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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 SECOND QUARTER OF FINANCIAL YEAR ENDING 31 MARCH 2019

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 second quarter (“2Q”) of financial year ending 31 March 2019 (“FY2019”) covering the period from 1 July 2018 to 30 September 2018.

SAME STORE SALES GROWTH (“SSSG”)* FOR 2Q OF FY2019

	2Q FY2019 vs 2Q FY2018	1Q FY2019 vs 1Q FY2018	2Q FY2018 vs 2Q FY2017
Overall	+14%	+22%	+17%
Gold	+23%	+26%	+21%
Gold (by weight)	+30%	+21%	+25%
Gem-set jewellery	+5%	+18%	+16%
Hong Kong & Macau	+17%	+26%	+18%
Gold	+30%	+34%	+21%
Gold (by weight)	+36%	+28%	+26%
Gem-set jewellery	+4%	+19%	+18%
Mainland China	+4%	-2%	+11%
Gold	0%	-6%	+19%
Gold (by weight)	+4%	-3%	+23%
Gem-set jewellery	+18%	+10%	-2%

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 China’s e-commerce business.

Benefited from good market sentiment, lower gold price and successful market strategy, despite a relatively higher base, the SSSG of the Group's retail business for 2Q FY2019 recorded a growth of +14%. The overall SSSG of gold products and gem-set jewellery products were +23% and +5% respectively.

The SSSG of Hong Kong and Macau market for 2Q FY2019 was +17%. The SSSG of gold and gem-set jewellery products were +30% and +4% respectively. Renminbi depreciation led to higher tendency for customers to purchase lower-value items, resulting in a single-digit drop in the average selling price ("ASP") of gem-set jewellery products.

The SSSG of Mainland China ("Mainland") market for 2Q FY2019 restored to a positive growth of +4%. Its SSSG of gem-set jewellery products recorded a growth of +18%, which was higher than last quarter's +10%, while the SSSG of gold products remained flat. Attributed by the excellent sales performance of lower-value new product collection, the ASP of its gem-set jewellery products recorded a double-digit drop during the period. The SSSG of Mainland licensed shops was single-digit better than that of the self-operated shops during the period.

In the first two weeks of October, the growth momentum of Hong Kong and Macau market continued, with same store sales sustained at a double-digit growth. As for Mainland market, because of the large number of outbound travellers during the long holiday period and a high base, its same store sales of self-operated shops recorded a double-digit drop in the first two weeks of October.

NUMBER OF SHOPS

During 2Q FY2019, there was a net addition of 57 Lukfook shops in Mainland (which included a net addition of 62 licensed shops and net reduction of 5 self-operated shops). As at 30 September 2018, the Group had a total of 223 Lukfook self-operated shops including 151 in Mainland, 50 in Hong Kong, 11 in Macau and 11 overseas. As at the same date, together with licensed shops of 1,500 in Mainland, 1 in Cambodia and 1 in the Philippines, there were a total of 1,725 Lukfook shops worldwide, of which 1,651 shops were located in Mainland, and are summarised as follows:-

	30 September 2018	Changes in 2Q FY2019
Self-operated shops		
Hong Kong	50	+2
Macau	11	+1
Mainland	151	-5
Other Locations	11	0
Sub-total	223	-2
Licensed shops		
Mainland	1,500	+62
Other Locations	2	+1
Sub-total	1,502	+63
Total Lukfook shops	1,725	+61

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

Hong Kong, 18 October 2018

As at the date of this announcement, the Company's Executive Directors are Mr. WONG Wai Sheung (Chairman and Chief Executive), Mr. TSE Moon Chuen (Deputy Chairman), Ms. WONG Hau Yeung, Ms. WONG Lan Sze, Nancy, Ms. CHUNG Vai Ping 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.