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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 SECOND QUARTER OF FINANCIAL YEAR ENDING 31 MARCH 2025 AND THE FIRST TWO WEEKS OF OCTOBER 2024

Highlights

- During the second quarter⁽²⁾, the Group's overall RSV⁽³⁾ declined by 16% 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 25% YoY in 2Q, with Hong Kong SAR, China⁽⁵⁾ and Macau SAR, China⁽⁶⁾ market falling by 31% and the Mainland China⁽⁷⁾ market by 9%.
- The Group's overall same store sales⁽⁸⁾ in 2Q was -35%, of which the Hong Kong and Macau market was -38%, and -29% for the Mainland market.
- The Group had a net reduction of 76 shops in the Quarter.

	Group Overall	Hong Kong and Macau	Mainland
RSV	-16%	-31%	-13%
Product Mix :	Gold ⁽⁹⁾ and Platinum : 79% Fixed Price Jewellery : 21%	Gold and Platinum : 74% Fixed Price Jewellery : 26%	Gold and Platinum : 80% Fixed Price Jewellery : 20%
Retailing Revenue	-25%	-31%	-9%
SSS	-35%	-38%	-29%
Number of Shops	3,408	74	3,311

Remarks:

- ⁽¹⁾ Retail sales figures included 3DG Group's retail sales figures after the acquisition
- ⁽²⁾ The second quarter: Hereafter refers to as "2Q" or the "Quarter", covers the period from 1 July to 30 September
- ⁽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 2Q of the financial year ending 31 March 2025 (“FY2025”) covering the period from 1 July 2024 to 30 September 2024.

Group Overall

	2Q FY2025 vs 2Q FY2024	1Q FY2025 vs 1Q FY2024	2Q FY2024 vs 2Q FY2023
RSV - YoY			
Overall	-16%	-18%	+9%
RSV - Product Mix			
	2Q FY2025	1Q FY2025	2Q FY2024
• Gold and Platinum	79%	78%	78%
• Fixed Price Jewellery	21%	22%	22%
Retailing Revenue - YoY			
Overall	-25%	-23%	+47%
SSS			
Overall	-35%	-34%	+31%
• Gold	-38%	-33%	+30%
- Gold (by Weight)	-52%	-44%	+15%
• Fixed Price Jewellery	-24%	-36%	+36%
- Diamond	-45%	-52%	+19%
- Fixed Price Gold	+11%	-7%	+76%

The consistently record-breaking gold prices impacted sales in the Quarter, and when combined with the high base effect, the performance of 2Q was similar to that of the previous quarter.

The Group’s overall RSV, including self-operated shops, licensed shops and e-commerce business, decreased by 16% YoY in 2Q. The Group’s overall retailing revenue, including self-operated shops and e-commerce business, dropped by 25%.

The Group’s overall SSS was -35% in the Quarter. The average international gold price in USD per ounce rose by 29% YoY during the Quarter. The high gold prices have weakened consumer sentiment, leading to a 38% drop in SSS of gold products. SSS of fixed price jewellery products was -24%. Notably, the SSS of fixed price gold products included in the fixed price jewellery products category still increased by 11% despite the high base effect, while SSS of diamond products was -45%.

The average exchange rate of RMB to HKD in the Quarter appreciated by 1% YoY.

Hong Kong and Macau Market

	2Q FY2025 vs 2Q FY2024	1Q FY2025 vs 1Q FY2024	2Q FY2024 vs 2Q FY2023
Retailing Revenue - YoY			
Overall	-31%	-31%	+63%
Retailing Revenue - Product Mix			
	2Q FY2025	1Q FY2025	2Q FY2024
• Gold and Platinum	74%	73%	78%
• Fixed Price Jewellery	26%	27%	22%
SSS			
Overall	-38%	-36%	+41%
• Gold	-41%	-35%	+39%
- Gold (by Weight)	-54%	-46%	+22%
• Fixed Price Jewellery	-25%	-38%	+52%
- Diamond	-47%	-53%	+32%
- Fixed Price Gold	+12%	-6%	+103%

The Group's overall retailing revenue in the Hong Kong and Macau market in 2Q recorded a YoY decline of 31%, with SSS at -38%. Specifically, Hong Kong's SSS was -36%, while Macau's was -42%.

Besides, SSS of the Hong Kong and Macau market's gold products was -41%, and -25% for fixed price jewellery products, of which fixed price gold products was +12% and -47% for diamond products.

Mainland Market

	2Q FY2025 vs 2Q FY2024	1Q FY2025 vs 1Q FY2024	2Q FY2024 vs 2Q FY2023
RSV - YoY			
Overall	-13%	-13%	+5%
RSV - Product Mix			
	2Q FY2025	1Q FY2025	2Q FY2024
• Gold and Platinum	80%	79%	78%
• Fixed Price Jewellery	20%	21%	22%
Retailing Revenue - YoY			
Overall	-9%	-3%	+26%
Sales Amount of E-commerce Business			
Overall	-25%	-12%	+43%
• Gold	-26%	-12%	+56%
• Fixed Price Jewellery	-13%	-13%	-13%
SSS			
Overall	-29%	-24%	-8%
• Gold	-27%	-19%	-5%
- Gold (by Weight)	-41%	-36%	-21%
• Fixed Price Jewellery	-37%	-41%	-20%
- Diamond	-47%	-51%	-47%
- Fixed Price Gold	-22%	-34%	+4%

The weak macroeconomic conditions in Mainland and the new highs in gold prices have led to a 13% YoY decline in the overall RSV in 2Q for the shops in Mainland, including self-operated shops, licensed shops and e-commerce business. The RSV of gold products and fixed price jewellery products dropped by 11% and 18% respectively. Within the fixed-price jewellery category, RSV of fixed price gold products was -6% and -40% for diamond products.

The retailing revenue in Mainland, including the sales amount of self-operated shops and e-commerce business, decreased by 9% YoY during the Quarter. Against the backdrop of a high base effect and elevated gold prices, the sales amount of e-commerce business in the Mainland market fell by 25% in 2Q.

The overall SSS of self-operated shops in Mainland was -29% during the Quarter, in which the SSS of gold products was -27% and -37% for fixed price jewellery products.

Licensed shops, which accounted for over 94% of the total shop count in Mainland, decreased by 18% in same store sales growth during the Quarter, with -16% and -23% for gold products and fixed price jewellery products respectively. For fixed price jewellery products, same store sales growth of fixed price gold products was -11% and -43% for diamond products.

Number of Shops

As at 30 September 2024, the Group had a total of 3,408 shops worldwide, net reduced 76 shops in 2Q.

The Group had a total of 151 “Lukfook” self-operated shops worldwide including 73 in Mainland, 50 in Hong Kong, 17 in Macau, and 11 in overseas. As at the same date, together with 2,769 licensed shops in Mainland and 11 in overseas, there were a total of 2,931 “Lukfook” shops globally.

Apart from that, the Group had a total of 85 “3DG Jewellery” self-operated shops worldwide including 79 in Mainland, 5 in Hong Kong and 1 in Macau. As at the same date, together with 140 licensed shops in Mainland, there were a total of 225 “3DG Jewellery” shops globally.

The Group’s global distribution network is summarised as follows:

Global Distribution Network

	Countries and Regions	Main-brands/Sub-brands/ Product Lines	Changes in 2Q FY2025	As at 30 Sep 2024
Self-operated Shops	Mainland	• “Lukfook”	+4	73
		• “3DG Jewellery”	+7	79
		• “Goldstyle”	-	1
		• “Lukfook Joaillerie”	+1	4
		• “Heirloom Fortune”	-1	14
	Sub-total		+11	171
	Hong Kong	• “Lukfook”	-1	50
		• “3DG Jewellery”	-	5
	Macau	• “Lukfook”	-	17
		• “Lukfook Joaillerie”	+1	1
		• “3DG Jewellery”	-	1
	Other Regions	• “Lukfook”	-	11
		• “Lukfook Joaillerie”	-	1
Sub-total		-	86	
Total			+11	257
Licensed Shops	Mainland	• “Lukfook”	-85	2,769
		• “3DG Jewellery”	-1	140
		• “Goldstyle”	-11	34
		• “Lukfook Joaillerie”	-	29
		• “Heirloom Fortune”	+12	151
	Sub-total		-85	3,123
	Other Regions	• “Lukfook”	+1	11
Sub-total		+1	11	
Total			-84	3,134
Speciality Shops	Mainland	• “Love LUKFOOK JEWELLERY”	-3	17
		Sub-total		-3
Total			-3	17
Worldwide Total			-76	3,408
By Brand	“Lukfook”	Sub-total	-81	2,931
	“3DG Jewellery”	Sub-total	+6	225
	Other Sub-brands/ Product Lines	Sub-total	-1	252

Outlook

The decline in same store sales in the Mainland market (including self-operated shops and licensed shops) and the Hong Kong market has narrowed since September. Therefore, from 1 October to 14 October 2024, the Group's overall same store sales performance showed some improvements as compared to 2Q.

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.

The Mainland government is actively working on boosting domestic demand and has introduced various policies to support the property and capital markets. 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.

Furthermore, 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 in the current year. Additionally, with a low base effect, a better sales performance is expected in the second half of the 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, 17 October 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.