



【For Immediate Release】

**Lukfook Group (00590.HK) Announces
Interim Results for the Six Months Ended 30 September 2023
Revenue and Profit Attributable to Equity Holders Amounted to HK\$7.5 Billion
and HK\$0.9 Billion Respectively
Declared Interim Dividend of HK\$0.72 per share**

Financial Highlights

- Revenue reached HK\$7.5 billion, a 34.3% increase compared to the same period last year, mainly benefitted from 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 55.7% to HK\$6.0 billion, accounting for 80.5% (2022: 69.5%) of the Group's total revenue, primarily driven by the sales of gold products
- The increase in the mix of retailing revenue has resulted in an overall gross margin increase of 1.7 p.p. to 27.8%, with the gross profit amount rose by 42.9%
- Despite the substantial reduced subsidies from the Hong Kong and the Mainland governments, the ratio of total operating expenses to revenue improved by 0.8 p.p. to 14.3% (2022: 15.1%), resulting in a 39.3% increase in operating profit to HK\$1.1 billion
- Profit attributable to equity holders increased by 43.3% to HK\$0.9 billion, the second-highest interim performance in the Group's history

	For the six months ended 30 September		
	2023	2022	Y-o-Y
	HK\$'000	HK\$'000	Changes
Revenue	7,486,031	5,573,184	+34.3%
Gross Profit	2,081,444	1,456,237	+42.9%
Profit Attributable to Equity Holders	942,651	657,618	+43.3%
Basic Earnings per Share	HK\$1.61	HK\$1.12	+43.8%
Interim Dividend per Share	HK\$0.72	HK\$0.55	+30.9%

(29 November 2023) —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 2023 (the “Period under review”). The global market remained challenging against the backdrop of heightened geopolitical risks worldwide and the macroeconomic uncertainties. However, with the full reopening of borders amongst Hong Kong, Macau, and the Mainland, and the continuous improvement in retail sentiment in Hong Kong and Macau, the retailing business of the Group has returned to normalcy, driving the Group's satisfactory double-digit growth in total revenue. During the Period under review, the Group's total revenue increased significantly by 34.3% to HK\$7,486,031,000

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”

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LUKFOOK GROUP

(2022: HK\$5,573,184,000). Due to the increase in the mix of the retailing business from prior year's 69.5% to 80.5%, the overall gross margin of the Group rose by 1.7 p.p. to 27.8% (2022: 26.1%). As a result, the Group's gross profit increased by 42.9% to HK\$2,081,444,000 (2022: HK\$1,456,237,000). On the other hand, although there were significant reductions in subsidies from the Hong Kong and the Mainland governments, the Group's operating expenses to revenue ratio improved by 0.8 p.p. to 14.3% (2022: 15.1%). As a result, operating profit increased by 39.3% to HK\$1,140,331,000 (2022: HK\$818,463,000) and the operating profit margin improved to 15.2% (2022: 14.7%). Furthermore, the Group's profit for the period increased significantly by 43.3% to HK\$942,631,000 (2022: HK\$657,598,000). The net margin increased by 0.8 p.p. to 12.6% (2022: 11.8%) and the profit attributable to equity holders increased by 43.3% to HK\$942,651,000 (2022: HK\$657,618,000), marking the second-highest interim performance in the Group's history, second only to the performance of financial year of 2013/14 with gold rush. Accordingly, the basic earnings per share increased by 43.8% to HK\$1.61 (2022: HK\$1.12).

The Board declared an interim dividend of HK\$0.72 per ordinary share (2022: HK\$0.55 per ordinary share) for the Period under review, a dividend payout ratio of 45% (2022: 49%).

Mr. Wong Wai Sheung, Chairman and Chief Executive Officer of the Group said, "During the Period under review, despite the relatively high base effect in the second quarter, the overall Same Store Sales⁴ of the Group maintained double-digit growth, in which SSS in Hong Kong and Macau much improved due to the higher visitor traffic after the reopening of borders amongst Hong Kong, Macau and the Mainland. On the other hand, notwithstanding the lackluster macroeconomic conditions and a decline in SSS in the Mainland market, the robust growth of e-commerce business of the Group helped offset its negative SSS growth."

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, the Group's retailing revenue increased by 55.7% to HK\$6,029,948,000 (2022: HK\$3,871,756,000), accounting for 80.5% (2022: 69.5%) of the Group's total revenue. Its segment profit increased significantly by 137.0% to HK\$662,548,000 (2022: HK\$279,606,000), accounting for 53.9% (2022: 32.7%) of the total and its segment profit margin was 11.0% (2022: 7.2%). In spite of the increase in the number of licensed shops, the Group's wholesaling revenue declined by 21.4% to HK\$910,558,000 (2022: HK\$1,158,626,000) due to the continued sluggish demand for diamond products in the Mainland, accounting for 12.2% (2022: 20.8%) of the Group's total revenue. Its segment profit decreased by 6.2% to HK\$173,871,000 (2022: HK\$185,419,000), accounting for 14.2% (2022: 21.6%) of the total, and its segment profit margin was 19.1% (2022: 16.0%). 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 7.5% (2022: 9.2%). During the Period under review, the licensing income remained broadly flat at HK\$545,525,000 (2022: HK\$542,802,000), accounting for 7.3% (2022: 9.7%) of the Group's total revenue. Its segment profit margin was 71.8% (2022: 72.1%), while its segment profit remained flat at HK\$391,888,000 (2022: HK\$391,322,000), accounting for 31.9% (2022: 45.7%) of the total.

The overall SSS of the Group was +44.2% (2022: +19.0%). SSS for gold and platinum products was +43.9% (2022: +35.0%) and +45.1% (2022: -14.4%) for fixed price jewellery products.

During the Period under review, the Group operated a total of 1 brand and 4 sub-brands/ product lines under the multi-brand strategy. There was a net addition of 184 shops globally including a net of 130 "Lukfook" shops and a net of 54 shops of sub-brands/product lines in Mainland. As at 30 September 2023, the Group had a global network of 3,289 shops (2022: 2,966 shops), including 3,068 "Lukfook" shops (2022: 2,838 shops), with business spanning across Hong Kong, Macau, Mainland, Malaysia, Cambodia,

⁴ Same Store Sales ("SSS") 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



the Philippines, Laos, Thailand, the United States, Canada and Australia, and operated a total of 62 “Goldstyle” shops (2022: 80 shops), 26 “Lukfook Joaillerie” shops (2022: 7 shops), 121 “Heirloom Fortune” shops (2022: 41 shops) and 12 “Love LUKFOOK JEWELLERY” shops (2022: 0 shop) in Mainland.

Mr. Wong Wai Sheung, Chairman and Chief Executive Officer of the Group concluded, “The Group will continue to actively promote non-diamond fixed price jewellery products, especially fixed price gold products, in order to enhance the performance of fixed price jewellery products. Moreover, the Group is optimistic about the immense growth potential in the overseas markets and intends to proactively allocate more resources to expand its footprint across the world. With the continuous improvement in the tourism industry and macroeconomic conditions, a strong growth momentum is expected to maintain in the Hong Kong and Macau market. Coupled with the low base effect in the third quarter in this financial year and anticipated benefits from operating leverage, the Group is looking forward to exceeding pre-pandemic performance and strive to a new height.”

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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 and gem-set jewellery products, with a total of nearly 3,300 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.

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