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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

RETAIL SALES PERFORMANCE FOR THE THIRD QUARTER OF FINANCIAL YEAR ENDING 31 MARCH 2021

Luk Fook Holdings (International) Limited (the “Company”), together with its subsidiaries (the “Group”), announces the retail sales performance of the Group for the third quarter (“3Q”) of financial year ending 31 March 2021 (“FY2021”) covering the period from 1 October 2020 to 31 December 2020.

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

	3Q FY2021 vs 3Q FY2020	2Q FY2021 vs 2Q FY2020	3Q FY2020 vs 3Q FY2019
Overall	-29%	-55%	-25%
Gold ⁽²⁾	-25%	-46%	-20%
Gold (by weight)	-38%	-57%	-33%
Fixed price jewellery	-35%	-65%	-32%

The overall SSSG of the Group’s retail business substantially improved from last quarter’s -55% to -29% in 3Q FY2021. With a relatively effective pandemic control of COVID-19 in the Mainland⁽³⁾ market, its same store sales turned from a decline to an increase during the quarter and sales performance of its e-commerce business was outstanding. Apart from that, the narrowed sales decline in the Macau⁽⁴⁾ market due to the progressively relaxed border restriction was also beneficial to the Group’s sales performance.

Remarks:

- ⁽¹⁾ Same store sales growth of the period represented a comparison of sales of the same 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
⁽²⁾ Gold refers to gold products sold by weight based on international market price, i.e. at non-fixed price
⁽³⁾ Mainland China: Hereafter refers to as “Mainland”
⁽⁴⁾ Macau SAR: Hereafter refers to as “Macau”

SSSG OF HONG KONG⁽⁵⁾ & MACAU MARKET

	3Q FY2021 vs 3Q FY2020	2Q FY2021 vs 2Q FY2020	3Q FY2020 vs 3Q FY2019
Overall	-35%	-63%	-27%
Gold	-32%	-53%	-21%
Gold (by weight)	-44%	-61%	-34%
Fixed price jewellery	-40%	-74%	-35%

The SSSG of Hong Kong and Macau market for 3Q was -35%, and the SSSG of its gold products and fixed price jewellery products were -32% and -40% respectively. The decline was narrowed substantially as compared to the last quarter. As the border restriction has been gradually lifted in the Macau market, its SSSG therefore improved from about -80% in 2Q to about -20% in 3Q. The SSSG in the Hong Kong market also improved from about -50% in 2Q to about -40% in 3Q. In addition, the retail sales amount in the Hong Kong and Macau market during the quarter fell by about 40% year-on-year.

MAINLAND MARKET

	3Q FY2021 vs 3Q FY2020	2Q FY2021 vs 2Q FY2020	3Q FY2020 vs 3Q FY2019
<i>SSSG of Self-operated Shops</i>			
Overall	+4%	-15%	-12%
Gold	+11%	-15%	-12%
Gold (by weight)	-4%	-33%	-30%
Fixed price jewellery	-11%	-16%	-9%
<i>E-commerce Business Sales Growth</i>			
Overall	+54%	+32%	+30%
Gold	+53%	+36%	+43%
Gold (by weight)	+24%	-3%	+32%
Fixed price jewellery	+56%	+26%	+7%

Remarks:

⁽⁵⁾ Hong Kong SAR: Hereafter refers to as "Hong Kong"

Due to more effective control of the pandemic in the Mainland market, its retail sentiment gradually recovered during the quarter, and the progressively declining gold price was also helpful to the sales performance. The SSSG of self-operated shops in Mainland for 3Q was +4%. The SSSG of its gold products and fixed price jewellery products were +11% and -11% respectively. Licensed shops, which accounted for around 96% of the total number of shops there, recorded similar same store sales growth as the self-operated shops during the quarter.

Besides, the e-commerce business in Mainland performed well during the quarter with a year-on-year increase of 54% in its sales amount. Its gold products reached a growth of 24% by weight. Furthermore, the sales amount of the overall Mainland shops including both the self-operated shops and licensed shops during the quarter recorded a low double-digit growth year-on-year, among which the retail sales amount of its gold products recorded double-digit growth, while the fixed price jewellery products recorded low single-digit growth.

NUMBER OF SHOPS

During 3Q, the Group had a net increase of 133 “Lukfook” shops in Mainland, which included net increase of 135 licensed shops and net decrease of 2 self-operated shops. Besides, the Group had also a net addition of 9 “Goldstyle” licensed shops in Mainland during the quarter. As at 31 December 2020, the Group had a total of 2,249 shops including 2,166 “Lukfook” shops, 81 “Goldstyle” shops and 2 “Dear Q” shops in the Mainland market. The details of distribution network in Mainland are summarized as follows:-

MAINLAND DISTRIBUTION NETWORK

Shop number of different brands		Changes in 3Q FY2021	As at 31 December 2020
“Lukfook”	Self-operated	-2	77
	Licensed	+135	2,089
	Sub-total	+133	2,166
“Goldstyle”	Self-operated	-	8
	Licensed	+9	73
	Sub-total	+9	81
“Dear Q”	Self-operated	-	2
“3D-GOLD”	Self-operated	-	-
Total	Self-operated	-2	87
	Licensed	+144	2,162
	Total	+142	2,249

As at 31 December 2020, the Group had a total of 147 “Lukfook” self-operated shops worldwide including 77 in Mainland, 47 in Hong Kong, 13 in Macau, and 10 in overseas. As at the same date, together with the licensed shops of 2,089 in Mainland, 1 in Cambodia, and 2 in the Philippines, there were a total of 2,239 “Lukfook” shops worldwide. Including the 83 shops of other brands in Mainland, the Group had a total of 2,322 shops globally. The Group’s global distribution network is summarized as follows:-

GLOBAL DISTRIBUTION NETWORK

	Changes in 3Q FY2021	As at 31 December 2020
“Lukfook”: Self-operated shops		
Hong Kong	-	47
Macau	+1	13
Mainland	-2	77
Other Locations	-1	10
Sub-total	-2	147
Licensed shops		
Mainland	+135	2,089
Other Locations	-	3
Sub-total	+135	2,092
Total “Lukfook” shops	+133	2,239
Other brands (including “Goldstyle” & “Dear Q”):		
Mainland	+9	83
Total	+142	2,322

With the successive introduction of vaccines, it is expected that the COVID-19 pandemic will be gradually subsided, and the macro-economy and retail sentiment, especially in the Mainland market, will be further improved. Therefore, the Group looks forward to regaining growth on its overall retail sales performance soon.

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, 14 January 2021

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), Mr. HUI Chiu Chung, JP and Mr. LI Hon Hung, BBS, MH, JP; the Independent Non-executive Directors are Mr. IP Shu Kwan, Stephen, GBS, JP, Mr. MAK Wing Sum, Alvin, Ms. WONG Yu Pok, Marina, JP and Mr. HUI King Wai.