LIFE CONCEPTS

Life Concepts Holdings Limited
生活概念控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8056)

PROFIT WARNING

This announcement is made by Life Concepts Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on a preliminary review of the unaudited management accounts of the Group for the year ended 31 March 2020 (the "**Year**") and assessment of the latest information currently available to the Board, the Group is expected to record a significant increase in loss to not less than HK$100 million during the Year, as compared to the loss of approximately HK$27.9 million for the year ended 31 March 2019.It was primarily attributable to the following factors:

(i) The operating results of our restaurants were negatively impacted by the unexpected political activities in Hong Kong arising from the anti-extradition bill protests since June 2019 and the outbreak of the coronavirus (COVID-19) pandemic, which outweighed the decrease in the operating costs of our food and beverage business, comprising mainly cost of inventories consumed, staff costs and other operating expenses as a result of our cost control and the close down of certain loss-making restaurants. As a result, the Company expects to record an increase in operating loss for our food and beverage business.

(ii) It is expected that the Group will record(a) a loss on disposal of property, plant and equipment and intangible assets and (b) impairment losses on right-of-use assets, property, plant and equipment and intangible assets during the Year, since(I) four Asian restaurants, four Italian restaurants and three Western restaurants were closed or disposed during the Year due to their unsatisfactory operating performance and (II) the value in use of the assets based on their estimated cash projections are lower than the carrying amounts of the assets of three Italian restaurants.

(iii) The Group also expects to record an operating loss for the preparation and launch of the new interior design and fitting-out business and provision of organic vegetables consulting services in the People's Republic of China. Since the new businesses were just started in the Year, it is expected that revenue and operating profit will be generated in the coming future.

Regarding our restaurant operation, our management will continue to control costs in order to minimise the effects of the recent social and economic instability.

As the Company is still in the process of finalising the audited consolidated results of the Group for the Year, the information contained in this announcement is only a preliminary assessment by the Board based on the latest information currently available, and is not based on any data or information which is finalized or reviewed by the audit committee of the Company nor audited by the auditors of the Company. The audited consolidated annual results of the Group for the Year may be subject to further adjustments, if any, upon further review. Shareholders and potential investors are advised to read carefully the announcement of the Company in relation to the annual results of the Group for the Year and the Company's 2019/2020 annual report.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By order of the Board
Life Concepts Holdings Limited
James Fu Bin Lu
Chairman, Executive Director and
Chief Executive Officer

Hong Kong, 27 May 2020

As at the date of this announcement, the executive Directors are Mr. James Fu Bin Lu (Chairman and Chief Executive Officer) and Mr. Long Hai; the non-executive Director is Mr. Li Lun; and the independent non-executive Directors are Mr. Lu Cheng, Mr. Shi Kangping and Mr. Kim Jin Tae.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange's website at www.hkgem.com for at least 7 days from the date of its posting. This announcement will also be published on the Company's website at www.lifeconcepts.com.