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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 2018**

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 2018 (“FY2018”) covering the period from 1 July 2017 to 30 September 2017.

SAME STORE SALES GROWTH (“SSSG”)* FOR 2Q OF FY2018

	2Q FY2018 vs 2Q FY2017	1Q FY2018 vs 1Q FY2017
Overall	+17%	+5%
Gold	+21%	+5%
Gold (by weight)	+25%	+5%
Gem-set jewellery	+16%	+9%
Mainland China	+11%	+23%
Gold	+19%	+32%
Gold (by weight)	+23%	+26%
Gem-set jewellery	-2%	+10%
Hong Kong & Macau	+18%	+3%
Gold	+21%	0%
Gold (by weight)	+26%	0%
Gem-set jewellery	+18%	+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 China’s e-commerce business.

With a relatively low base and a slight drop in gold price, the sales performance of gold products in both Hong Kong and Macau and Mainland China (“Mainland”) markets was encouraging. Therefore, the Group’s overall same store sales of gold products for 2Q FY2018 recorded a growth of +21%, much improved over the previous quarter. On the other hand, the sales of gem-set jewellery products in Hong Kong and Macau market benefited from the market improvement as well as the successful introduction of more varieties of stylish yet good-value-for-money products, resulting in a +16% increase in overall SSSG of gem-set jewellery products for the Group in 2Q FY2018.

Although the sales performance in July and August of the current year was promising in Mainland market, the performance in September fell behind due to the lack of sales-driven promotional activities for the Mid-Autumn Festival in the same period last year. As a result, the SSSG of gold products in Mainland for 2Q was +19% only, while that for gem-set jewellery products decreased by 2%. Therefore, the SSSG for 2Q in Mainland market was +11%, which was lower than the first quarter.

The SSSG of gem-set jewellery products for 2Q in Hong Kong and Macau market achieved a better-than-expected growth of 18%, while SSSG of gold products was +21%. Therefore, the SSSG for 2Q in Hong Kong and Macau market was much improved to +18%.

NUMBER OF SHOPS

During the period, the Group opened 1 Lukfook self-operated shop in San Francisco, the United States. There was a net addition of 33 Lukfook shops in Mainland, which included 9 self-operated shops and 24 licensed shops. With an improved market environment, the Group’s target net additions of shops in Mainland for FY2018 increased from 50 shops to 80 shops. As at 30 September 2017, the Group had a total of 216 Lukfook self-operated shops including 151 in Mainland, 45 in Hong Kong, 10 in Macau and 10 overseas. As at the same date, together with 1,325 licensed shops in Mainland and 1 licensed shop in Korea, there were a total of 1,542 Lukfook shops worldwide, of which 1,476 shops were located in Mainland, and are summarised as follows:-

	30 September 2017	Changes in 2Q FY2018
Self-operated shops		
Hong Kong	45	-
Macau	10	-
Mainland	151	+9
Other Locations	10	+1
Sub-total	216	+10
Licensed shops		
Mainland	1,325	+24
Korea	1	-
Sub-total	1,326	+24
Total Lukfook shops	1,542	+34

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, 23 October 2017

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.