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(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 FOR THE FIRST QUARTER OF FINANCIAL YEAR ENDING 31 MARCH 2023

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”) of financial year ending 31 March 2023 (“FY2023”) covering the period from 1 April 2022 to 30 June 2022.

OVERALL SAME STORE SALES GROWTH (“SSSG”)⁽¹⁾

	1Q FY2023 vs 1Q FY2022	4Q FY2022 vs 4Q FY2021	1Q FY2022 vs 1Q FY2021
Overall	-1%	-8%	+118%
Gold ⁽²⁾	+9%	-6%	+143%
Gold (by weight)	+4%	-11%	+123%
Fixed price jewellery	-19%	-13%	+94%

Despite of the high base effect and the resurgence of the pandemic, outstanding sales performance of gold products in Hong Kong⁽³⁾ market resulted and the overall SSSG of the Group’s retail business was around flattish at -1% in 1Q FY2023, which was slightly narrowed as compared with the previous quarter. The SSSG of its gold products and fixed price jewellery products were +9% and -19% respectively.

Remarks:

⁽¹⁾ Same store sales growth 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⁾ Gold refers to gold products sold by weight basing on international market price, i.e. at non-fixed price

⁽³⁾ Hong Kong SAR: Hereafter refers to as “Hong Kong”

SSSG OF HONG KONG & MACAU⁽⁴⁾ MARKET

	1Q FY2023 vs 1Q FY2022	4Q FY2022 vs 4Q FY2021	1Q FY2022 vs 1Q FY2021
Overall	+2%	-17%	+111%
Gold	+15%	-17%	+124%
Gold (by weight)	+10%	-20%	+106%
Fixed price jewellery	-21%	-18%	+108%
<i>Retail Revenue Year-on-year⁽⁵⁾</i>	-1%	-22%	+163%

The SSSG of Hong Kong and Macau market in 1Q was +2%, and the SSSG of its gold products and fixed price jewellery products were +15% and -21% respectively. With the improving pandemic control and the help of a new round of consumption vouchers, the Group recorded a satisfactory sales performance in Hong Kong. Its SSSG in 1Q was +40% mainly because the SSSG of gold products reached +54%, while most other products including diamond products recorded a double-digit growth. On the other hand, Macau recorded a significant decline in April and May due to the resurgence of the pandemic in Mainland, along with a substantial increase in June. Therefore, its SSSG in 1Q was -43%. Furthermore, the retail revenue in the Hong Kong and Macau market decreased by around 1% year-on-year during the quarter.

Attributable to the surging demand in gold products caused by the decline in gold prices, the SSSG from 1 to 7 July 2022 for Hong Kong was +116%, in which the SSSG of gold products was around +161%, while fixed price jewellery products recorded a double-digit growth. The SSSG for Macau during this period turned negative again to -76% under the stringent anti-pandemic measures.

⁽⁴⁾ Macau SAR: Hereafter refers to as "Macau"

⁽⁵⁾ Included retail sales amount of self-operated shops in the Hong Kong and Macau market

MAINLAND⁽⁶⁾ MARKET

	1Q FY2023 vs 1Q FY2022	4Q FY2022 vs 4Q FY2021	1Q FY2022 vs 1Q FY2021
<i>SSSG of Self-operated Shops</i>			
Overall	-28%	+5%	+124%
Gold	-26%	+12%	+197%
Gold (by weight)	-30%	+8%	+201%
Fixed price jewellery	-34%	-14%	+29%
<i>E-commerce Business Sales Growth</i>			
Overall	+30%	+50%	+39%
Gold	+38%	+55%	+69%
Gold (by weight)	+32%	+56%	+67%
Fixed price jewellery	-3%	+34%	+3%
<i>Retail Revenue Year-on-year⁽⁷⁾</i>	-5%	+24%	+44%

Due to the rapid deterioration of the pandemic in mid-March 2022, the gradual implementation of lockdown measures in individual regions and the high base effect, the overall SSSG of the self-operated shops in Mainland was -28% during the quarter as most of them were located at Eastern and Central China regions where the outbreak was severe. The SSSG of their gold products and fixed price jewellery products were -26% and -34% respectively, yet their overall SSSG decline narrowed to around -11% from 1 to 7 July 2022.

Apart from that, the sales growth momentum of e-commerce business in Mainland remained steady and recorded 30% growth year-on-year. The retail revenue in Mainland including sales amounts of self-operated shops and e-commerce business therefore decreased by around 5% year-on-year during the quarter.

Licensed shops, accounted for around 97% of the total number of shops in Mainland, recorded same store sales growth of around -15% during the quarter, among which the same store sales growth of gold products was around -13% and -20% for fixed price jewellery products. Their overall same store sales decline narrowed from -36% in April 2022 to -13% in May and turned positive to +3% in June, while that from 1 to 7 July 2022 also recorded a slight increase.

Furthermore, the overall retail sales value of shops in Mainland including both self-operated shops and licensed shops, recorded around 10% decline year-on-year during the quarter, in which the retail sales value of gold products and fixed price jewellery products recorded around 7% and 14% decline year-on-year respectively. Fixed price jewellery products included fixed price gold products, which recorded an approximately 3% year-on-year growth in retail sales value, while diamond products had around 24% decline year-on-year. Subsequent to the narrowing decline from April to May and the uptrend in June, the overall retail sales value of the Mainland shops including both self-operated and licensed shops continued with the uptrend, recorded a low double digit year-on-year increase from 1 to 7 July 2022, mainly driven by sales of gold products.

⁽⁶⁾ Mainland China: Hereafter refers to as "Mainland"

⁽⁷⁾ Included sales amounts of Mainland self-operated shops and e-commerce business

NUMBER OF SHOPS

The Group had a net increase of 36 shops in Mainland in 1Q. As at 30 June 2022, the Group had a total of 2,772 shops including 2,670 “Lukfook” shops, 87 “Goldstyle” shops, 1 “Dear Q” shop, 4 “Lukfook Joaillerie” shops and 10 “Heirloom Fortune” shops in Mainland. The details of distribution network in Mainland are summarised as follows:-

MAINLAND DISTRIBUTION NETWORK

Shop number of different brands/ product lines		Changes in 1Q FY2023	As at 30 June 2022
“Lukfook”	Self-operated	-3	74
	Licensed	+27	2,596
	Sub-total	+24	2,670
“Goldstyle”	Self-operated	-1	4
	Licensed	+4	83
	Sub-total	+3	87
“Dear Q”	Self-operated	-	1
“Lukfook Joaillerie”	Licensed	+2	4
“Heirloom Fortune”	Licensed	+7	10
Total	Self-operated	-4	79
	Licensed	+40	2,693
	Total	+36	2,772

Although the pandemic delayed the store expansion in Mainland during the quarter, the growth momentum is expected to make up for in the upcoming quarters when the pandemic gradually comes under control. Therefore, the target of net additions of 500 “Lukfook” shops and 50 shops of the sub-brands/ product lines for the whole year remains unchanged.

As at 30 June 2022, the Group had a total of 142 “Lukfook” self-operated shops worldwide including 74 in Mainland, 44 in Hong Kong, 16 in Macau, and 8 in overseas. As at the same date, together with the licensed shops of 2,596 in Mainland, 2 in Cambodia, 2 in the Philippines and 1 in Laos, there were a total of 2,743 “Lukfook” shops worldwide. Including 102 shops of other sub-brands and/or product lines in Mainland, the Group had a total of 2,845 shops globally. The Group’s global distribution network is summarised as follows:-

GLOBAL DISTRIBUTION NETWORK

	Changes in 1Q FY2023	As at 30 June 2022
“Lukfook”: Self-operated Shops		
Hong Kong	-	44
Macau	+1	16
Mainland	-3	74
Other Locations	-1	8
Sub-total	-3	142
Licensed Shops		
Mainland	+27	2,596
Other Locations	-	5
Sub-total	+27	2,601
Total “Lukfook” Shops	+24	2,743
Other Sub-brands / Product Lines (including “Goldstyle”, “Dear Q”, “Lukfook Joaillerie” & “Heirloom Fortune”):		
Mainland	+12	102
Total	+36	2,845

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, 14 July 2022

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.