

# 六福集團

## LUKFOOK GROUP

【 For Immediate Release 】

**Lukfook Group (00590.HK) Announces  
Interim Results for the Six Months Ended 30 September 2013  
Revenue and Profit Attributable to Equity Holders recorded  
a Half-Year record high representing a 70% growth  
Declared Interim Dividend of HK\$0.63 per share**

### Financial Highlights

- Both revenue of HK\$10.1 billion and profit attributable to equity holders of HK\$965 million recorded a half-year record high
- An interim dividend of 0.63 per share was declared, another record high
- The Group's first flagship store in Mainland China and the largest flagship store worldwide were opened in Wuhan and Macau respectively, marked another milestone in flagship establishment

HK\$	For the six months ended 30 September		
	2013	2012	Y-o-Y Change
	HK\$'000	HK\$'000	
Revenue	10,066,153	5,920,801	+70.0%
Gross Profit	2,022,951	1,276,566	+58.5%
Profit Attributable to Equity Holders	965,040	558,165	+72.9%
Basic Earnings per Share	HK\$1.64	HK\$0.95	+72.6%
Interim Dividend per Share	HK\$0.63	HK\$0.38	+65.8%

(Hong Kong, 28 November 2013) — The board of directors (the “Board”) of Luk Fook Holdings (International) Limited (the “Company”) (Stock Code: 00590.HK) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2013 (the “Period under review”). During the period under review, the Group achieved another half-year record high in revenue. The revenue reached HK\$10,066,153,000 (2012: HK\$5,920,801,000), representing a significant growth of 70.0% over that of the same period last year. Total gross profit increased by 58.5% to HK\$2,022,951,000 (2012: HK\$1,276,566,000). Operating profit increased by 67.7% to HK\$1,150,173,000 (2012: HK\$685,656,000). The profit attributable to equity holders achieved a record high as well, amounting to HK\$965,040,000 (2012: HK\$558,165,000), representing a 72.9% growth. Basic earnings per share were HK\$1.64 (2012: HK\$0.95).

The Board declared a record high interim dividend of HK\$0.63 (2012: HK\$0.38 per share) per ordinary share for the six months ended 30 September 2013. Payout ratio is 38.5% (2012: 40.1%).

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**Mr. Wong Wai Sheung, Chairman and Chief Executive of Lukfook Group** said, “During the period under review, the international gold price sharply hit recent new lows several times, triggering gold rushes in April and June. It created a marvelous opportunity for a soaring demand for gold products, driving up the sales volume and revenue of the Group. In the first half of the financial year 2014, the Group achieved remarkable feats, including a half year record-high total revenue, the profit attributable to equity holders and interim dividend per share, which were brilliant achievements.

During the period under review, the retail business continued to be the primary sales driver for the Group, accounting for 85.8% (2012: 80.3%) of total revenue which represented a growth of 81.7% to HK\$8,639,697,000 (2012: HK\$4,754,710,000). The wholesale business grew by 16.3% over the previous period to HK\$1,103,467,000 (2012: HK\$948,696,000), bringing in 11.0% (2012: 16.0%) of the Group’s total revenue. Licensing income accounted for the remaining 3.2% (2012: 3.7%) and amounted to HK\$322,989,000 (2012: HK\$217,395,000), a growth of 48.6%. Gold was the most favourite item among customers and together with platinum contributed approximately 71.8% (2012: 62.7%) to the Group’s total sales, while gem-set jewellery products contributed approximately 28.2% (2012: 37.3%).

Overall Same Store Sales Growth (“SSSG”) of the Group was 62.0% (2012: 1.0%). SSSG for Hong Kong and Macau markets and the Mainland China market were 57.9% (2012: 0.0%) and 95.5% (2012: 12.6%) respectively. The SSSG for gold and platinum products was 88.6% (2012: 4.2%), while that for gem-set jewellery products was 15.6% (2012: 4.6%).

Hong Kong remained the key market for the Group, contributing 64.1% (2012: 65.3%) of the Group’s total revenue which amounted to HK\$6,456,317,000 (2012: HK\$3,865,595,000). This represented a growth of 67.0%. Mainland China visitors continued to be the primary customers for the Hong Kong retail business, contributing around 60% of the Group’s retail sales in this market.

Macau tourism has also been booming as a result of the “Individual Visit Scheme”, revenue generated from the Macau market amounted to HK\$1,417,173,000 (2012: HK\$740,192,000), representing a spectacular growth rate of 91.5%. In line with the rapid development of the gambling and tourism industries of Macau, a flagship store with an area of over 16,000 square feet was opened there in June 2013. Serving as the Group’s largest flagship store worldwide, it introduced various brand-new elements to create a superior shopping experience for the customers.

Meanwhile, the Group continued to benefit from the fast expansion in Mainland China during the Period under review. Revenue from Mainland China amounted to HK\$2,112,604,000 (2012: HK\$1,266,220,000), which represented 21.0% (2012: 21.4%) of the Group’s total revenue and 66.8% growth over last year.

During the period under review, the Group opened a net total of 110 shops (1 self-operated shop, 109 licensed shops), 5 and 1 shop in Mainland China, Hong Kong and Macau respectively. As at

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30 September 2013, the Group had a total of 1,188 shops globally of which 1,132 shops (79 self-operated shops and 1,053 licensed shops) in Mainland China, 42 shops in Hong Kong, 10 shops in Macau, 1 shop in Singapore, 2 shops in United States and 1 shop in Canada.

**Mr. Wong Wai Sheung, Chairman and Chief Executive of Lukfook Group** said, “The Group maintains a prudent yet positive attitude towards its overall business growth and outlook in the second half of this fiscal year. Gold price maintains at a low level leading to a continual demand for gold, which will be beneficial to the Group’s sales growth though there might be some advance purchases during the gold rush periods. With this in mind, the Group believes that retail sales will continue to be benefitted from wedding- and celebration-related sales as 2014 is a year with “double spring” and a “leap month” in Chinese calendar, together with the combination of the western Valentine’s Day and Lantern Festival on the same day. Looking ahead, for the sake of expanding its global sales network, the Group will open a new shop in Sydney, Australia in the fourth quarter to extend its retail territory to the southern hemisphere. Riding on the competencies on appealing designs, stringent quality control, effective marketing and branding strategies as well as strong financial strengths, the Group will endeavor to secure market share and strengthen its leading position in the international jewellery retail market.”

On 4 November 2013, the Company signed the legally non-binding Memorandum of Understanding (“MOU”) with Hong Kong Resources Holdings Company Limited (“HKRH”, Stock Code: 02882.HK), a company listed in The Stock Exchange of Hong Kong Limited. According to the MOU, the Company will purchase 50% shares in China Gold Silver Group Company Limited (“CGS”), a wholly-owned subsidiary of HKRH engaged in retailing and franchising operations of gold and jewellery products in Hong Kong, Macau and Mainland China under the brandname “3D-GOLD” at a consideration of HK\$301 million; the Company will subscribe the convertible bonds of HKRH of approximately HK\$57 million with 3% interest rate per annum and 5 years of maturity from date of issuance; the Company will provide consultancy services in relation to the operation of business of 3D-GOLD for a period of 3 years and CGS will pay an annual fee to the Company which will be charged at 6% of the audited consolidated profit before taxation of CGS and its subsidiaries with a capped amount of HK\$10 million; the Company and HKRH will agree to commit no less than HK\$150 million each into CGS as general working capital and for business expansion of CGS; and the Company will supply raw materials and finished products to CGS at terms mutually agreed between two parties.

**Mr. Wong Wai Sheung, Chairman & Chief Executive of the Group**, said, “The Group is very delighted to be involved in the investment. With Lukfook’s expertise in jewellery retail sector as well as brand management, we are confident in enhancing the “3D-GOLD” brand and its retail network. Moreover, it is believed that the partnership of two prominent brands with similar business concepts will create effective synergy to facilitate both parties’ long term development, enhance our competitiveness, achieve further economies of scale and offer sustainable returns to shareholders. Upon the completion of acquisition, CGS will become an associated company of the Group and the Group has the right to appoint its chief executive officer to manage its overall businesses and operations. At the same time, the Group will become CGS’s supplier. This helps to expand our wholesale business and bring in long-term benefits.”

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### **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, gold ornaments and gem-set jewellery, with a total of over 1,200 shops in Mainland China, Hong Kong, Macau, Singapore, the United States and Canada. 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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