



【For Immediate Release】

**Lukfook Group (00590.HK) Announces
Annual Results for the Year Ended 31 March 2024**

Revenue Increased by 28.0% to HK\$15.3 billion

**Profit Attributable to Equity Holders Increased by 37.6% to HK\$1.77 billion,
the Second Highest Annual Performance in the Group's History**

Proposed Final Dividend of HK\$0.64 per share, with Annual Dividend of HK\$1.41 per share

Financial Highlights:

- Revenue reached HK\$15.3 billion, a 28.0% increase compared to the same period last year, mainly benefitted from the low base effect as well as the full reopening of borders amongst Hong Kong SAR, China¹, Macau SAR, China² and Mainland China³, with the recovery of the retailing business in Hong Kong and Macau as the growth engine of the Group
- The Group's retailing revenue surged by 45.3% to HK\$12.75 billion, accounting for 83.2% of the Group's total revenue, primarily driven by the sales of gold products
- Operating expenses to revenue ratio improved by 0.6 p.p. to 15.0%. Together with a one-off remeasurement gain from the acquisition of Hong Kong Resources Holdings Company Limited⁴ of around HK\$187 million, operating profit increased by 34.2% to HK\$2.12 billion
- Profit attributable to equity holders increased by 37.6% to HK\$1.77 billion, the second highest annual performance in the Group's history
- Proposed final dividend of HK\$0.64 per share, with annual dividend of HK\$1.41 per share and dividend payout ratio of 47%

	For the Year Ended 31 March		
	2024	2023	Y-o-Y
	HK\$'000	HK\$'000	Change
Revenue	15,325,962	11,977,844	+28.0%
Gross Profit	4,174,339	3,230,397	+29.2%
Profit Attributable to Equity Holders	1,767,305	1,284,757	+37.6%
Basic Earnings per Share	HK\$3.01	HK\$2.19	+37.4%
Final Dividend per Share	HK\$0.64	HK\$0.55	+16.4%
Annual Dividend per Share	HK\$1.41	HK\$1.10	+28.2%

(28 June 2024) —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 2024 (the “Year under review”). During the Year under review, the Group's total revenue increased by 28.0% to HK\$15,325,962,000 (2023: HK\$11,977,844,000). However, as the growth was mainly driven by the gold product sales with lower gross margin as compared to fixed price jewellery products, coupled with a decline in the gross margin of the licensing business, the overall gross margin of the Group therefore increased slightly by 0.2 p.p. to 27.2% (2023: 27.0%). Consequently, the Group's gross profit increased by 29.2% to HK\$4,174,339,000 (2023: HK\$3,230,397,000). On the other hand, the operating expenses to revenue ratio improved by 0.6 p.p. to 15.0% (2023: 15.6%). Together with a one-off remeasurement gain of around HK\$186,711,000 from the acquisition of HKRH, the operating profit

¹ Hong Kong SAR, China: Hereafter refers to as “Hong Kong”

² Macau SAR, China: Hereafter refers to as “Macau”

³ Mainland China: Hereafter refers to as “Mainland”

⁴ Hong Kong Resources Holdings Company Limited (Stock Code: 2882): Hereafter refers to as “HKRH”, which conducts jewellery retail and franchise businesses under the brand name of “3DG Jewellery” in Hong Kong, Macau and Mainland. After the Group completed the sale and purchase agreement to acquire 50.4% shares in HKRH on 12 January 2024, HKRH became a subsidiary of the Group, and its financial results since the date of completion of the acquisition have been consolidated into the Group's accounts.

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increased by 34.2% to HK\$2,115,623,000 (2023: HK\$1,576,175,000) and the operating profit margin increased marginally by 0.6 p.p. to 13.8% (2023: 13.2%). Furthermore, the Group's profit for the Year rose significantly by 36.8% to HK\$1,757,838,000 (2023: HK\$1,284,727,000). The net margin increased by 0.8 p.p. to 11.5% (2023: 10.7%) and the profit attributable to equity holders also increased by 37.6% to HK\$1,767,305,000 (2023: HK\$1,284,757,000), marking the second-highest annual performance in the Group's history. Accordingly, the basic earnings per share increased by 37.4% to HK\$3.01 (2023: HK\$2.19).

The Board proposed a final dividend of HK\$0.64 per ordinary share for the year ended 31 March 2024 (2023: final dividend of HK\$0.55 per ordinary share). Taking into account of the interim dividend and the special interim dividend (by way of distribution in specie of HKRH shares) paid, the total dividend for the year would amount to HK\$1.41 per ordinary share.

Mr. Wong Wai Sheung, Chairman and Chief Executive Officer of the Group said, "Looking back at the past year, benefitted from the borders reopening amongst Hong Kong, Macau and the Mainland early last year and the low base effect as well as the outperforming gold sales, the Group's retailing business achieved satisfactory results especially in the Hong Kong and Macau market. Nevertheless, the Group's business continues to encounter challenges from heightened geopolitical tensions and macroeconomic uncertainties. Undeterred by these unfavourable headwinds, the Group remains steadfast in its commitment to agile responsiveness to market dynamics and strives to maintain the steady growth of its overall business."

During the Year under review, retailing business was the main growth driver for the Group's revenue. Benefitting from the significant improvement in tourists traffic and spendings in Hong Kong and Macau after the reopening of borders, coupled with the favourable gold sales and low base effect, the Group's retailing revenue increased significantly by 45.3% to HK\$12,748,906,000 (2023: HK\$8,771,929,000), accounting for 83.2% (2023: 73.2%) of the Group's total revenue. Its segment profit also increased substantially by 82.8% to HK\$1,246,853,000 (2023: HK\$681,982,000), accounting for 57.9% (2023: 39.6%) of the total and its segment profit margin was 9.8% (2023: 7.8%). Although the number of licensed shops increased, due to the continued sluggish demand for diamond products in the Mainland, the Group's wholesaling revenue decreased by 28.3% to HK\$1,542,590,000 (2023: HK\$2,152,453,000), accounting for 10.1% (2023: 18.0%) of the Group's total revenue. Its segment profit decreased by 29.8% to HK\$186,084,000 (2023: HK\$265,127,000), accounting for 8.6% (2023: 15.4%) of the total, and its segment profit margin was 12.1% (2023: 12.3%). As the segment profit of wholesaling business included profits from inter-segment sales to self-operated shops, if including inter-segment sales in the denominator, its segment profit margin would be 4.4% (2023: 6.5%). During the Year under review, the licensing income decreased slightly by 1.8% to HK\$1,034,466,000 (2023: HK\$1,053,462,000), accounting for 6.7% of the Group's total revenue (2023: 8.8%). Its segment profit margin was 69.6% (2023: 73.7%), while its segment profit decreased by 7.3% to HK\$719,705,000 (2023: HK\$776,527,000), accounting for 33.5% (2023: 45.0%) of the total.

During the Year under review, despite a yearly increase of 10.2% in the average international gold price in USD per ounce, the demand for gold products remains robust. Consequently, sales of gold and platinum products increased by 50.7% to HK\$10,379,634,000 (2023: HK\$6,886,227,000), accounting for 72.6% (2023: 63.0%) of the overall sales amount (Group revenue minus licensing income), and became the key driving force for the Group's retailing business. Its gross margin increased by 1.9 p.p. to 19.3% (2023: 17.4%) as a result of the increase in the gold prices. Gross profit of gold and platinum products therefore increased significantly by 67.2% to HK\$2,000,275,000 (2023: HK\$1,196,586,000), accounting for 58.4% (2023: 49.4%) of the overall gross profit (consolidated gross profit of the Group minus gross profit of licensing income). On the other hand, the sales amount of fixed price jewellery products decreased by 3.1% to HK\$3,911,861,000 (2023: HK\$4,038,155,000), accounting for 27.4% (2023: 37.0%) of the overall sales amount (Group revenue minus licensing income) due to the decrease in the demand of diamond products. Nevertheless, because of the increased mix of retailing revenue, which has higher gross margin than wholesaling, gross margin of fixed price jewellery products increased by 6.1 p.p. to 36.4% (2023: 30.3%). Its gross profit therefore increased by 16.3% to HK\$1,423,075,000 (2023: HK\$1,223,925,000), accounting for 41.6% (2023: 50.6%) of the overall gross profit (consolidated gross profit of the Group minus gross profit of licensing income).

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During the Year under review, the overall SSSG⁵ of the Group was +31.9% (2023: +24.4%), while the SSSG in Hong Kong and Macau was +39.6% (2023: +34.0%), and -2.4% (2023: -16.9%) for Mainland. The SSSG for gold and platinum products was +37.6% (2023: +35.0%) and +16.0% (2023: +1.9%) for fixed price jewellery products.

After the full resumption of normal travel, tourists from all over the world including Mainland, have returned. The Group's retailing revenue in Hong Kong increased significantly by 49.9% to HK\$6,355,946,000 (2023: HK\$4,239,220,000) for the Year under review. The number of visitor arrivals to Macau has also risen sharply after the reopening of borders. The Group's revenue generated from Macau increased substantially by 77.8% to HK\$2,892,400,000 (2023: HK\$1,626,973,000) during the Year under review. Revenue from the Hong Kong, Macau and overseas markets increased by 52.4% to HK\$10,039,816,000 (2023: HK\$6,586,019,000) during the Year under review, accounting for 65.5% (2023: 55.0%) of the Group's total. Despite the lackluster macroeconomic conditions in the Mainland market, driven by the robust growth of e-commerce business, its retailing revenue experienced satisfactory increase of 24.1% to HK\$2,863,294,000 (2023: HK\$2,306,955,000). During the Year under review, revenue of e-commerce business from Mainland experienced an increase of 26.0% to HK\$1,837,085,000 (2023: HK\$1,457,853,000), exceeded the original growth target of 10% for this financial year. During the Year under review, total revenue from the Mainland market decreased slightly by 2.0% to HK\$5,286,146,000 (2023: HK\$ 5,391,825,000).

During the Year under review, the Group adopted the multi-brand strategy and operated a total of 1 brand and 5 sub-brands/product lines, including 218 shops under "3DG Jewellery" brand owned by HKRH. As at 31 March 2024, the Group had a global network of 3,583 shops (2023: 3,105 shops), including 3,117 "Lukfook" shops (2023: 2,938 shops), with business spanning across Hong Kong, Macau, Mainland, Malaysia, Cambodia, the Philippines, Laos, Thailand, the United States, Canada and Australia, and operated a total of 218 "3DG Jewellery" shops (2023: 0 shop) in Hong Kong, Macau and Mainland; and also operated a total of 56 "Goldstyle" shops (2023: 73 shops), 146 "Heirloom Fortune" shops (2023: 81 shops), 27 "Lukfook Joaillerie" shops (2023: 13 shops) and 18 "Love LUKFOOK JEWELLERY" shops (2023: 0 shop) in Mainland. In addition, the Group operated 1 "Lukfook Joaillerie" shop (2023: 0 shop) in Malaysia.

Mr. Wong Wai Sheung, Chairman and Chief Executive Officer of the Group concluded, "The Mainland government is actively working on expanding domestic demand to support the gradual recovery of the Mainland market. In hopes of improved macroeconomic conditions as well as retail sentiment recovery, the retailing business is expected to regain its growth momentum. As such, the Group remains optimistic about its mid-to long-term business prospects. The Group will continue to expand in the Mainland market, and still expects to see a positive growth in shop number in the coming year. The expansion of "Lukfook" shops in Mainland will continue to focus on opening licensed shops in fourth- and fifth-tier cities in the following year. As for the development of new brands, including the "3DG Jewellery" brand acquired by the Group on 12 January 2024, the Group aims to mainly add licensed shops in the Mainland as well. In addition, the Group is also committed to further developing its e-commerce business and strengthening cooperation with various e-commerce platforms in the Mainland. At the same time, it will also optimise its own e-commerce platform, aiming to sustain the growth in e-commerce revenue. Apart from that, the Group is optimistic about the immense growth potential in the overseas markets too. As a result, the Group will allocate more resources to expand its footprint across the world and plans to have a net addition of approximately 15 shops in the overseas markets in the coming year. While the Group continuously strengthens its brand image and positioning, it enhances product quality assurance, improves service quality, optimises support for licensees and adopts a multi-brand strategy to meet various market needs. The Group also recognises the importance of environmental protection and climate change, as well as the awareness of environmental protection among stakeholders, including consumers, and thus the Group will set up a long-term goal of carbon reduction to enhance the Group's contribution to environmental protection. 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. The Group will also strive to maximise employees' productivity by cultivating and nurturing cultures of continuous improvement and innovation."

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⁵ Same store sales ("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's e-commerce business.



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

The Group was listed on the Main Board of The Stock Exchange of Hong Kong Limited in May 1997. The first Lukfook Jewellery shop was established in 1991. Its achievements have been reflected by its forward-looking attributes and outstanding performance in merchandising, sales, administration, financial and marketing aspects. 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. Through multi-brand strategy to cater to the needs of different customers, the Group's brands, including Lukfook Jewellery, 3DG Jewellery, Heirloom Fortune, Goldstyle, Lukfook Joaillerie and Love LUKFOOK JEWELLERY, currently have a total of over 3,500 points of sale in 11 countries and regions, crafting the finest jewellery and provide quality services for customers. The Group will continue to identify new business opportunities in the international market and actively pursue further development in China and overseas 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.

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