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CHOW TAI FOOK JEWELLERY GROUP LIMITED

周大福珠寶集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1929

THE UNAUDITED KEY OPERATIONAL DATA FOR THE TWO MONTHS ENDED 29 FEBRUARY 2020

Chow Tai Fook Jewellery Group Limited (the “Company”), together with its subsidiaries (the “Group”), hereby announce certain unaudited key operational data of the Group for the two months ended 29 February 2020 (the “Period”). The unaudited key operational data in this announcement should be read in conjunction with the Company’s FY2019/20 interim report.

KEY OPERATIONAL DATA

For the two months ended 29 February 2020

	(% change compared to the same period last year)	
	Mainland China	Hong Kong and Macau
Retail Sales Value ⁽¹⁾ (“RSV”) growth	-42%	-60%
Same Store Sales ⁽²⁾ (“SSS”) growth	-49%	-59%
Same Store Sales volume growth	-52%	-61%
Same Store Sales growth by product		
— Gem-set jewellery	-50%	-57%
— Gold products	-53%	-61%

(1) “Retail Sales Value” measures the sales at the ending price (VAT inclusive, if any), in respective functional currencies, of products sold to customers in the POS network and other channels.

(2) “Same Store Sales” for the Period is the revenue from the self-operated POS existing as at 29 February 2020 and which have been opened prior to 1 April 2018. Revenue from wholesale and other channels are excluded.

- In view of the evolving situation on COVID-19, especially in February 2020, the Company issues this announcement to give an update on the Group’s operations during the first two months of 4QFY2020.
- It is of utmost importance for the Group to pay great attention to the interest of public health and safety of our staff. In response to the measures of local governments in containing the spread of COVID-19 virus, the majority of our POS in Mainland China were temporarily closed since late January 2020, and Hong Kong and Macau from early February. Businesses in both markets were inevitably affected during the Period. As of 29 February 2020, approximately 70% and 64% of our POS in Mainland China and Hong Kong and Macau resumed operations.
- RSV of e-commerce business in Mainland China dropped 24% year-on-year while volume decreased by 36% in the Period.
- Operations at the Group’s production facilities in Shunde and Shenzhen resumed operations gradually following the permissions of local governments, while Wuhan Production Centre (the “Centre”) was still under temporary suspension until further notice. Yet, the Centre produces mainly mass luxury gold products, contributing about 15-20% of the Group’s jewellery production. In the interim, we have reallocated production to our facilities in Shunde and Shenzhen which have sufficient capability to support our business.
- Inventories have been built up before Chinese New Year to meet festive demand. However, due to the weakened consumer sentiment and sluggish demand during the Period, the Group expects the inventory will remain at a higher level than usual in the short term.
- The Board will keep the situation under continuous review and make further announcement(s), as appropriate.

CAUTION STATEMENT

The Board wishes to remind investors that the above information is based on preliminary operational data of the Group and has not been reviewed or audited by auditors of the Company. **Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board
Chow Tai Fook Jewellery Group Limited
Dr. Cheng Kar-Shun, Henry
Chairman

Hong Kong, 4 March 2020

As at the date of this announcement, the executive directors are Dr. Cheng Kar-Shun, Henry, Mr. Wong Siu-Kee, Kent, Dr. Cheng Chi-Kong, Adrian, Mr. Cheng Chi-Heng, Conroy, Mr. Cheng Ping-Hei, Hamilton, Mr. Chan Sai-Cheong, Mr. Suen Chi-Keung, Peter, Mr. Chan Hiu-Sang, Albert, Mr. Liu Chun-Wai, Bobby and Mr. Cheng Kam-Biu, Wilson; the non-executive director is Ms. Cheng Chi-Man, Sonia; and the independent non-executive directors are Dr. Fung Kwok-King, Victor, Dr. Or Ching-Fai, Raymond, Mr. Kwong Che-Keung, Gordon, Mr. Cheng Ming-Fun, Paul, Mr. Lam Kin-Fung, Jeffrey and Ms. Cheng Ka-Lai, Lily.