further upgraded, bringing in a number of new up-market brands that helped improve the average ticket size.

On the China front, all Jiuguang stores had benefited from the retail boom across mainland China. Shanghai Jiuguang's total sales revenue (net of VAT) went up 17.9% year-on-year, reaching approximately RMB 1.84 billion. The store also ranked third in terms of total sales revenue among department stores in Shanghai in 2010. Growing sophistication of consumers in recent years has significantly driven up demand for discretionary and luxury goods.

Suzhou Jiuguang, in full operation for over a year, performed solidly during 2010 as it gradually gained traction amid an improved retail environment. Net sales revenue jumped 69% compared to the first operating year. The steady increases reflected a persistent growth trend and the gradual build-up of clientele.

As with its Suzhou counterpart, Dalian Jiuguang also delivered satisfactory growth for the year 2010, with sales revenue increased approximately 67%. The growth suggested Dalian Jiuguang is gradually gaining recognition and building up its market share.

Tianjin Lifestyle Plaza, the Group's first shopping mall in the PRC, had a grand opening in December 2010. Market response has been encouraging and met expectations, with over 80% of the space having been taken up. Meanwhile, development work for the Shenyang Jiuguang is in progress. The store is scheduled to launch before the middle of 2013.

The Group's equity investment in Beiren Group, a leading retailer based in Shijiazhuang, also reported satisfactory results in 2010, with the profit margin improving significantly. For the whole year, the investment contributed approximately HK\$100 million (2009: HK\$25 million) in profit to the Group.

Looking ahead, Mr. Lau opined, "Notwithstanding the economic invisibilities ahead, we remain positive as we believe the recovery in the global economy saw in 2010 will be continuing into 2011, and that China will continue to maintain relatively high growth in the year to come."

"We will strive to maintain our market leadership position in Hong Kong and spare no effort to drive growth for all our Jiuguang stores in mainland China. We will adhere to our growth strategy in the mainland by way of enlarging our property portfolio, which we believe will bring greater value to our shareholders in the long run. With our strong operating cash flow and healthy financial position, as well as our proven track record of creating value for our properties, we will continue to be on the lookout for lucrative opportunities," Mr Lau continued.

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 as well as Lifestyle Plaza in Tianjin.

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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