

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



(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 FIRST QUARTER OF FINANCIAL YEAR ENDING 31 MARCH 2021

Luk Fook Holdings (International) Limited (the “Company”), together with its subsidiaries (the “Group”), announces the sales performance of retail business of the Group for the first quarter (“1Q”) of financial year ending 31 March 2021 (“FY2021”) covering the period from 1 April 2020 to 30 June 2020.

### OVERALL SAME STORE SALES GROWTH (“SSSG”)<sup>(1)</sup>

	1Q FY2021 vs 1Q FY2020	4Q FY2020 vs 4Q FY2019	1Q FY2020 vs 1Q FY2019
<b>Overall</b>	<b>-71%</b>	<b>-57%</b>	<b>-10%</b>
Gold <sup>(2)</sup>	-67%	-51%	-19%
Gold (by weight)	-73%	-58%	-19%
Fixed price jewellery	-77%	-64%	+4%

With the continuing impact of COVID-19 pandemic, the Group’s overall SSSG was -71% for 1Q FY2021. The SSSG of gold products and fixed price jewellery products were -67% and -77% respectively.

Entering June 2020, as the retail sentiment in the Hong Kong<sup>(3)</sup> market and the Mainland<sup>(4)</sup> market gradually improved, the overall same store sales decline of the Group’s self-operated shops narrowed from 76% in April and May to 58% in June.

Remarks:

<sup>(1)</sup> 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

<sup>(2)</sup> Gold refers to gold products sold by weight based on international market price, i.e. at non-fixed price

<sup>(3)</sup> Hong Kong SAR: Hereafter refers to as “Hong Kong”

<sup>(4)</sup> Mainland China: Hereafter refers to as “Mainland”

## SSSG OF HONG KONG & MACAU<sup>(5)</sup> MARKET

	1Q FY2021 vs 1Q FY2020	4Q FY2020 vs 4Q FY2019	1Q FY2020 vs 1Q FY2019
<b>Overall</b>	<b>-76%</b>	<b>-60%</b>	<b>-10%</b>
Gold	-72%	-53%	-20%
Gold (by weight)	-77%	-60%	-20%
Fixed price jewellery	-81%	-67%	+6%

As the border restrictions have not been fully lifted in Hong Kong and Macau, the SSSG of Hong Kong and Macau market for 1Q was -76%, and the SSSG of its gold products and fixed price jewellery products were -72% and -81% respectively. Entering June, the situation in Macau showed no improvement, but the retail sentiment in the Hong Kong market gradually recovered. Therefore, the same store sales decline in the Hong Kong and Macau market narrowed from 82% in April and May to 62% in June. In addition, the retail sales amount in the Hong Kong and Macau market during the quarter fell by about 78% year-on-year.

## MAINLAND MARKET

	1Q FY2021 vs 1Q FY2020	4Q FY2020 vs 4Q FY2019	1Q FY2020 vs 1Q FY2019
<b><i>SSSG of Self-operated Shops<sup>(6)</sup></i></b>			
<b>Overall</b>	<b>-40%</b>	<b>-41%</b>	<b>-7%</b>
Gold	-45%	-42%	-4%
Gold (by weight)	-59%	-54%	-12%
Fixed price jewellery	-32%	-39%	-7%
<b><i>Same Store Sales Performance of Licensed Shops<sup>(7)</sup></i></b>			
<b>Overall</b>	<b>-19%</b>	<b>-32%</b>	<b>+1%</b>
Gold	-28%	-34%	-1%
Fixed price jewellery	-12%	-29%	+10%

Remarks:

<sup>(5)</sup> Macau SAR: Hereafter refers to as "Macau"

<sup>(6)</sup> The number of "Lukfook" self-operated shops in Mainland as at 30 June 2020 was 107, accounting for 5.4% of the total

<sup>(7)</sup> The number of "Lukfook" licensed shops in Mainland as at 30 June 2020 was 1,876, accounting for 94.6% of the total. Therefore, the operating performance of licensed shops would be more representative in reflecting the Group's overall performance in Mainland

The sales decline in the Mainland market was lower than the Hong Kong and Macau market as most of the shops in Mainland resumed operations during the quarter and the consumer sentiments recovered gradually. The SSSG of “Lukfook” self-operated shops in Mainland for 1Q was -40%, the SSSG of its gold products and fixed price jewellery products were -45% and -32% respectively. Its same store sales improved from -43% in April and May 2020 to -32% in June 2020.

Accounting for around 95% of Mainland’s “Lukfook”shops, the licensed shops recorded lower same store sales decline of 19% as compared to that of the self-operated shops, which were mostly located in Northern China and Central China with more severe pandemic during the quarter. The same store sales of its gold products and fixed price jewellery products dropped by 28% and 12% respectively. The same store sales of licensed shops showed progressive improvements from -22% in April and May 2020 to -13% in June 2020.

In addition, the retail sales amount of the overall Mainland shops including the self-operated shops and licensed shops recorded around 14% drop year-on-year during the quarter.

#### **NUMBER OF SHOPS**

During 1Q, the Group had a net decrease of 5 “Lukfook” shops in Mainland (which included net decrease of 2 licensed shops and 3 self-operated shops) and a net addition of 8 “Goldstyle” licenced shops in Mainland. As at 30 June 2020, the Group had a total 2,049 shops including 1,983 “Lukfook” shops, 60 “Goldstyle” shops, 3 “Dear Q” shops, and 3 “3D-GOLD” shops in the Mainland market. The details of distribution network in Mainland are summarized as follows:-

#### **MAINLAND DISTRIBUTION NETWORK**

<b>Shop number of different brands</b>		<b>Changes in 1Q FY2021</b>	<b>As at 30 June 2020</b>
<b>“Lukfook”</b>	Self-operated	-3	107
	Licensed	-2	1,876
	Sub-total	-5	1,983
<b>“Goldstyle”</b>	Self-operated	-	3
	Licensed	+8	57
	Sub-total	+8	60
<b>“Dear Q”</b>	Self-operated	-	3
<b>“3D-GOLD”</b>	Self-operated	-	3
<b>Total</b>	Self-operated	-3	116
	Licensed	+6	1,933
	<b>Total</b>	<b>+3</b>	<b>2,049</b>

As at 31 March 2020, the Group had a total of 178 “Lukfook” self-operated shops worldwide including 107 in Mainland, 49 in Hong Kong, 11 in Macau, and 11 overseas. As at the same date, together with the licensed shops of 1,876 in Mainland, 1 in Cambodia, and 2 in the Philippines, there were a total of 2,057 “Lukfook” shops worldwide. Together with 66 shops of other brands in Mainland, the Group had a total of 2,123 shops globally. The Group’s global distribution network is summarized as follows:-

#### **GLOBAL DISTRIBUTION NETWORK**

	<b>Changes in 1Q FY2021</b>	<b>As at 30 June 2020</b>
<b>“Lukfook”:</b>		
<b>Self-operated shops</b>		
Hong Kong	-	49
Macau	-	11
Mainland	-3	107
Other Locations	-	11
Sub-total	-3	178
<b>Licensed shops</b>		
Mainland	-2	1,876
Other Locations	-	3
Sub-total	-2	1,879
<b>Total “Lukfook” shops</b>	<b>-5</b>	<b>2,057</b>
<b>Other brands:</b>		
Mainland	+8	66
<b>Total</b>	<b>+3</b>	<b>2,123</b>

It is expected to take time for the Mainland tourists arrival to Hong Kong and for retail atmosphere to recover. The Group will net reduce 5 shops in Hong Kong in the coming year, and seek opportunities for opening 2 more shops in Macau during FY2021. The target for net addition of “Lukfook” shops in Mainland will be not less than 150 shops, while the target for new brands’ stores in Mainland is 50 shops, most of which will be licensed shops.

## **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, 21 July 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.*