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(於百慕達註冊成立之有限公司)
(Incorporated in Bermuda with Limited Liability)
Stock Code 股份代號 : 0590

SALES PERFORMANCE OF RETAIL BUSINESS FOR THE TWO MONTHS ENDED 29 FEBRUARY 2020 AND PROFIT WARNING

Luk Fook Holdings (International) Limited (the “Company”), together with its subsidiaries (the “Group”), announces the sales performance of retail business of the Group’s self-operated shops for the two months ended 29 February 2020 covering the period from 1 January 2020 to 29 February 2020 (the “Period”).

SAME STORE SALES GROWTH (“SSSG”)* FOR THE PERIOD

	TWO-MONTH PERIOD FROM JANUARY TO FEBRUARY	
	2020 vs 2019	2019 vs 2018
Overall	-49.9%	-5.6%
Gold	-45.0%	-5.7%
Gold (by weight)	-53.1%	-4.3%
Gem-set jewellery	-54.9%	-3.8%
Hong Kong** & Macau***	-52.8%	-6.2%
Gold	-47.3%	-6.7%
Gold (by weight)	-54.7%	-5.3%
Gem-set jewellery	-58.0%	-4.3%
Mainland****	-37.1%	+2.0%
Gold	-38.6%	+3.8%
Gold (by weight)	-50.4%	-1.3%
Gem-set jewellery	-31.8%	+2.9%

Remarks:

* Same store sales growth of the period represented a comparison of sales of the same Lukfook self-operated shop having full day operations in the comparable periods and such data did not include sales of licensed shops and Mainland’s e-commerce business.

** Hong Kong SAR: Hereafter refers to as “Hong Kong”

*** Macau SAR: Hereafter refers to as “Macau”

**** Mainland China: Hereafter refers to as “Mainland”

Due to the new coronavirus outbreak, the Mainland cities were under extensive lockdown, and the number of visitors to Hong Kong and Macau also fell sharply, which resulted in a substantial decline in overall SSSG of 49.9% for the two months ended 29 February 2020. The SSSG of gold products and gem-set jewellery products were -45.0% and -54.9% respectively.

During the Period, the SSSG of Hong Kong and Macau market was -52.8% and the SSSG of its gold products and gem-set jewellery products were -47.3% and -58.0% respectively. The Group's shops in Macau were mostly closed in February. Therefore, the retail sales amount of Hong Kong and Macau market decreased by more than 50% year-on-year during the Period.

The economic activities in Mainland were almost halted due to the outbreak. In the first two months of this year, industry, consumption and investment all hit record low with double-digit decline, crashing the macro-economy severely. Most of the shops in Mainland were also closed in February. Therefore, the Group's SSSG in Mainland during the Period was -37.1%, with SSSG of its gold and gem-set jewellery products being -38.6% and -31.8% respectively. Besides, the retail sales amount of all licensed shops and self-operated shops of the Group in Mainland decreased by approximately 50% year-on-year during the Period.

Under the pandemic, the Group has adopted natural turnover and no pay leave measures for cost-saving of staff costs. At the same time, the Group also proactively negotiated with landlords for rental reductions. Nevertheless, the expansion plan for the current financial year has not been seriously affected. It is estimated that the net shop additions for current financial year would only be a bit less than the target of 300 shops.

In addition, the Group's unaudited revenue and profit for the period for the nine months ended 31 December 2019 were about 60% and 55% respectively of those of the year ended 31 March 2019. Most shops of the Group in Mainland were reopened in March, but the customer visit of the shops operating in Mainland, Hong Kong and Macau was still sparse. It is expected to take some time for the business to resume normal. Therefore, based on the operational data for the period from January to February 2020 and the preliminary assessment of the operational situation in early March, there will be an acute drop in the revenue for the period from January to March 2020 (the "Fourth Quarter"). It is therefore highly likely that certain losses will be incurred in the Fourth Quarter. It may lead to substantial decline in the Group's revenue and profit for the financial year ending 31 March 2020 when compared with last year. As such, the Board of the Company (the "Board") announces the profit warning for the year ending 31 March 2020 pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

Furthermore, the operational data of the Group for the Fourth Quarter will be published around mid-April 2020.

CAUTION STATEMENT

The Board wishes to remind investors that the above operational and financial data is based on the Company's internal records which have not been audited by auditors. **Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board

Luk Fook Holdings (International) Limited

WONG Wai Sheung

Chairman & Chief Executive Officer

Hong Kong, 18 March 2020

As at the date of this announcement, the Company's Executive Directors are Mr. WONG Wai Sheung (Chairman and Chief Executive Officer), Mr. TSE Moon Chuen (Deputy Chairman), Ms. WONG Hau Yeung, Ms. WONG Lan Sze, Nancy and Dr. CHAN So Kuen; the Non-executive Directors are Mr. WONG Ho Lung, Danny (Deputy Chairman), Ms. YEUNG Po Ling, Pauline, Mr. HUI Chiu Chung, JP and Mr. LI Hon Hung, BBS, MH, JP; the Independent Non-executive Directors are Mr. TAI Kwok Leung, Alexander, Mr. IP Shu Kwan, Stephen, GBS, JP, Mr. MAK Wing Sum, Alvin, Ms. WONG Yu Pok, Marina, JP and Mr. HUI King Wai.