

# 六福集團

LUKFOOK GROUP

【For Immediate Release】

**Lukfook Group (00590.HK) Announces  
Interim Results for the Six Months Ended 30 September 2021  
Revenue and Profit Attributable to Equity Holders Amounted to HK\$5.6 billion and  
HK\$654 Million Respectively  
Declared Interim Dividend of HK\$0.55 per share**

## Financial Highlights

- Due to the low base effect and gradual recovery of retail sentiment, revenue increased by 67.2% as compared with the same period last year, reaching HK\$5.6 billion
- SSSG<sup>1</sup> for the Hong Kong SAR<sup>2</sup>, Macau SAR<sup>3</sup> and overseas markets was +111.1% overall speaking, while that for the Mainland China<sup>4</sup> market was +88.9%
- Gross profit increased by 35.1% to HK\$1.5 billion, with overall gross margin decreased by 6.4 p.p. to 26.8% as gold gross margin returned to more normal level and gold sales mix increased
- Operating profit increased by 101.5% to HK\$780 million because Hong Kong, Macau and overseas markets turnaround from loss to profit while all businesses in Mainland performed well
- Profit attributable to equity holders increased by 124.6% to HK\$654 million
- Basic earnings per share were HK\$1.11, increased by 122.0%
- Proposed interim dividend of HK\$0.55 per share with dividend payout ratio of 49.4%
- Net addition of 235 shops during the period with a total of 2,601 shops globally at period end

	For the six months ended 30 September		
	2021	2020	Y-o-Y
	HK\$'000	HK\$'000	Changes
<b>Revenue</b>	5,591,239	3,343,776	+67.2%
<b>Gross Profit</b>	1,499,557	1,109,704	+35.1%
<b>Profit Attributable to Equity Holders</b>	653,901	291,191	+124.6%
<b>Basic Earnings per Share</b>	HK\$1.11	HK\$0.500	+122.0%
<b>Interim Dividend per Share</b>	HK\$0.55	HK\$0.225	+144.4%
<b>Special Dividend per Share</b>	-	HK\$0.275	-100.0%

<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”

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(29 November 2021) —The board of directors (the “Board”) of **Luk Fook Holdings (International) Limited** (the “Company”) (Stock Code: 00590.HK) is pleased to announce the interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2021 (the “Period under review”). The Group recorded an increase in revenue of 67.2% to HK\$5,591,239,000 (2020: HK\$3,343,776,000) because the low base effect and the gradual recovery of retail atmosphere in various regions led to significant increase in retail sales amount. However, the overall gross margin decreased by 6.4 p.p. to 26.8% (2020: 33.2%) as gross margin of gold products returned to a relatively more normal level and the revenue mix of gold sales increased. Gross profit therefore increased by 35.1% to HK\$1,499,557,000 (2020: HK\$1,109,704,000). Nevertheless, benefitting from the operating leverage, total operating expenses to revenue ratio reduced by 8.3 p.p. to 15.4%. Together with the significantly narrowed gold hedging loss during the Period under review, the Group’s operating profit increased substantially by 101.5% to HK\$779,925,000 (2020: HK\$387,120,000). Operating margin also increased by 2.4 p.p. to 14.0% (2020: 11.6%). The strong cash position led to an increase in the net interest income. Together with the narrowed share of losses of an associate, the Group’s profit for the period rose by 123.2% to HK\$653,886,000 (2020: HK\$293,003,000), while net margin improved by 2.9 p.p. to 11.7% (2020: 8.8%). Profit attributable to equity holders increased by 124.6% to HK\$653,901,000 (2020: HK\$291,191,000) and the basic earnings per share increased by 122.0% to HK\$1.11 (2020: HK\$0.50).

The Board has resolved to declare an interim dividend of HK\$0.55 per ordinary share (2020: HK\$0.225 per ordinary share and a special dividend of HK\$0.275 per ordinary share, totaling HK\$0.50 per ordinary share) for the Period under review.

**Mr. Wong Wai Sheung, Chairman and Chief Executive Officer of the Group** said, “During the Period under review, the same store sales of the Group has a turnaround to a positive growth, indicating that the Group’s business has restored growth gradually. Subject to the development of the COVID-19 pandemic, it is believed that there will be a slackened growth in same store sales in the second half of the financial year as compared to the first half of the financial year due to a higher base. Nevertheless, with the gradually relaxed border restrictions, the Hong Kong and Macau businesses are expected to have a continuous improvement.”

The retail business remained as the Group’s primary source of revenue. As a result of the low base effect and the encouraging recovery of retail sentiment in various regions, the Group’s total retail revenue increased significantly by 102.6% to HK\$3,499,915,000 (2020: HK\$1,727,458,000), accounting for 62.6% (2020: 51.7%) of the Group’s total revenue. Its segment profit amounted to HK\$207,725,000 (2020: loss of HK\$22,200,000), accounting for 24.9% (2020: -5.3%) of the total, and its segment profit margin was 5.9% (2020: -1.3%). Attributable to the increase in the number of licensed shops, the Group’s revenue from wholesaling business rose by 26.0% over the corresponding period last year to HK\$1,522,442,000 (2020: HK\$1,208,734,000), accounting for 27.2% (2020: 36.1%) of the Group’s total revenue. Its segment profit increased by 46.9% to HK\$216,609,000 (2020: HK\$147,475,000), accounting for 25.9% (2020: 35.5%) of the total. Its segment profit margin was 14.2% (2020: 12.2%). During the Period under review, licensing income increased by 39.6% to HK\$568,882,000 (2020: HK\$407,584,000) due to the increase in the number of licensed shops as well, accounting for 10.2% (2020: 12.2%) of the Group’s total revenue. Its segment profit margin was 72.3% (2020: 71.2%), while its segment profit increased by 41.6% to HK\$411,150,000 (2020: HK\$290,271,000), accounting for 49.2% (2020: 69.8%) of the total.

During the Period under review, the overall SSSG of the Group was +110.0% (2020: -63.9%).

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SSSG for gold and platinum products was +120.4% (2020: -57.1%) and that for fixed price jewellery products was +90.8% (2020: -71.8%).

During the Period under review, the Group added a net total of 232 “Lukfook” shops worldwide and net added 3 “Goldstyle” shops in Mainland. As at 30 September 2021, the Group had a global network of 2,601 shops (2020: 2,180 shops), including 2,516 “Lukfook” shops (2020: 2,106 shops), with business spanning across Hong Kong, Macau, Mainland, Singapore, Malaysia, Cambodia, the Philippines, the United States, Canada and Australia, and operated a total of 83 “Goldstyle” shops (2020: 72 shops) and 2 “Dear Q” shops (2020: 2 shops) in Mainland.

**Mr. Wong Wai Sheung, Chairman and Chief Executive Officer of the Group** concluded, “The middle-class population in the Mainland will expand gradually under the Common Prosperity Policy, and with the Double Circulation Policy, domestic consumption will be further encouraged. The Group therefore 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 and looks forward to having further improvement in its business in the future. In addition, the Group is also committed to further developing its e-commerce business and strengthening cooperation with various e-commerce platforms in Mainland, aiming to sustain the growth in e-commerce revenue at a target of 20% sales growth of e-commerce business in this financial year. Apart from ‘Lukfook’, the Group strives to develop different sub-brands and product lines, including ‘Goldstyle’ and ‘Dear Q’, to cater for different customer groups. In FY2021, the Group also developed ‘Lukfook Joaillerie’ in Macau and Mainland to target at the high-end jewellery market, and has opened 3 shop-in-shops, while 4 shop-in-shops were added in Mainland during the Period under review. Moving forward, the Group will continue to implement pragmatic and sound growth measures, strengthen its competitive advantages and further consolidate its leading position in the market.”

~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 2,650 points of sale in 11 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).**

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