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king fook holdings limited
景福集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 280)

POSITIVE PROFIT ALERT

This announcement is made by King Fook Holdings Limited (the “Company”, together with its subsidiaries collectively referred to as the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules).

The board of directors of the Company announces that, based on the unaudited consolidated management accounts of the Group for the year ended 31 March 2020 (the “Year”), the Group is expected to achieve consolidated profit attributable to owners of the Company for the Year of over HK\$5 million as compared to about HK\$0.7 million for the previous year. Such substantial increase in profit was primarily due to an increase in revenue in the retail business of the Group during the Year mainly as a result of continued growth of sales to local high-end customers, though sales in February and March 2020 were adversely affected by the Covid-19 outbreak.

The Covid-19 outbreak has adversely affected the Group’s business. For the period from February to April 2020, the Group’s revenue dropped by about 42% as compared to the same period last year. The Company believes Covid-19 will have significant impact on the Group’s sales performance in the first half of 2020. Currently, the Group’s liquidity position has not been materially affected. The Group has taken measures to improve operation efficiency and control over inventory and costs (e.g. negotiating rent reduction with landlords). However, the Group did not carry out any staff redundancy or no pay leave measures during February to May 2020.

The information contained in this announcement is only based on a preliminary assessment by the management of the Company after reviewing the unaudited consolidated management accounts of the Group for the Year, which are currently under review by the Company's auditors. The Company is still in the process of finalising the annual results of the Group for the Year, which are subject to further review by the Company's management and approval by the audit committee of the Company. Therefore the actual results of the Group for the Year may differ from the information contained in this announcement. Announcement of the annual results of the Group for the Year is expected to be released in June 2020 pursuant to the requirements of the Listing Rules.

Shareholders of the Company and potential investors should exercise caution when dealing in shares of the Company.

By Order of the Board
Tang Yat Sun, Richard
Chairman

Hong Kong, 29 May 2020

As at the date of this announcement, the executive directors of the Company are Mr. Tang Yat Sun, Richard, Dr. Fung Yuk Bun, Patrick and Mr. Yeung Ka Shing; the non-executive director is Mr. Wong Wei Ping, Martin; and the independent non-executive directors are Mr. Cheng Kar Shing, Peter, Mr. Ho Hau Hay, Hamilton, Mr. Sin Nga Yan, Benedict and Mr. Cheng Kwok Shing, Anthony.