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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 FOURTH QUARTER OF FINANCIAL YEAR
ENDED 31 MARCH 2020**

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 fourth quarter (“4Q”) of financial year ended 31 March 2020 (“FY2020”) covering the period from 1 January 2020 to 31 March 2020.

OVERALL SAME STORE SALES GROWTH (“SSSG”)⁽¹⁾

	4Q FY2020 vs 4Q FY2019	3Q FY2020 vs 3Q FY2019	4Q FY2019 vs 4Q FY2018
Overall	-57%	-25%	-6%
Gold	-51%	-20%	-6%
Gold (by weight)	-58%	-33%	-4%
Gem-set jewellery	-64%	-32%	-4%

Remarks:

⁽¹⁾ 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 China’s e-commerce business

Due to the severe outbreak of COVID-19, various regions were under extensive lockdown and various levels of restrictions on public and business activities, which resulted in a substantial decline in the Group’s overall SSSG by 57% for 4Q FY2020. The SSSG of gold products and gem-set jewellery products were -51% and -64% respectively.

SSSG OF HONG KONG⁽²⁾ & MACAU MARKET⁽³⁾

	4Q FY2020 vs 4Q FY2019	3Q FY2020 vs 3Q FY2019	4Q FY2019 vs 4Q FY2018
Overall	-60%	-27%	-6%
Gold	-53%	-21%	-7%
Gold (by weight)	-60%	-34%	-5%
Gem-set jewellery	-67%	-35%	-4%

The SSSG of Hong Kong and Macau market during 4Q was -60% and the SSSG of its gold products and gem-set jewellery products were -53% and -67% respectively. Although the sales volume of gem-set jewellery products fell sharply, as it included a 35% sales mix of 18-karat gold and fixed-price gold products, the gold price rose by 20% during the period led to a similar increase in its average selling price (“ASP”). The Group’s shops in Macau were mostly closed in February and March, while shops in Hong Kong were opened but experiencing low foot traffic. Therefore, the retail sales amount of Hong Kong and Macau market decreased by more than 60% year-on-year during 4Q.

Remarks:

⁽²⁾ Hong Kong SAR: Hereafter refers to as “Hong Kong”

⁽³⁾ Macau SAR: Hereafter refers to as “Macau”

MAINLAND⁽⁴⁾ MARKET

	4Q FY2020 vs 4Q FY2019	3Q FY2020 vs 3Q FY2019	4Q FY2019 vs 4Q FY2018
SSSG of Self-operated Shops⁽⁵⁾			
Overall	-41%	-12%	+2%
Gold	-42%	-12%	+4%
Gold (by weight)	-54%	-30%	-1%
Gem-set jewellery	-39%	-9%	+3%
Same Store Sales Performance of Licensed Shops⁽⁶⁾			
Overall	-32%	-3%	+5%
Gold	-34%	-4%	+1%
Gem-set jewellery	-29%	+3%	+18%

Remarks:

⁽⁴⁾ Mainland China: Hereafter refers to as “Mainland”

⁽⁵⁾ The number of Lukfook self-operated shops in Mainland as at 31 March 2020 was 110, accounting for 6% of the total

⁽⁶⁾ The number of Lukfook licensed shops in Mainland as at 31 March 2020 was 1,878, accounting for 94% of the total. Therefore, the operating performance of licensed shops would be more representative in reflecting the Group’s overall performance in Mainland

The economic activities in Mainland were almost halted due to the outbreak, especially in February. Therefore, most of the shops in Mainland were closed in February. Although most of them resumed business in March, the foot traffic largely declined. The Group's SSSG in Mainland during 4Q was -41%, with SSSG of its gold and gem-set jewellery products being -42% and -39% respectively. The sales volume of gem-set jewellery products also fell sharply, while its ASP decreased slightly. Besides, the licensed shops, which accounted for 94% of Mainland's Lukfook shops, recorded same store sales decline of 32% during the quarter, while its same store sales of gold products and gem-set jewellery products dropped by 34% and 29% respectively. The retail sales amount of all licensed shops and self-operated shops of the Group together in Mainland decreased by approximately 50% year-on-year during 4Q.

NUMBER OF SHOPS

During 4Q, the Group had a net decrease of 2 shops and 1 shop in Hong Kong and Macau respectively. Furthermore, driven by the Group's multi-brand strategy, apart from the net addition of 19 "Lukfook" shops in Mainland (which included a net addition of 34 licensed shops and a net decrease of 15 self-operated shops), there were net addition of 7 "Goldstyle" shops (which included an addition of 8 licensed shops and a decrease of 1 self-operated shop) in Mainland. As at 31 March 2020, the Group had 1,988 "Lukfook" shops, 52 "Goldstyle" shops, 3 "Dear Q" shops, and 3 "3D-GOLD" shops, totalling 2,046 shops in Mainland market. The details of distribution network in Mainland are summarised as follows:-

MAINLAND DISTRIBUTION NETWORK

Shop number of different brands		Changes in 4Q FY2020	As at 31 March 2020
Lukfook	Self-operated	-15	110
	Licensed	+34	1,878
	Sub-total	+19	1,988
Goldstyle	Self-operated	-1	3
	Licensed	+8	49
	Sub-total	+7	52
Dear Q	Self-operated	-	3
3D-GOLD	Self-operated	-	3
Total	Self-operated	-16	119
	Licensed	+42	1,927
	Total	+26	2,046

As at 31 March 2020, the Group had a total of 181 “Lukfook” self-operated shops including 110 in Mainland, 49 in Hong Kong, 11 in Macau, and 11 overseas. As at the same date, together with licensed shops of 1,878 in Mainland, 1 in Cambodia, and 2 in the Philippines, there were a total of 2,062 “Lukfook” shops worldwide. Together with 58 shops of other brands in Mainland, the Group had a total of 2,120 shops globally. The Group’s global distribution network of shops is summarised as follows:-

GLOBAL DISTRIBUTION NETWORK

	Changes in 4Q FY2020	As at 31 March 2020
Lukfook:		
Self-operated shops		
Hong Kong	-2	49
Macau	-1	11
Mainland	-15	110
Other Locations	-	11
Sub-total	-18	181
Licensed shops		
Mainland	+34	1,878
Other Locations	-	3
Sub-total	+34	1,881
Total “Lukfook” shops	+16	2,062
Other brands:		
Mainland	+7	58
Total	+23	2,120

Given most of the new shops were opened before the outbreak, the expansion plan for FY2020 therefore has not been seriously affected. The net shop addition for the full year was 287 shops, slightly below the target of 300 shops. With the gradual recovery of industrial, consumption and investment activities in Mainland, the Group’s business in Mainland improved progressively in the first two weeks of April, while the business in Hong Kong and Macau has not shown obvious signs of recovery due to substantial decline in the number of visitors as compared with the same period last year.

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. Besides, as a result of various endeavours, the Group's inventory as of 31 March 2020 has dropped to the target level. As such, the Group's net cash position has been maintained at a relatively high level, while the sales amount of the Mainland's e-commerce for 4Q remained flat.

CAUTION STATEMENT

The board of directors of the Company wishes to remind investors that the above operational 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, 16 April 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.