



【 For Immediate Release 】

**Lukfook Group (0590) Announces  
Interim Results for the Six Months Ended 30 September 2024  
Revenue and Profit Attributable to Equity Holders Amounted to HK\$5.45  
Billion and HK\$0.43 Billion Respectively  
Declared Interim Dividend of HK\$0.55 per share**

**Financial Highlights**

- The Group’s revenue reached HK\$5.45 billion, a 27.2% decrease compared to the same period last year, primarily due to a decline in sales of gold products caused by record-high gold prices during the Period
- Benefitted from the rise in gold prices, the Group’s overall gross profit margin increased by 4.9 p.p. to 32.7%, while gross profit fell by 14.4% to HK\$1.78 billion
- The surge in gold prices caused the gold hedging during the Period to turn from a gain of HK\$55 million last year to a loss of HK\$230 million. Consequently, the operating profit decreased by 53.0% to HK\$536 million and the operating profit margin declined to 9.8%
- The Group’s profit for the Period decreased by 55.7% to HK\$417 million. If the impact of gold hedging losses was excluded, the adjusted decrease in profit for the Period would narrow to 27.1%, accounting for HK\$647 million
- Proposed interim dividend is HK\$0.55 per share with dividend payout ratio of 74%
- A net reduction of 175 shops

	For the six months ended 30 September		
	2024	2023	Y-o-Y
	HK\$'000	HK\$'000	Changes
<b>Revenue</b>	5,448,634	7,486,031	-27.2%
<b>Gross Profit</b>	1,781,653	2,081,444	-14.4%
<b>Profit Attributable to Equity Holders</b>	434,469	942,651	-53.9%
<b>Basic Earnings per Share</b>	HK\$0.74	HK\$1.61	-54.0%
<b>Interim Dividend per Share</b>	HK\$0.55	HK\$0.72	-23.6%

(26 November 2024) — The board of directors (the “Board”) of **Luk Fook Holdings (International) Limited** (the “Company”) (Stock Code: 0590) 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 2024 (the “Period”). The increase in central banks’ gold reserves and ongoing worldwide geopolitical tensions have driven gold prices to surge since March 2024 and repeatedly reach new highs during the Period. In face of various challenges including macroeconomic uncertainties, further rising gold prices and cautious consumer sentiment, coupled with a high base effect, the Group’s total revenue decreased by 27.2% to HK\$5,448,634,000 during the Period under review (2023: HK\$7,486,031,000). However, benefiting from the rise in gold prices, the overall gross margin of the Group rose by 4.9 p.p. to 32.7% (2023: 27.8%). Therefore, the Group’s gross profit decreased by 14.4% to HK\$1,781,653,000 (2023: HK\$2,081,444,000). The surge in gold prices caused the gold hedging during the Period to shift from a gain of HK\$55,376,000 in the same period last year to a loss of HK\$229,823,000. Therefore, operating profit decreased by 53.0% to HK\$536,301,000 (2023: HK\$1,140,331,000), and operating profit margin declined to 9.8% (2023:

15.2%). Furthermore, profit for the Period decreased by 55.7% to HK\$417,246,000 (2023: HK\$942,631,000). The net profit margin decreased by 4.9 p.p. to 7.7% (2023: 12.6%). If the impact of gold hedging losses was excluded, the adjusted profit for the Period would be HK\$647,069,000, narrowing the decline to around 27.1%. Moreover, the profit attributable to equity holders of the Group decreased by 53.9% to HK\$434,469,000 (2023: HK\$942,651,000). Accordingly, the basic earnings per share decreased by 54.0% to HK\$0.74 (2023: HK\$1.61).

The Board declared an interim dividend of HK\$0.55 per ordinary share (2023: HK\$0.72 per ordinary share) for the Period under review, a dividend payout ratio of 74% (2023: 45%).

**Mr. Wong Wai Sheung, Chairman and Chief Executive Officer of the Group** said, “The consistently record-breaking gold prices impacted sales during the Period under review, and when combined with the high base effect, put pressure on same store sales<sup>1</sup> in Hong Kong SAR, China<sup>2</sup>, Macau SAR, China<sup>3</sup> and Mainland China<sup>4</sup> markets. Fortunately, the decline in same store sales in the Mainland market (including self-operated shops and licensed shops) and the Hong Kong market has narrowed since September. Therefore, from 1 October to mid-November 2024, the Group’s overall same store sales performance showed improvements as compared to the second quarter.”

During the Period under review, retailing business was the main source of revenue of the Group. The Group’s retailing revenue decreased by 22.7% to HK\$4,660,250,000 (2023: HK\$6,029,948,000), accounting for 85.5% (2023: 80.5%) of the Group’s total revenue. Its segment profit decreased by 42.2% to HK\$382,803,000 (2023: HK\$662,548,000), accounting for 69.2% (2023: 53.9%) of the total and its segment profit margin was 8.2% (2023: 11.0%). When excluding the gold hedging losses attributed to the retail segment, its segment profit would be HK\$563,508,000 (2023: HK\$627,805,000) and the adjusted segment margin would be 12.1% (2023: 10.4%). Due to the continued sluggish demand for diamond products in Mainland and the decrease in the number of licensed shops, the Group’s wholesaling revenue significantly declined by 57.8% to HK\$384,576,000 (2023: HK\$910,558,000), accounting for 7.1% (2023: 12.2%) of the Group’s total revenue. Its segment loss was HK\$68,552,000 (2023 segment profit: HK\$173,871,000), accounting for -12.4% (2023: 14.2%) of the total, and its segment profit margin was -17.8% (2023: 19.1%). 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 -5.7% (2023: 7.5%). When excluding the gold hedging losses attributed to the wholesaling business, this segment loss would amount to HK\$19,434,000, (2023 segment profit: HK\$153,238,000) resulting in an adjusted wholesaling segment profit margin of -1.6% (2023: 6.6%). During the Period under review, the licensing income decreased by 26.0% to HK\$403,808,000 (2023: HK\$545,525,000), accounting for 7.4% (2023: 7.3%) of the Group’s total revenue. Its segment profit margin was 59.2% (2023: 71.8%), while its segment profit decreased by 39.0% to HK\$239,002,000 (2023: HK\$391,888,000), accounting for 43.2% (2023: 31.9%) of the total.

During the Period under review, the average international gold price in USD per ounce increased nearly 23.0% year-on-year. The sharp rise in gold prices affected consumer sentiment. Consequently, sales of gold and platinum products decreased by 24.1% to HK\$3,688,804,000 (2023: HK\$4,860,293,000), accounting for 73.1% (2023: 70.0%) of the overall sales amount (revenue of the Group minus licensing income). Its gross margin increased by 8.4 p.p. to 27.5% (2023: 19.1%) because of the rise in gold prices. Gross profit of gold and platinum products therefore increased by 9.5% to HK\$1,013,756,000 (2023: HK\$926,146,000), accounting for 66.7% (2023: 55.4%) of the overall gross profit (consolidated gross profit of the Group minus gross profit of licensing income). On the other hand, the sales of fixed price jewellery products decreased by 34.8% to HK\$1,356,021,000 (2023: HK\$2,080,213,000), accounting for 26.9% (2023: 30.0%) of the overall sales amount (revenue of the Group minus licensing income). Nevertheless,

<sup>1</sup> 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

<sup>2</sup> Hong Kong SAR, China: Hereafter refers to as “Hong Kong”

<sup>3</sup> Macau SAR, China: Hereafter refers to as “Macau”

<sup>4</sup> Mainland China: Hereafter refers to as “Mainland”

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## LUKFOOK GROUP

due to the increased mix of retailing revenue, which has higher gross margin than wholesaling, gross margin of fixed price jewellery products increased by 1.4 p.p. to 37.3% (2023: 35.9%). Its gross profit, however, decreased by 32.2% to HK\$505,957,000 (2023: HK\$746,596,000), accounting for 33.3% (2023: 44.6%) of the overall gross profit (consolidated gross profit of the Group minus gross profit of licensing income).

During the Period under review, the overall SSS of the Group was -34.3% (2023: +44.2%). SSS for gold and platinum products was -35.6% (2023: +43.9%) and -30.3% (2023: +45.1%) for fixed price jewellery products.

During the Period under review, the Group operated a total of 2 brands and 4 sub-brands/ product lines under the multi-brand strategy. There was a net decrease of 175 shops globally, including a net decrease of 186 “Lukfook” shops, a net increase of 7 “3DG Jewellery” shops and 4 sub-brands/product lines shops. As at 30 September 2024, the Group had a global network of 3,408 shops (2023: 3,289 shops), including 2,931 “Lukfook” shops (2023: 3,068 shops), with business spanning across Hong Kong, Macau, Mainland, Malaysia, Cambodia, the Philippines, Laos, Thailand, the United States, Canada and Australia; In addition, the Group had 225 “3DG Jewellery” shops (2023: 0 shop) in Hong Kong, Macau and Mainland; 35 “Lukfook Joaillerie” shops (2023: 26 shops) in Mainland and Malaysia, 35 “Goldstyle” shops (2023: 62 shops), 165 “Heirloom Fortune” shops (2023: 121 shops) and 17 “Love LUKFOOK JEWELLERY” shops (2023: 12 shops) in Mainland.

**Mr. Wong Wai Sheung, Chairman and Chief Executive Officer of the Group** concluded, “Although the spike in gold prices may affect sales performance, an increase in profit margin will help mitigate the impact of the decline in sales. Sales of the gold products are expected to resume to the normal levels after consumers adapt to the high gold prices. The Mainland government is actively working on boosting domestic demand and has introduced various policies to support the property and capital markets. 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 cautiously optimistic about its mid-to long-term business prospects and will continue to expand in the Mainland market in the future. Furthermore, the Group is optimistic about the immense growth potential in the overseas markets. 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 this financial year. Due to the lower base in the second half of the financial year as compared to the first half, a better business performance is expected in the second half of the financial year.”

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**About Luk Fook Holdings (International) Limited (Stock Code: 0590)**

The Group, founded by a group of experienced jewellery specialists, is one of the leading jewellery retailers in Hong Kong and Mainland. With the first Lukfook Jewellery shop established in North Point, Hong Kong in 1991, it has always been upholding the service motto of “Exquisite Craftsmanship, Quality Services and Customer Orientation”. In May 1997, the Group was listed on the Main Board of the Stock Exchange of Hong Kong Limited. We principally engage 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 approximately 3,400 points of sale in 11 countries and regions, crafting the finest jewellery and providing 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 Lukfook, 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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