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六福集團(國際)有限公司
LUK FOOK HOLDINGS (INTERNATIONAL) LIMITED

(於百慕達成立之有限公司)
(Incorporated in Bermuda with Limited Liability)
Stock Code 股份代號 : 590

RETAIL SALES PERFORMANCE
FOR THE FIRST QUARTER OF FINANCIAL YEAR
ENDING 31 MARCH 2024

Highlights

	Group Overall	Hong Kong SAR, China ⁽³⁾ and Macau SAR, China ⁽⁴⁾	Mainland China ⁽⁵⁾
Same Store Sales ⁽¹⁾	+62%	+75%	+3%
Retail Sales Value	+24% ⁽²⁾	+92%	+21% ⁽²⁾
Product Mix :	Gold and Platinum : 75% Fixed Price Jewellery : 25%	Gold and Platinum : 73% Fixed Price Jewellery : 27%	Gold and Platinum : 76% Fixed Price Jewellery : 24%
Net Shop Additions	+74	+3	+69

Luk Fook Holdings (International) Limited (the “Company”), together with its subsidiaries (the “Group”), announces the retail sales performance of the Group for the first quarter (“1Q” or the “Quarter”) of the financial year ending 31 March 2024 (“FY2024”) covering the period from 1 April 2023 to 30 June 2023.

Remarks:

- (1) 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
- (2) Retail sales value (“RSV”) is calculated based on the final retail price of products sold to customers in self-operated shops, licensed shops and the platforms of e-commerce business.
- (3) Hong Kong SAR, China: Hereafter refers to as “Hong Kong”
- (4) Macau SAR, China: Hereafter refers to as “Macau”
- (5) Mainland China: Hereafter refers to as “Mainland”

Group Overall

	1Q FY2024 vs 1Q FY2023	4Q FY2023 vs 4Q FY2022	1Q FY2023 vs 1Q FY2022
SSS			
Overall	+62%	+83%	-1%
• Gold ⁽⁶⁾	+67%	+92%	+9%
- Gold (by Weight)	+58%	+87%	+4%
• Fixed Price Jewellery	+54%	+66%	-19%
- Diamond	+42%	+57%	-21%
- Fixed Price Gold	+97%	+89%	-17%
RSV - Year-on-Year			
Overall	+24%	+19%	-7%
RSV - Product Mix	1Q FY2024	4Q FY2023	1Q FY2023
• Gold and Platinum	75%	74%	71%
• Fixed Price Jewellery	25%	26%	29%

Since the borders amongst Hong Kong, Macau and Mainland was fully reopened in 4Q FY2023, the Hong Kong and Macau market has continued its recovery momentum. Together with the low base effect, the Group's retailing business delivered excellent performance in 1Q FY2024, with an overall SSS growth of +62%. The SSS of gold products was +67% and +54% for fixed price jewellery products. The SSS of diamond and fixed price gold products included in fixed price jewellery were +42% and +97% respectively, which was mainly driven by the recovery of the Hong Kong and Macau market.

Compared to the pre-pandemic year of FY2018/19 ("FY2019"), the Group's overall SSS remained flat, but was mainly supported by sales of gold products.

The Group's overall RSV (including self-operated shops, licensed shops and e-commerce business) increased by 24% year-on-year, and exceeded the level of FY2019 by nearly 40%.

<i>Y-o-Y Changes</i>	International Gold Price (USD/Gold Price Per OZ)
Closing Price of the Quarter	+5%
Average Price of the Quarter	+5%

(6) Gold refers to gold products sold by weight basing on international market price, i.e. at non-fixed price

Hong Kong and Macau Market

	1Q FY2024 vs 1Q FY2023	4Q FY2023 vs 4Q FY2022	1Q FY2023 vs 1Q FY2022
SSS			
Overall	+75%	+124%	+2%
• Gold	+81%	+145%	+15%
- Gold (by Weight)	+70%	+135%	+10%
• Fixed Price Jewellery	+65%	+88%	-21%
- Diamond	+52%	+76%	-22%
- Fixed Price Gold	+117%	+125%	-19%
RSV - Year-on-Year			
Overall	+92%	+140%	-1%
RSV - Product Mix	1Q FY2024	4Q FY2023	1Q FY2023
• Gold and Platinum	73%	70%	72%
• Fixed Price Jewellery	27%	30%	28%

The tourist traffic to Hong Kong and Macau continued to improve and coupled with the benefits from the low base effect, the Group's SSS of Hong Kong and Macau market maintained a significant upward trend and reached +75% in 1Q, out of which SSS of Macau were +90% and +70% for Hong Kong. Compared with FY2019, the overall performance of Hong Kong and Macau remained broadly flat.

By product, the SSS of gold products increased by 81%. SSS of fixed price jewellery products also had a robust growth of 65%, in which the SSS of diamond products and fixed price gold products performed well and reached 52% and 117%, respectively.

To seize the opportunity of the border reopening and well prepare for the return of Mainland tourists to Hong Kong, the Group proactively deployed shops at high-quality locations in tourist areas in Hong Kong before full resumption of normal travel. During the Quarter, the Group net added three new shops in Hong Kong, helping the Group's overall year-on-year RSV to nearly double in Hong Kong and Macau market to a level comparable to that of FY2019. In addition, the average selling price ("ASP") of fixed price jewellery products recorded a double-digit growth year-on-year during the Quarter, and sales quantity also saw a significant increase.

Mainland Market

	1Q FY2024 vs 1Q FY2023	4Q FY2023 vs 4Q FY2022	1Q FY2023 vs 1Q FY2022
SSS			
Overall	+3%	-6%	-28%
• Gold	+6%	-3%	-26%
- Gold (by Weight)	-6%	-13%	-30%
• Fixed Price Jewellery	-3%	-15%	-34%
- Diamond	-30%	-33%	-36%
- Fixed Price Gold	+26%	-2%	-32%
Sales amount of e-commerce Business			
Overall	+40%	+23%	+30%
• Gold	+51%	+33%	+38%
• Fixed Price Jewellery	-4%	-21%	-3%
RSV - Year-on-Year			
Overall	+21%	+16%	-8%
RSV – Product Mix	1Q FY2024	4Q FY2023	1Q FY2023
• Gold and Platinum	76%	75%	71%
• Fixed Price Jewellery	24%	25%	29%

There was a slower recovery of consumption sentiment in the Mainland market as compared to the Hong Kong and Macau market. The overall SSS of the self-operated shops in Mainland was +3% during the Quarter, out of which the SSS of gold products was +6% and -3% for fixed price jewellery products. The sales amount of e-commerce business in Mainland recorded a favourable growth of 40% in 1Q. Therefore, the retailing revenue in Mainland, including the sales amount of self-operated shops and e-commerce business, increased by 38% year-on-year during the Quarter and outperformed FY2019's level by approximately 30% .

Licensed shops, which accounted for over 97% of the total number of shops in Mainland, had a 6% growth in same store sales during the Quarter, with 14% increase for gold products and 10% decrease for fixed price jewellery products. For fixed price jewellery products, same store sales of diamond products decreased by 35% and increased by 5% for fixed price gold products.

Furthermore, the overall RSV in Mainland including self-operated shops, licensed shops and e-commerce business increased by 21% year-on-year during the Quarter, out of which the RSV of gold products and fixed price jewellery products recorded a growth of 33% and 3% year-on-year respectively. RSV of fixed price gold products, included in fixed price jewellery, recorded a 20% growth year-on-year, and a 27% drop for diamond products. In comparison to FY2019, the overall RSV in Mainland increased by 70%, which was mainly driven by sales of gold products, though fixed price jewellery products also experienced a double-digit growth. Besides, the sales quantity of fixed price jewellery products recorded a significant increase year-on-year during the Quarter. However, the ASP had a single-digit decline year-on-year due to the increased product mix of fixed price gold products

Number of Shops

As at 30 June 2023, the Group had a total of 141 “Lukfook” self-operated shops worldwide including 67 in Mainland, 48 in Hong Kong, 16 in Macau, and 10 in overseas. As at the same date, together with 2,841 licensed shops in Mainland and 7 in overseas, there were a total of 2,989 “Lukfook” shops worldwide. Including 190 shops of other sub-brands and/or product lines in Mainland, the Group had a total of 3,179 shops globally.

The Group had a net addition of 69 shops in Mainland in 1Q, of which 46 were “Lukfook” shops and 17 were “Heirloom Fortune” shops, 8 “Lukfook Joaillerie” shops, and 4 “Love LUKFOOK JEWELLERY”, and reduced 6 “Goldstyle” shops. As at 30 June 2023, the Group had a total of 3,098 shops including 2,908 “Lukfook” shops, 67 “Goldstyle” shops, 98 “Heirloom Fortune” shops, 21 “Lukfook Joaillerie” shops and 4 “Love LUKFOOK JEWELLERY” in Mainland. The Group’s global distribution network is summarised as follows:-

Global Distribution Network

		Countries and Regions	Changes in1Q FY2024	As at 30 Jun 2023
“Lukfook” Shops	Self-operated Shops	• Mainland	-2	67
		• Hong Kong	+3	48
		• Macau	0	16
		• Other Regions	+1	10
	Sub-total		+2	141
	Licensed Shops	• Mainland	+48	2,841
		• Other Regions	+1	7
		Sub-total		+49
Total		+51	2,989	
Sub-brands/ Product Lines in Mainland	Self-operated Shops	• “Goldstyle”	0	1
		• “Lukfook Joaillerie”	+1	2
		• “Heirloom Fortune”	+1	13
	Licensed Shops	• “Goldstyle”	-6	66
		• “Lukfook Joaillerie”	+7	19
		• “Heirloom Fortune”	+16	85
		• “Love LUKFOOK JEWELLERY”	+4	4
Total		+23	190	
Worldwide Total		+74	3,179	

Outlook

Given the decreased demand for diamond products and the product mix of fixed price gold products is surpassing that of diamond products gradually in Mainland, the Group will continue to actively promote non-diamond fixed price jewellery products, especially fixed price gold products, in order to mitigate the impact of the soft demand in diamond products. With a backdrop of strong recovery of tourism industry and local demand in Hong Kong and Macau, which would drive continuing improvement in the macro economy, strong business growth momentum in the Hong Kong and Macau market is expected. Coupled with a low base effect, the Group is looking forward to restoring and exceeding its FY2019 performance in the current 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, 13 July 2023

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