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CHOW TAI FOOK JEWELLERY GROUP LIMITED

周大福珠寶集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1929

THE UNAUDITED KEY OPERATIONAL DATA FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2020

Chow Tai Fook Jewellery Group Limited (the “Company”), together with its subsidiaries (the “Group”), hereby announce certain unaudited key operational data of the Group for the three months ended 30 September 2020 (the “Second Quarter”, or the “Quarter”). The unaudited key operational data in this announcement should be read in conjunction with the Company’s FY2020 annual report.

KEY OPERATIONAL DATA

For the three months ended 30 September 2020

(% change compared to the same period last year)

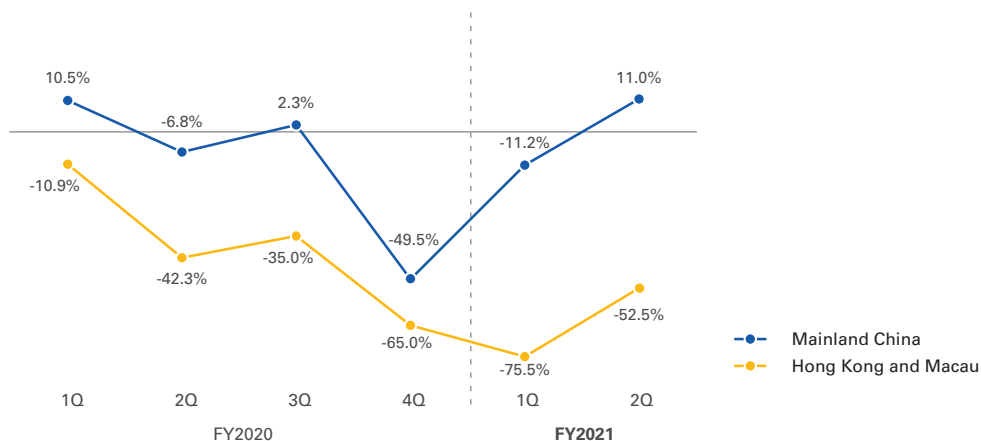
	Group	
	Mainland China	Hong Kong, Macau and other markets
Retail Sales Value ⁽¹⁾ (“RSV”) growth	+2.6%	
RSV growth	+21.2%	-51.6%
Contribution to Group RSV	87.9%	12.1%
	Mainland China	Hong Kong and Macau
Same Store Sales ⁽²⁾ (“SSS”) growth	+11.0%	-52.5%
SSS volume growth	-9.2%	-56.7%
SSSG by product⁽³⁾		
— Gem-set / Platinum / K-gold jewellery	+2.5%	-37.0%
— Gold jewellery and products	+6.7%	-64.5%

⁽¹⁾ “Retail Sales Value” measures the sales at the ending price (VAT inclusive, if any), in respective functional currencies, of products sold to customers in the POS network and other channels.

⁽²⁾ “Same Store Sales” for the Second Quarter is the RSV from the self-operated POS of CHOW TAI FOOK JEWELLERY (ARTRIUM and JEWELRIA inclusive) and CTF WATCH existing as at 30 September 2020 and which have been opened prior to 1 April 2019. RSV from franchised POS and other channels are not included.

⁽³⁾ Starting from FY2021, we re-classify our products into 3 categories namely gem-set / platinum / k-gold jewellery, gold jewellery and products, and watches, which the Company believes is appropriate in reflecting its performance.

Same Store Sales Growth

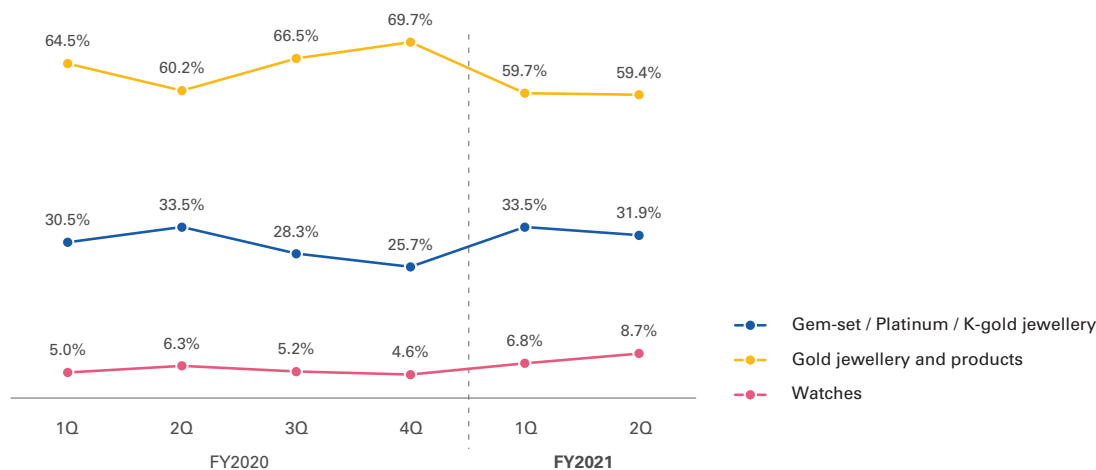


- In light of the easing COVID-19 situation in Mainland China, business in Mainland China showed an encouraging improvement and its SSS rebounded to a positive growth of 11.0% during the Quarter. Challenging macros and the closure of key border crossings weighed on the retail demand in Hong Kong and Macau during the Quarter, yet SSS decline in Hong Kong and Macau narrowed to 46.4% and 74.6%, respectively, thanks to a lower base of comparison.
- In Mainland China, SSS of gem-set / platinum / k-gold jewellery category was up 2.5%, while its RSV increased 14.8% during the Quarter, thanks to healthy contribution from new stores. SSS of gem-set / platinum / k-gold jewellery category in Hong Kong and Macau decreased by 37.0% during the Quarter. On the other hand, same store Average Selling Price (“ASP”) trend was favourable during the Quarter. In Mainland China, same store ASP of gem-set jewellery was HK\$6,800 (2QFY2020: HK\$6,400) while that of Hong Kong and Macau was HK\$13,600 (2QFY2020: HK\$11,200).
- Gold jewellery and products category which includes those selling by weight and at fixed-price recorded a volume decline in both markets as a result of gold price volatility. ASP of gold jewellery and products increased to HK\$5,000 (2QFY2020: HK\$4,100) in Mainland China. Yet, ASP in Hong Kong and Macau declined to HK\$6,300 (2QFY2020: HK\$6,900), mainly due to the shift of sales mix towards higher-margin lower ASP gold products during the Quarter. The average international gold price in the Quarter was 29.6% higher when compared to the same period last year.

Analysis by Market

Mainland China

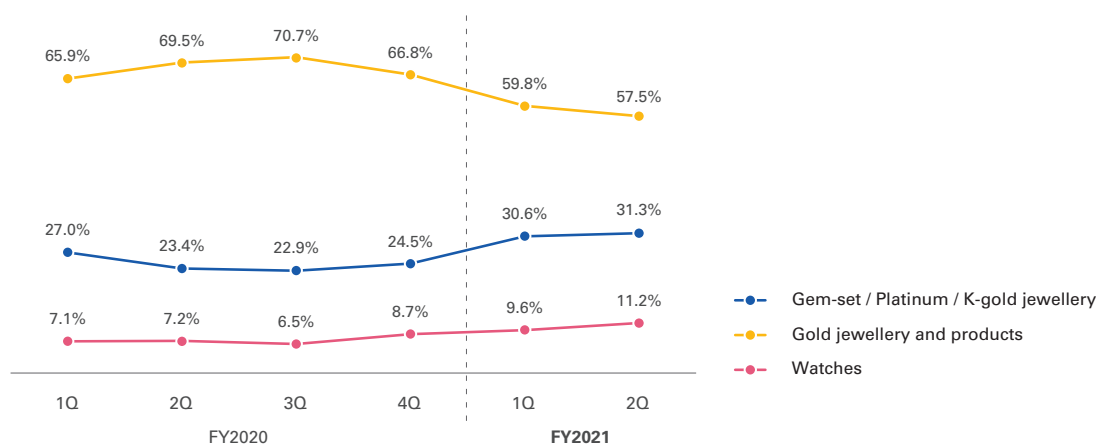
% of respective RSV by product



- RSV of watches recorded a robust growth and its contribution further increased to 8.7% as boosted by strong domestic demand amid international travel restrictions.
- E-commerce and O2O related RSV⁽⁴⁾ in Mainland China delivered a 30.2% year-on-year growth, thanks to our efforts in O2O retailing, while volume decreased by 1.2%. Its contribution to Mainland China's RSV was 5.4% in the Quarter.

Hong Kong, Macau and other markets

% of respective RSV by product

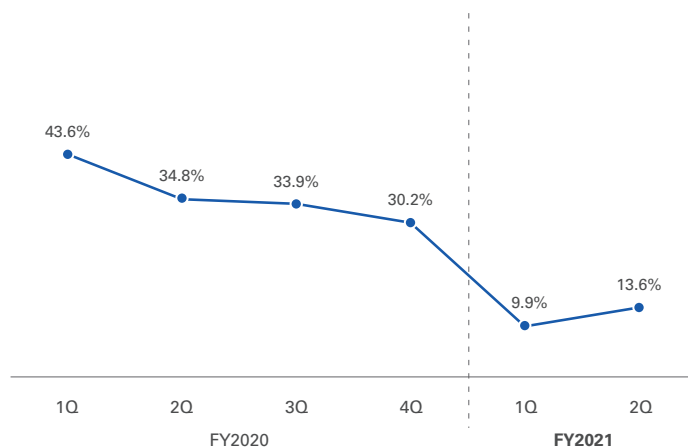


Note: The percentages calculated are subject to minor rounding differences

⁽⁴⁾ E-commerce and O2O related RSV includes RSV contributed from e-commerce, O2O distribution, CloudSales 365 and cloud kiosk.

Hong Kong and Macau

% of RSV settled by China UnionPay, Alipay, WeChat Pay or RMB



- The percentage of RSV settled by China UnionPay, Alipay, WeChat Pay or RMB to the total RSV of Hong Kong and Macau market improved from 9.9% to 13.6% from last quarter.

POS Network

- The Group added a net of 261 POS in Mainland China during the Quarter, including 242 net POS openings of CHOW TAI FOOK JEWELLERY (14 net closings of self-operated store and 256 net openings of franchised store), 2 SOINLOVE POS, 12 MONOLOGUE POS, 7 ENZO POS, and a net closing of 2 CTF WATCH POS.
- In Hong Kong, Macau and other markets, the Group closed 1 CHOW TAI FOOK JEWELLERY POS and 1 HEARTS ON FIRE POS in Hong Kong. The Group also closed a net of 2 CHOW TAI FOOK JEWELLERY POS in other markets during the Quarter.
- As at 30 September 2020, the Group had 4,153 POS in total.

CAUTION STATEMENT

The Board wishes to remind investors that the above operational update is based on the Company's internal records and management accounts for the three months ended 30 September 2020 which have not been reviewed or audited by auditors of the Company.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Chow Tai Fook Jewellery Group Limited
Dr. Cheng Kar-Shun, Henry
Chairman

Hong Kong, 15 October 2020

As at the date of this announcement, the executive directors are Dr. Cheng Kar-Shun, Henry, Mr. Wong Siu-Kee, Kent, Dr. Cheng Chi-Kong, Adrian, Mr. Cheng Chi-Heng, Conroy, Mr. Cheng Ping-Hei, Hamilton, Mr. Chan Sai-Cheong, Mr. Suen Chi-Keung, Peter, Mr. Chan Hiu-Sang, Albert, Mr. Liu Chun-Wai, Bobby and Mr. Cheng Kam-Biu, Wilson; the non-executive director is Ms. Cheng Chi-Man, Sonia; and the independent non-executive directors are Dr. Fung Kwok-King, Victor, Dr. Or Ching-Fai, Raymond, Mr. Kwong Che-Keung, Gordon, Mr. Cheng Ming-Fun, Paul, Mr. Lam Kin-Fung, Jeffrey and Ms. Cheng Ka-Lai, Lily.