



【For Immediate Release】

**Lukfook Group (00590.HK) Announces  
Interim Results for the Six Months Ended 30 September 2022  
Revenue and Profit Attributable to Equity Holders Amounted to HK\$5.6 Billion  
and HK\$658 Million Respectively  
Declared Interim Dividend of HK\$0.55 per share**

**Financial Highlights**

- Revenue reached HK\$5.6 billion, flattish with same period last year
- SSSG<sup>1</sup> for the Hong Kong SAR<sup>2</sup>, Macau SAR<sup>3</sup> and overseas markets was +26.1% overall and -15.7% for Mainland China<sup>4</sup> market
- Gross profit decreased by 2.9% to HK\$1.5 billion, as overall gross margin decreased by 0.7 p.p. to 26.1% due to increase in gold sales mix
- Operating profit increased by 4.9% to HK\$818 million given the substantial turnaround from a loss to a gain from gold hedging
- Profit attributable to equity holders increased by 0.6% to HK\$658 million
- Basic earnings per share were HK\$1.12 increased by 0.9%
- Proposed interim dividend of HK\$0.55 per share with dividend payout ratio of 49.1%
- Net addition of 157 shops during the period with a total of 2,966 shops globally at period end

	For the six months ended 30 September		
	2022	2021	Y-o-Y
	HK\$'000	HK\$'000	Changes
Revenue	5,573,184	5,591,239	-0.3%
Gross Profit	1,456,237	1,499,557	-2.9%
Profit Attributable to Equity Holders	657,618	653,901	+0.6%
Basic Earnings per Share	HK\$1.12	HK\$1.11	+0.9%
Interim Dividend per Share	HK\$0.55	HK\$0.55	-

(28 November 2022) —The board of directors (the “Board”) of **Luk Fook Holdings (International) Limited** (the “Company”) (Stock Code: 00590.HK) is pleased to announce the interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2022 (the “Period under review”). During the Period under review, the global market remained uncertain as affected by the geopolitical risks and pandemic resurgence, yet the Group managed to maintain flattish top line with a mild growth in bottom line. Its revenue was HK\$5,573,184,000 (2021: HK\$5,591,239,000). Though the recovery of retail atmosphere in certain regions, in particular Hong Kong, complemented by the favourable gold sales sentiment due to the fall in gold prices, led to a notable

<sup>1</sup> Same store sales growth (“SSSG”) 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.

<sup>2</sup> Hong Kong SAR: Hereafter refers to as “Hong Kong”

<sup>3</sup> Macau SAR: Hereafter refers to as “Macau”

<sup>4</sup> Mainland China: Hereafter refers to as “Mainland”

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## LUKFOOK GROUP

increment in retailing revenue, which was mostly netted-off by the drop in wholesaling revenue owing to the sluggish demand of fixed price jewellery products especially in Mainland. The overall gross margin of the Group decreased marginally by 0.7 p.p. to 26.1% (2021: 26.8%) because of increase in gold sales mix. As a result, the Group's gross profit decreased by 2.9% to HK\$1,456,237,000 (2021: HK\$1,499,557,000). On the other hand, the operating expenses to revenue ratio marginally decreased by 0.3 p.p. to 15.1% (2021: 15.4%), together with the substantial turnaround from a loss to a gain in gold hedging, the operating profit increased by 4.9% to HK\$818,463,000 (2021: HK\$779,925,000) with operating margin increased to 14.7% (2021: 14.0%). However, because of the decrease in net interest income and increase in share of losses from an associate, the Group's profit for the period increased slightly by 0.6% to HK\$657,598,000 (2021: HK\$653,886,000). The net margin increased by 0.1 p.p. to 11.8% (2021: 11.7%) and the profit attributable to equity holders increased by 0.6% to HK\$657,618,000 (2021: HK\$653,901,000). Accordingly, the basic earnings per share increased by 0.9% to HK\$1.12 (2021: HK\$1.11).

The Board declared an interim dividend of HK\$0.55 per ordinary share (2021: HK\$0.55 per ordinary share) for the Period under review, a dividend payout ratio of 49.1% (2021: 49.4%).

**Mr. Wong Wai Sheung, Chairman and Chief Executive Officer of the Group** said, "During the Period under review, the overall SSSG of the Group turned around to a growth from a decline since the second quarter of current financial year despite the high base, among which Hong Kong and overseas markets recorded decent growth in SSSG due to recovery of market sentiment and the surging demand in gold products caused by the decline in gold prices. However, as a result of pandemic resurgence in Mainland and high base effect, the decline in its SSSG offset growth of the other markets."

The retailing business remained as the Group's primary source of revenue. Benefitted from the declining gold prices and recovery of retail sentiment in certain regions, the Group's total retailing revenue increased by 10.6% to HK\$3,871,756,000 (2021: HK\$3,499,915,000), accounting for 69.5% (2021: 62.6%) of the Group's total revenue. Its segment profit increased by 34.6% to HK\$279,606,000 (2021: HK\$207,725,000), accounting for 32.7% (2021: 24.9%) of the total, and its segment profit margin was 7.2% (2021: 5.9%). Owing to the diminished demand of fixed price jewellery products in Mainland, the Group's wholesaling revenue declined by 23.9% to HK\$1,158,626,000 (2021: HK\$1,522,442,000), accounting for 20.8% (2021: 27.2%) of the Group's total revenue. Its segment profit decreased by 14.4% to HK\$185,419,000 (2021: HK\$216,609,000), accounting for 21.6% (2021: 25.9%) of the total. Its segment profit margin was 16.0% (2021: 14.2%). As the segment profit of wholesaling business included the profit of inter-segment sales to self-operated shops, if including inter-segment sales in the denominator, its segment profit margin would be 9.2% (2021: 9.8%). Licensing income slightly decreased by 4.6% to HK\$542,802,000 (2021: HK\$568,882,000), accounting for 9.7% (2021: 10.2%) of the Group's total revenue. Its segment profit margin was 72.1% (2021: 72.3%), while its segment profit decreased by 4.8% to HK\$391,322,000 (2021: HK\$411,150,000), accounting for 45.7% (2021: 49.2%) of the total.

The overall SSSG of the Group was +19.0% (2021: +110.0%). SSSG for gold and platinum products was +35.0% (2021: +120.4%) and -14.4% (2021: +90.8%) for fixed price jewellery products.

During the Period under review, the Group operated a total of 1 brand and 4 sub-brands/product lines under the multi-brand strategy. There was a net addition of 157 shops globally including a net total of 119 "Lukfook" shops worldwide and 38 shops of sub-brands/product lines in Mainland. As at 30 September 2022, the Group had a global network of 2,966 shops (2021: 2,601 shops), including 2,838 "Lukfook" shops (2021: 2,516 shops), with business spanning across Hong Kong, Macau, Mainland, Malaysia, Cambodia, the Philippines, Laos, the United States, Canada and Australia, and operated a total of 80 "Goldstyle" shops (2021: 83 shops), 7 "Lukfook Joaillerie" shops (2021: Nil) and 41 "Heirloom Fortune" shops (2021: Nil) in Mainland.

**Mr. Wong Wai Sheung, Chairman and Chief Executive Officer of the Group** concluded, "Owing to the pandemic resurgence and relatively strict anti-pandemic measures, the pace of the Group's shop



expansion in the Mainland was delayed during the Period under review. The Group therefore lowers its net addition target to 350 shops for the current financial year. Yet the Group is confident that Mainland government will roll out more policies to support and engineer the recovery of economy and also spur a strong consumption sentiment. Therefore, the Group remains optimistic about the mid- to long-term business prospects. Accordingly, the Group will still focus its expansion in the Mainland market. In addition, the Group remains committed to the growth of its e-commerce business and targets at a 20% revenue increment in e-commerce business in current financial year. With strengthened cooperation with various e-commerce platforms in Mainland and establishment of its own platform, the Group expects the growth in e-commerce business to be sustainable. In order to enhance its competitive edge, the Group will improve its operational efficiency by revamping its supply chain management, implementing full automation, big data management, and data analytics system. Subject to the pandemic development, with further expansion of our retail network and the progressive relaxation of the lockdown measures in Mainland and the government's commitment to implementing economic push measures and consumption encouragement policies, together with low base effect in the second half of the financial year, we still target to achieve a double-digit growth in revenue for the current financial year.”

~End~

**About Luk Fook Holdings (International) Limited (Stock Code: 00590.HK)**

The Group principally engages in the sourcing, designing, wholesaling, trademark licensing and retailing of a variety of gold and platinum jewellery and gem-set jewellery products, with a total of over 3,000 points of sale in 10 countries and regions. The Group will continue to identify new business opportunities in the international markets in response to its corporate vision, “Brand of Hong Kong, Sparkling the World”.

**For more information, please visit the official website of Lukfook Group at [www.lukfook.com](http://www.lukfook.com).**

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