

# 六福集團

## LUKFOOK GROUP

【For Immediate Release】

**Lukfook Group (00590.HK) Announces  
Annual Results for the Year Ended 31 March 2022  
Revenue and Profit Attributable to Equity Holders Reached HK\$11.7 billion and  
HK\$1.4 billion Respectively**

**Proposed Final Dividends of HK\$0.55 per share each, with Annual Dividend of HK\$1.1 per share**

**Financial Highlights:**

- Revenue of the year increased by 32.5% to approximately HK\$11.7 billion
- SSSG<sup>1</sup> for the Hong Kong SAR<sup>2</sup> and Macau SAR<sup>3</sup> market was +42.0% and +40.1% for the Mainland China<sup>4</sup> market
- Operating profit increased by 32.1% to approximately HK\$1.6 billion, while profit attributable to equity holders increased by 36.9% to approximately HK\$1.4 billion
- Proposed final dividend of HK\$0.55 per share, with annual dividend of HK\$1.1 per share and dividend payout ratio of 46.4%
- As at 31 March 2022, the Group had a global network of 2,809 shops, a net growth of 443 shops

	For the Year Ended 31 March		
	2022	2021	Y-o-Y
	HK\$'000	HK\$'000	Change
Revenue	11,737,803	8,861,335	+32.5%
Gross Profit	3,233,827	2,632,315	+22.9%
Profit Attributable to Equity Holders	1,392,364	1,017,335	+36.9%
Basic Earnings per Share	HK\$2.37	HK\$1.73	+37.0%
Final Dividend per Share	HK\$0.55	HK\$0.50	+10.0%
Special Dividend per Share	-	HK\$0.50	N/A
Annual Dividend per Share	HK\$1.10	HK\$1.50	-26.7%

(28 June 2022) —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 2022 (the “Year under review”). The Group recorded an increase in revenue of 32.5% to HK\$11,737,803,000 (2021: HK\$8,861,335,000) for the Year under review due to the low base effect, encouraging recovery of retail atmosphere and favorable gold sales. However, the gross margin of gold products declined as it gradually returned to a normal level. Gross profit therefore increased by 22.9% to HK\$3,233,827,000 (2021: HK\$2,632,315,000). Benefitting from the improvement in operating leverage, operating profit increased by 32.1% to HK\$1,643,224,000 (2021: HK\$1,244,113,000), and operating margin remained flattish at 14.0% (2021: 14.0%). In addition, with increased net interest income and reduced effective tax rate due to reversal of prior years’ over-provisions, net profit rose by 36.6% to HK\$1,392,337,000 (2021: HK\$1,019,134,000), and net margin was 11.9% (2021: 11.5%). Profit attributable to equity holders increased by 36.9% to HK\$1,392,364,000 (2021: HK\$1,017,335,000) and the basic earnings per share increased by 37.0% to HK\$2.37 (2021: HK\$1.73).

<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”

# 六福集團

## LUKFOOK GROUP

The Board proposed the final dividend of HK\$0.55 each per ordinary share, for the year ended 31 March 2022 (2021: final and special dividends of HK\$0.50 each per ordinary share, totalling HK\$1.00 per ordinary share). Taking into account of the interim dividend paid, the total dividend for the year would amount to HK\$1.1 per ordinary share.

**Mr. Wong Wai Sheung, Chairman and Chief Executive Officer of the Group** said, “During the Year under review, due to the low base effect, the same store sales of the Group had a turnaround to a positive growth. However, with the resurgence of the pandemic in Hong Kong and Mainland in February and March 2022, respectively, the Group’s overall same store sales from March to April 2022 recorded a decline again. Nevertheless, with the improving pandemic control and the help of a new round of consumption vouchers, the Group recorded a satisfactory sales performance in the Hong Kong market since April 2022. Moreover, 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, we target to achieve a double-digit growth in revenue in the coming year and look forward to reaching record high profit in 3 years.”

The retail business was the Group’s primary source of revenue. As a result of the low base effect, gradual recovery of retail atmosphere and outstanding gold sales performance, the Group’s total retail revenue increased by 49.6% year-on-year to HK\$7,407,905,000 (2021: HK\$4,953,317,000), accounting for 63.1% (2021: 55.9%) of the Group’s total revenue. With improved operating leverage, its segment profit increased by 84.9% to HK\$361,768,000 (2021: HK\$195,692,000), accounting for 20.7% (2021: 14.8%) of the total, and its segment profit margin was 4.9% (2021: 4.0%). Despite the increase in the number of licensed shops, the growth in retail sales in Mainland was mainly driven by the sales of gold products, while the sales of diamond products recorded lackluster performance. The Group’s revenue from wholesaling business which mainly comprised of the sales of diamond products, therefore, increased by 3.9% only over the corresponding period last year to HK\$3,076,720,000 (2021: HK\$2,961,827,000), accounting for 26.2% (2021: 33.4%) of the Group’s total revenue. Its segment profit increased by 3.6% to HK\$423,676,000 (2021: HK\$408,894,000), accounting for 24.2% (2021: 30.9%) of the total. Its segment profit margin was 13.8% (2021: 13.8%). During the Year under review, licensing income increased by 32.4% to HK\$1,253,178,000 (2021: HK\$946,191,000) due to the increase in the number of licensed shops, accounting for 10.7% (2021: 10.7%) of the Group’s total revenue. Its segment profit margin was 77.0% (2021: 76.0%), while its segment profit increased by 34.2% to HK\$964,435,000 (2021: HK\$718,683,000), accounting for 55.1% (2021: 54.3%) of the total.

Sales amount of gold and platinum products increased by 48.6% to HK\$5,526,978,000 (2021: HK\$3,720,143,000), accounting for 52.7% (2021: 47.0%) of the overall sales amount (Group revenue minus licensing income). Gross margin of gold and platinum products declined to 17.7% (2021: 22.0%) as the gross margin of gold products gradually returned to a normal level. Its gross profit, therefore, increased by 19.9% only to HK\$980,728,000 (2021: HK\$818,089,000), accounting for 43.8% (2021: 43.1%) of the overall gross profit (consolidated gross profit of the Group minus gross profit of licensing income). Besides, sales amount of fixed price jewellery products increased by 18.2% to HK\$4,957,648,000 (2021: HK\$4,195,001,000), accounting for 47.3% (2021: 53.0%) of the overall sales amount. Gross margin of fixed price jewellery products remained roughly flattish at 25.4% (2021: 25.8%). Its gross profit, as a result, increased by 16.4% to HK\$1,258,395,000 (2021: HK\$1,080,964,000), accounting for 56.2% (2021: 56.9%) of the overall gross profit.

During the Year under review, the overall SSSG of the Group has a turnaround to a positive growth of +45.4% (2021: -39.9%). SSSG for the Hong Kong and Macau market was +42.0% (2021: -47.1%) and +40.1% (2021: -4.7%) for the Mainland market. SSSG for gold and platinum products was +51.5% (2021: -31.9%) and +33.8% (2021: -50.7%) for fixed price jewellery products.

Due to sound pandemic control for most of the year in Hong Kong and benefiting from the Consumption Voucher Scheme launched by the government, local consumption atmosphere gradually recovered. As a result, the Group’s retail revenue in the Hong Kong increased by 27.6% to HK\$2,684,577,000 (2021: HK\$2,103,657,000) during the Year under review. Mainland visitor arrivals to Macau in 2021 increased by 48.2% over last year to 7 million and per capita spending of Mainland visitors increased by 44.7% year-on-year in 2021. Under the low base effect, the Group’s revenue generated from Macau increased substantially by 85.8% to HK\$1,734,715,000 (2021: HK\$933,455,000)

# 六福集團

## LUKFOOK GROUP

during the Year under review. Retail revenue from the Hong Kong, Macau and overseas markets increased by 50.4% to HK\$4,880,879,000 (2021: HK\$3,245,173,000). With sound pandemic control for most of the year in the Mainland and strong gold sales, retail revenue of the Mainland market increased significantly by 47.9% to HK\$2,527,026,000 (2021: HK\$1,708,144,000). Also, licensing income in the Mainland market rose as a result of the increase in the number of licensed shops, together with revenue of e-commerce business from Mainland increased, revenue from the Mainland market increased by 26.3% to HK\$6,705,611,000 (2021: HK\$5,310,301,000).

During the Year under review, under the multi-brand strategy, the Group operated a total of 1 brand and 4 sub-brands/product lines—"Lukfook", "Goldstyle", "Dear Q", "Lukfook Joaillerie" and "Heirloom Fortune". There was a net addition of 443 stores that were mainly "Lukfook" shops. During the Year under review, the Group added a net total of 435 "Lukfook" shops worldwide, including a net addition of 434 licensed shops in Mainland. As at 31 March 2022, the Group had a global network of 2,809 shops (2021: 2,366 shops), including 2,719 "Lukfook" shops (2021: 2,284 shops), with business spanning across Hong Kong, Macau, Mainland, Singapore, Malaysia, Cambodia, the Philippines, Laos, the United States, Canada and Australia, and operated a total of 84 "Goldstyle" shops (2021: 80 shops), 1 "Dear Q" shop (2021: 2 shops), 2 "Lukfook Joaillerie" shops (2021: Nil) and 3 "Heirloom Fortune" shops (2021: Nil) in Mainland.

**Mr. Wong Wai Sheung, Chairman and Chief Executive Officer of the Group** concluded, "The Group has set up its brand new three-year corporate strategy with 'Mainland Market Expansion', 'Branding' and 'Operational Efficiency' as its three main focuses so as to foster its future business growth. As the Mainland government continuously launches measures to stabilise economic growth, with a particular focus on policies to promote consumption and investment growth, the Group remains optimistic about the mid- to long-term business prospects. Accordingly, the Group will still focus its expansion in the Mainland market, particularly the markets in fourth- and fifth-tier cities. The target for net addition of "Lukfook" shops in Mainland will be at around 500 shops annually. Besides, The Group will further strengthen its brand image and positioning through leveraging of innovative approaches and making use of various media. Apart from that, the Group will also enhance its product quality assurance, optimise service quality, improve support for licensees and offer products that meet market needs. To enhance the Group's contribution to environmental protection, the Group will set up a long-term goal of carbon neutrality, and will implement measures to reduce the carbon footprint of its products. Moreover, 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."

~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 2,840 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).**

### **Media Enquiries:**

Lukfook Group Corporate Communications Department

Tel: (852) 2783 2479      Fax: (852) 3009 7509      Email: [corporate@lukfook.com](mailto:corporate@lukfook.com)

JOVIAN Communications Angel Yeung

Tel: (852) 2669 2987      Fax: (852) 2669 2980      Email: [lukfook@joviancomm.com](mailto:lukfook@joviancomm.com)