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六福集團(國際)有限公司

LUK FOOK HOLDINGS (INTERNATIONAL) LIMITED

(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 ⁽¹⁾ FOR THE FIRST QUARTER OF FINANCIAL YEAR ENDING 31 MARCH 2025

Highlights

- During the first quarter⁽²⁾, the Group's overall RSV⁽³⁾ declined by 18% year-on-year ("YoY"), primarily due to the high base effect and the record-high gold prices.
- The Group's overall retailing revenue⁽⁴⁾ dropped by 23% YoY in the first quarter, with Hong Kong SAR, China⁽⁵⁾ and Macau SAR, China⁽⁶⁾ market falling by 31% and 3% for the Mainland China⁽⁷⁾ Market.
- The Group's overall same store sales⁽⁸⁾ in the first quarter was -34%, of which the Hong Kong and Macau market was -36%, and -24% for the Mainland market.
- The Group had a net reduction of 99 shops in the Quarter.

	Group Overall	Hong Kong and Macau	Mainland
RSV	-18%	-31%	-13%
Product Mix :	Gold ⁽⁹⁾ and Platinum : 78% Fixed Price Jewellery : 22%	Gold and Platinum : 73% Fixed Price Jewellery : 27%	Gold and Platinum : 79% Fixed Price Jewellery : 21%
Retailing Revenue	-23%	-31%	-3%
SSS	-34%	-36%	-24%
Number of Shops	3,484	74	3,388

Remarks:

- ⁽¹⁾ Retail sales figures included HKRH Group's retail sales figures after the acquisition
- ⁽²⁾ The first quarter: Hereafter refers to as "1Q" or the "Quarter", covers the period from 1 April to 30 June
- ⁽³⁾ Retail sales value("RSV") is calculated using the final retail price of products sold to customers in self-operated shops, licensed shops and the platforms of e-commerce business
- ⁽⁴⁾ Retailing revenue included retail sales amount of self-operated shops and e-commerce business
- ⁽⁵⁾ Hong Kong SAR, China: Hereafter refers to as "Hong Kong"
- ⁽⁶⁾ Macau SAR, China: Hereafter refers to as "Macau"
- ⁽⁷⁾ Mainland China: Hereafter refers to as "Mainland"
- ⁽⁸⁾ Same store sales ("SSS") 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
- ⁽⁹⁾ Gold refers to gold products sold by weight basing on international market price, i.e. at non-fixed price

Luk Fook Holdings (International) Limited (the “Company”), together with its subsidiaries (the “Group”), announces the retail sales performance of the Group for 1Q of the financial year ending 31 March 2025 (“FY2025”) covering the period from 1 April 2024 to 30 June 2024.

Group Overall

	1Q FY2025 vs 1Q FY2024	4Q FY2024 vs 4Q FY2023	1Q FY2024 vs 1Q FY2023
RSV - Year-on-Year			
Overall	-18%	+5%	+24%
RSV - Product Mix			
	1Q FY2025	4Q FY2024	1Q FY2023
• Gold and Platinum	78%	80%	75%
• Fixed Price Jewellery	22%	20%	25%
Retailing Revenue - Year-on-Year			
Overall	-23%	+12%	+62%
SSS			
Overall	-34%	-5%	+62%
• Gold	-33%	+4%	+67%
- Gold (by Weight)	-44%	-6%	+58%
• Fixed Price Jewellery	-36%	-24%	+54%
- Diamond	-52%	-37%	+42%
- Fixed Price Gold	-7%	+1%	+97%

The increase in central banks’ gold reserves and ongoing worldwide geopolitical tensions have driven gold prices to new highs since March 2024. The continued escalation of gold prices in April and the high base effect further impacted the sales performance of gold products in the Quarter.

The Group’s overall RSV, including self-operated shops, licensed shops and e-commerce business, decreased by 18% YoY during the first quarter. The Group’s overall retailing revenue, including self-operated shops and e-commerce business, dropped by 23%.

The Group’s overall SSS was -34% during 1Q. The average international gold price in USD per ounce rose by 18% YoY during the Quarter. The high gold prices have weakened consumer sentiment, leading to a 33% drop in SSS of gold products. SSS of fixed price jewellery products was -36%, of which the SSS of fixed price gold and diamond products included in fixed price jewellery products were -7% and -52% respectively.

The average exchange rate of RMB to HKD in the Quarter depreciated by 3% YoY.

Hong Kong and Macau Market

	1Q FY2025 vs 1Q FY2024	4Q FY2024 vs 4Q FY2023	1Q FY2024 vs 1Q FY2023
Retailing Revenue - Year-on-Year			
Overall	-31%	+10%	+92%
Retailing Revenue - Product Mix			
	1Q FY2025	4Q FY2024	1Q FY2023
• Gold and Platinum	73%	77%	73%
• Fixed Price Jewellery	27%	23%	27%
SSS			
Overall	-36%	-4%	+75%
• Gold	-35%	+5%	+81%
- Gold (by Weight)	-46%	-6%	+70%
• Fixed Price Jewellery	-38%	-24%	+65%
- Diamond	-53%	-38%	+52%
- Fixed Price Gold	-6%	+4%	+117%

Amidst the high base effect and high gold prices, the Group's overall retailing revenue in the Hong Kong and Macau market recorded a 31% YoY decrease in the first quarter.

The Group's SSS in the Hong Kong and Macau market recorded a -36% in SSS in the Hong Kong and Macau market for the Quarter, of which Hong Kong's SSS was -37%, and -34% for Macau.

SSS of the Hong Kong and Macau market's gold products was -35%, and -38% for fixed price jewellery products, of which fixed price gold products was -6% and -53% for diamond products.

Mainland Market

	1Q FY2025 vs 1Q FY2024	4Q FY2024 vs 4Q FY2023	1Q FY2024 vs 1Q FY2023
RSV - Year-on-Year			
Overall	-13%	+9%	+21%
RSV – Product Mix			
	1Q FY2025	4Q FY2025	1Q FY2023
• Gold and Platinum	79%	81%	76%
• Fixed Price Jewellery	21%	19%	24%
Retailing Revenue - Year-on-Year			
Overall	-3%	+7%	+38%
Sales Amount of E-commerce Business			
Overall	-12%	+15%	+40%
• Gold	-12%	+18%	+51%
• Fixed Price Jewellery	-13%	-12%	-4%
SSS			
Overall	-24%	-10%	+3%
• Gold	-19%	-3%	+6%
- Gold (by Weight)	-36%	-17%	-6%
• Fixed Price Jewellery	-41%	-39%	-3%
- Diamond	-51%	-60%	-30%
- Fixed Price Gold	-34%	-26%	+26%

In the face of the lackluster macroeconomic conditions in the Mainland market and gold prices reaching new peaks, the overall RSV in Mainland, including self-operated shops, licensed shops and e-commerce business, decreased by 13% YoY during the Quarter, in which the RSV of gold products and fixed price jewellery products dropped by 9% and 24% respectively. Within the fixed-price jewellery category, RSV of fixed price gold products and diamond products fell by 17% and 44% YoY respectively.

The retailing revenue in Mainland, including the sales amount of self-operated shops and e-commerce business, decreased by 3% YoY during the Quarter. E-commerce business in the Mainland market fell by 12% in 1Q, mainly due to the high base effect and elevated gold prices.

The overall SSS of self-operated shops in Mainland was -24% during the Quarter, in which the SSS of gold products was -19% and -41% for fixed price jewellery products.

Licensed shops, which accounted for over 95% of the total shop count in Mainland, decreased by 21% in same store sales growth during the Quarter, with -18% and -31% for gold products and fixed price jewellery products respectively. For fixed price jewellery products, same store sales growth of fixed price gold products was -25% and -49% for diamond products.

Number of Shops

As at 30 June 2024, the Group had a total of 3,484 shops worldwide, net reduced 99 shops in 1Q.

The Group had a total of 148 “Lukfook” self-operated shops worldwide including 69 in Mainland, 51 in Hong Kong, 17 in Macau, and 11 in overseas. As at the same date, together with 2,854 licensed shops in Mainland and 10 in overseas, there were a total of 3,012 “Lukfook” shops globally.

The Group had a total of 78 “3DG Jewellery” self-operated shops worldwide including 72 in Mainland, 5 in Hong Kong and 1 in Macau. As at the same date, together with 141 licensed shops in Mainland, there were a total of 219 “3DG Jewellery ” shops globally.

The Group had a net reduction of 102 shops in Mainland in 1Q, of which net added 8 “Heirloom Fortune” shops, 5 “Lukfook Joaillerie” shops and 2 “Love LUKFOOK JEWELLERY” shops, net reduced 107 “Lukfook” shops and 10 “Goldstyle” shops. As at 30 June 2024, the Group had a total of 3,388 shops in Mainland, including 2,923 “Lukfook” shops, 213 “3DG Jewellery” shops, 154 “Heirloom Fortune” shops, 46 “Goldstyle” shops, 32 “Lukfook Joaillerie” shops and 20 “Love LUKFOOK JEWELLERY” shops. The Group’s global distribution network is summarised as follows:

Global Distribution Network

	Countries and Regions	Main-brands/Sub-brands/Product Lines	Changes in 1Q FY2025	As at 30 Jun 2024
Self-operated Shops	Mainland	• "Lukfook"	+1	69
		• "3DG Jewellery"	+9	72
		• "Goldstyle"	-	1
		• "Lukfook Joaillerie"	-	3
		• "Heirloom Fortune"	-	15
	Sub-total		+10	160
	Hong Kong	• "Lukfook"	+1	51
		• "3DG Jewellery"	+1	5
	Macau	• "Lukfook"	-	17
		• "3DG Jewellery"	-	1
	Other Regions	• "Lukfook"	-	11
• "Lukfook Joaillerie"		-	1	
Sub-total		+2	86	
Total			+12	246
Licensed Shops	Mainland	• "Lukfook"	-108	2,854
		• "3DG Jewellery"	-9	141
		• "Goldstyle"	-10	45
		• "Lukfook Joaillerie"	+5	29
		• "Heirloom Fortune"	+8	139
	Sub-total		-114	3,208
	Other Regions	• "Lukfook"	+1	10
Sub-total		+1	10	
Total			-113	3,218
Speciality Shops	Mainland	• "Love LUKFOOK JEWELLERY"	+2	20
	Sub-total		+2	20
Total			+2	20
Worldwide Total			-99	3,484
By Brand	"Lukfook"	Sub-total	-105	3,012
	"3DG Jewellery"	Sub-total	+1	219
	Other Sub-brands/Product Lines	Sub-total	+5	253

Outlook

Although the temporary spike in gold prices may affect sales performance, an increase in profit margin will help mitigate the impact of the decline in sales. Sales of the gold products are expected to resume to the normal levels after consumers adapt to the high gold prices. Moreover, since the demand for diamond products remains subdued, the Group will continue to actively promote non-diamond fixed price jewellery products. Furthermore, the Mainland government is actively working on boosting domestic demand to support the gradual recovery of the Mainland market. In hopes of improved macroeconomic conditions as well as retail sentiment recovery, the retailing business is expected to regain its growth momentum. As such, the Group remains optimistic about its mid-to long-term business prospects and will continue to expand in the Mainland market.

Despite facing various challenges such as macroeconomic uncertainties, further rising gold prices and cautious consumer sentiment, the Group's overseas markets continued to deliver a relatively better performance in 1Q, with around 20% YoY growth in both RSV and retailing revenue, while same store sales remained flat. Therefore, the Group is optimistic about the immense growth potential in the overseas markets. The Group will allocate more resources to expand its footprint across the world and plans to have a net addition of approximately 15 shops in the overseas markets during this financial year.

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, 18 July 2024

As at the date of this announcement, the Company's Executive Directors are Mr. WONG Wai Sheung (Chairman and Chief Executive Officer), Mr. WONG Ho Lung, Danny (Deputy Chairman), Ms. WONG Lan Sze, Nancy, Ms. WONG Hau Yeung and Dr. CHAN So Kuen; the Non-executive Directors are Mr. TSE Moon Chuen, 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.