

# 六福集團

## LUKFOOK GROUP

【For Immediate Release】

### Lukfook (00590.HK) Announces Annual Results for the Year Ended 31 March 2014 Profit Attributable to Equity Holders Amounted to HK\$1.865 billion Together With Revenue & Annual Dividend Per Share Achieved Record Highs

#### Financial Highlights

- Both revenue of HK\$19.2 billion and profit attributable to equity holders of HK\$1.865 billion reached record high.
- A final dividend of HK\$0.638 per share was declared, with full year dividend of HK\$1.268 per share, another record high.
- The largest Lukfook flagship store worldwide and the first Lukfook flagship store in Mainland China opened in Macau and Wuhan respectively, marking a milestone in flagship establishment.
- Acquisition of 50% interest in China Gold Silver Group Company Limited<sup>#</sup>, kicking off the Group's dual brand strategy.

	For the Year Ended 31 March			
	HK\$	2014	2013	Changes (%)
	HK\$'000	HK\$'000		
Revenue	19,214,930	13,411,691		+43.3%
Gross Profit	4,214,154	2,830,031		+48.9%
Profit Attributable to Equity Holders	1,864,928	1,242,951		+50.0%
Basic Earnings Per Share	3.17	2.11		+50.0%
Final Dividend Per Share	0.638	0.48		+32.9%
Annual Dividend Per Share	1.268	0.86		+47.4%

(Hong Kong, 26 June 2014) —The board of directors (the “Board”) of **Luk Fook Holdings (International) Limited** (the “Company”) (Stock Code: 00590.HK) is pleased to announce the annual results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2014 (the “Year Under Review”). During the Year Under Review, the Group's revenue reached another record high of HK\$19,214,930,000 (2013: HK\$13,411,691,000), representing 43.3% growth that of previous year. The profit attributable to equity holders hit its record high and reached HK\$1,864,928,000 (2013: HK\$1,242,951,000), representing a 50.0% growth. Basic earnings per share were HK\$ 3.17 (2013: HK\$2.11).

The Board proposed a final dividend of HK\$0.638 per share (2013: HK\$0.48 per share) for the year ended 31 March 2014. Taking into account of the interim dividend payment, the total dividend for the year would amount to HK\$1.268 per share (2013: HK\$0.86 per share), another record high.

# A wholly-owned subsidiary of Hong Kong Resources Holdings Company Limited engaged in retailing and franchising operations of gold and jewellery products in Hong Kong, Macau and Mainland China under the brandname “3D-GOLD”.

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**Mr. Wong Wai Sheung, Chairman and Chief Executive** of the Group said, “During the Year Under Review, the international gold price sharply hit recent new lows, triggering gold rushes in April and June last year. The sales volume of gold products increased substantially as a result. Coupled with the utilisation of cross-selling techniques, the sales of gem-set jewellery products also recorded satisfactory growth. In the financial year 2014, the Group achieved remarkable feats, including record highs of total revenue, profit attributable to equity holders and annual dividend per share, which were brilliant achievements.”

“On 6 June 2014, the Group had completed the acquisition of 50% interest in the issued share capital of China Gold Silver Group Company Limited, an operating company engaging in jewellery retailing and franchising under the brandname of “3D-GOLD”, and kicked off the dual brand strategy to mark a new page of the Group.”

As at 31 March 2014, the Group had a total of 1,268 shops globally, out of which there were 45 shops in Hong Kong, 10 shops in Macau, 1,208 shops in Mainland China (83 self-operated shops and 1,125 licensed shops), 1 shop in Singapore, 2 shops in the United States, 1 shop in Canada and 1 shop in Australia.

The retail business continued to be the primary sales driver for the Group with an annual growth of 47.8%. This resulted in HK\$16,163,683,000 (2013: HK\$10,933,441,000) of retail revenue, accounting for 84.1% (2013: 81.5%) of total revenue. The wholesale business grew by 20.0% over the previous year to HK\$2,432,916,000 (2013:HK\$2,027,747,000), bringing in 12.7% (2013: 15.1%) of the Group’s total revenue. Licensing income accounted for the remaining 3.2% (2013: 3.4%) and amounted to HK\$618,331,000 (2013: HK\$450,503,000), a growth of 37.3%. Gold products remained the favourite items among customers and together with platinum products contributed approximately 67.2% (2013: 62.7%) to the Group’s total sales with 53.6% (2013: 14.2%) sales growth while gem-set jewellery products contributed approximately 32.8% (2013: 37.3%) with 26.4% (2013: 10.7%) sales growth. For the Year Under Review, overall Same Store Sales Growth\* (“SSSG”) of the Group was 24.9% (2013: 7.4%). SSSG for Hong Kong and Macau markets and the Mainland China market were 22.0% (2013: 7.2%) and 45.9% (2013: 7.3%), respectively. SSSG for gold and platinum was 36.0% (2013: 9.8%) and that for gem-set jewellery products was 4.8% (2013:3.3%).

Mainland Chinese visitors continued to be the major driver for the retail business in Hong Kong. Hong Kong remained the key source of profit for the Group, contributing approximately 62.2% (2013:65.0%) of the Group’s total revenue and amounted to HK\$11,957,141,000 (2013:HK\$8,715,955,000). This represented a growth of 37.2%. Similar to Hong Kong, Macau tourism has also been booming as a result of the “Individual Visit Scheme”. Revenue generated from the Macau market amounted to HK\$2,886,397,000 (2013:HK\$1,751,000,000), representing a spectacular growth rate of 64.8%, and contributing 15.0% (2013: 13.1%) of the Group’s total revenue. The Group continued to benefit from the continuing economic growth in Mainland China during the Year Under Review. Revenue from Mainland China grew by 48.7% over last year to HK\$4,226,770,000 (2013: HK\$2,841,582,000), accounting for 22.0% (2013: 21.2%) of the Group’s total revenue.

The Group opened its first Mainland China flagship store in Wuhan in May 2013, followed by its largest flagship store worldwide in Macau in June and its first shop in Sydney, Australia in December. In the coming years, the Group will also make strategic move to open flagship stores in prominent cities and intend to maintain the growth of new openings (mainly licensed shops) of approximately 15% each year to strengthen our penetration into the Mainland China market.

\* Same Store Sales Growth represents a comparison of sales of the same self-operated shop having full month operations in the comparable periods and such data does not include sales of licensed shops.

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**Mr. Wong Wai Sheung, Chairman and Chief Executive** concluded, “In light of the uncertainties in the macro economic environment in the near term, weak consumption demand, policies in Mainland China and the slowing economy, coupled with the high base effect as a result of the gold rushes last year, the Group remains prudent about the business growth in the coming year. While strengthening the training of frontline staff on product knowledge, sales techniques and quality of service, the Group will endeavour to enhance the sales and gross profit margin of gem-set jewellery products to mitigate the impact of high base effect due to the remarkable performance for the financial year 2013/14 on the results performance in the coming year. Looking ahead, the Group will, by adhering to a practical and sound development direction, actively cope with market challenges and seize growth opportunities to enhance our own competitive advantages and strengthen our leading position in the international jewellery retail market.”

~End~

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

Lukfook Group principally engages in the sourcing, designing, wholesaling, trademark licensing and retailing of a variety of gold and platinum jewellery, gold ornaments and gem-set jewellery, with a total of over 1,250 shops in Hong Kong, Macau, Mainland China, Singapore, the United States, Canada and Australia. The Group will continue to identify new business opportunities in the international market 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 [lukfook.com](http://lukfook.com).**

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