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(於百慕達註冊成立之有限公司)
(Incorporated in Bermuda with Limited Liability)
Stock Code 股份代號 : 0590

RETAIL SALES PERFORMANCE FOR THE SECOND QUARTER OF FINANCIAL YEAR ENDING 31 MARCH 2023

Luk Fook Holdings (International) Limited (the “Company”), together with its subsidiaries (the “Group”), announces the retail sales performance of the Group for the second quarter (“2Q”) of the financial year ending 31 March 2023 (“FY2023”) covering the period from 1 July 2022 to 30 September 2022.

OVERALL SAME STORE SALES GROWTH (“SSSG”)⁽¹⁾

	2Q FY2023 vs 2Q FY2022	1Q FY2023 vs 1Q FY2022	2Q FY2022 vs 2Q FY2021
Overall	+40%	-1%	+105%
Gold ⁽²⁾	+62%	+9%	+116%
Gold (by weight)	+68%	+4%	+124%
Fixed price jewellery	-8%	-19%	+89%

Due to the outstanding sales performance of gold products in Hong Kong⁽³⁾ market caused by the soft gold prices, the overall SSSG of the Group’s retail business in 2Q FY2023 therefore recorded a turnaround from last quarter’s -1% to +40% despite of the high base. The SSSG of its gold products and fixed price jewellery products were +62% and -8% respectively.

Remarks:

⁽¹⁾ Same store sales growth 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

⁽²⁾ Gold refers to gold products sold by weight basing on international market price, i.e. at non-fixed price

⁽³⁾ Hong Kong SAR. Hereafter refers to as “Hong Kong”

SSSG OF HONG KONG & MACAU⁽⁴⁾ MARKET

	2Q FY2023 vs 2Q FY2022	1Q FY2023 vs 1Q FY2022	2Q FY2022 vs 2Q FY2021
Overall	+50%	+2%	+109%
Gold	+79%	+15%	+107%
Gold (by weight)	+85%	+10%	+115%
Fixed price jewellery	-10%	-21%	+119%
<i>Retail Revenue Year-on-year⁽⁵⁾</i>	+30%	-1%	+112%

The SSSG of Hong Kong and Macau market in 2Q was +50%, representing a significant increase over the prior quarter. The SSSG of its gold products and fixed price jewellery products were +79% and -10% respectively. The overall SSSG of Hong Kong in 2Q was +70% mainly because the SSSG of its gold products reached +98%, while its fixed price jewellery products also recorded a single-digit growth. The SSSG of the gold products in Macau was +25%, which helped it to achieve flattish performance in 2Q. Furthermore, the retail revenue in the Hong Kong and Macau market increased by around 30% year-on-year during the quarter.

Attributable to the surging demand in gold products caused by the decline in gold prices and the increase in visitor arrivals due to the resumption of quarantine-free travel between Macau and Mainland, the SSSG of the Hong Kong and Macau market still maintained considerable growth in the first two weeks of October 2022.

⁽⁴⁾ Macau SAR: Hereafter refers to as "Macau"

⁽⁵⁾ Included retail sales amount of self-operated shops in the Hong Kong and Macau market

MAINLAND⁽⁶⁾ MARKET

	2Q FY2023 vs 2Q FY2022	1Q FY2023 vs 1Q FY2022	2Q FY2022 vs 2Q FY2021
<i>SSSG of Self-operated Shops</i>			
Overall	-4%	-28%	+62%
Gold	+3%	-26%	+115%
Gold (by weight)	0%	-30%	+137%
Fixed price jewellery	-23%	-34%	-5%
<i>E-commerce Business Sales Growth</i>			
Overall	+8%	+30%	+65%
Gold	+14%	+38%	+110%
Gold (by weight)	+10%	+32%	+133%
Fixed price jewellery	-15%	-3%	0%
<i>Retail Revenue Year-on-year⁽⁷⁾</i>	0%	-5%	+45%

Due to the relatively stringent anti-pandemic measures in Mainland and the high base effect, the overall SSSG of the self-operated shops in Mainland was -4% during the quarter, a significant improvement over the prior quarter. The SSSG of their gold products and fixed price jewellery products were +3% and -23% respectively.

Apart from that, the sales amount of e-commerce business in Mainland recorded 8% growth year-on-year in 2Q under a high base, while the retail revenue in Mainland including sales amounts of self-operated shops and e-commerce business remained flattish year-on-year during the quarter.

Licensed shops, accounting for around 97% of the total number of shops in Mainland, recorded 2% decline in same store sales during the quarter, among which the same store sales of gold products increased by 6%, while fixed price jewellery products decreased by 19%.

Furthermore, the overall retail sales value of shops in Mainland including both self-operated shops and licensed shops, recorded 7% increase year-on-year during the quarter, in which the retail sales value of gold products and fixed price jewellery products recorded 16% growth and 12% decline year-on-year respectively. Fixed price jewellery products included fixed price gold products, which recorded 3% year-on-year growth in retail sales value, while diamond products had a 24% decline year-on-year.

In view of the increasing severity of the pandemic and the tight restrictions on pandemic prevention, the overall same store sales of Mainland shops recorded a double-digit decline in the first two weeks of October 2022.

⁽⁶⁾ Mainland China: Hereafter refers to as "Mainland"

⁽⁷⁾ Included sales amounts of Mainland self-operated shops and e-commerce business

NUMBER OF SHOPS

The Group had a net increase of 121 shops in Mainland in 2Q, of which 95 were “Lukfook” shops and 31 were “Heirloom Fortune” shops. As at 30 September 2022, the Group had a total of 2,893 shops including 2,765 “Lukfook” shops, 80 “Goldstyle” shops, 7 “Lukfook Joaillerie” shops and 41 “Heirloom Fortune” shops in Mainland. The details of distribution network in Mainland are summarised as follows:-

MAINLAND DISTRIBUTION NETWORK

Shop number of different brands/ product lines		Changes in 2Q FY2023	As at 30 September 2022
“Lukfook”	Self-operated	+1	75
	Licensed	+94	2,690
	Sub-total	+95	2,765
“Goldstyle”	Self-operated	-1	3
	Licensed	-6	77
	Sub-total	-7	80
“Dear Q”	Self-operated	-1	0
“Lukfook Joaillerie”	Licensed	+3	7
“Heirloom Fortune”	Self-operated	+8	8
	Licensed	+23	33
	Sub-total	+31	41
Total	Self-operated	+7	86
	Licensed	+114	2,807
	Total	+121	2,893

As at 30 September 2022, the Group had a total of 143 “Lukfook” self-operated shops worldwide including 75 in Mainland, 44 in Hong Kong, 16 in Macau, and 8 in overseas. As at the same date, together with the licensed shops of 2,690 in Mainland, 2 in Cambodia, 2 in the Philippines and 1 in Laos, there were a total of 2,838 “Lukfook” shops worldwide. Including 128 shops of other sub-brands and/or product lines in Mainland, the Group had a total of 2,966 shops globally. The Group’s global distribution network is summarised as follows:-

GLOBAL DISTRIBUTION NETWORK

	Changes in 2Q FY2023	As at 30 September 2022
“Lukfook”: Self-operated Shops		
Hong Kong	-	44
Macau	-	16
Mainland	+1	75
Other Locations	-	8
Sub-total	+1	143
Licensed Shops		
Mainland	+94	2,690
Other Locations	0	5
Sub-total	+94	2,695
Total “Lukfook” Shops	+95	2,838
Other Sub-brands / Product Lines (including “Goldstyle”, “Dear Q”, “Lukfook Joaillerie” & “Heirloom Fortune”):		
Mainland	+26	128
Total	+121	2,966

CAUTION STATEMENT

The board of directors of the Company wishes to remind investors that the above operational data is based on the Company's internal records which have not been audited by auditors. **Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board
Luk Fook Holdings (International) Limited
WONG Wai Sheung
Chairman & Chief Executive Officer

Hong Kong, 18 October 2022

As at the date of this announcement, the Company's Executive Directors are Mr. WONG Wai Sheung (Chairman and Chief Executive Officer), Mr. TSE Moon Chuen (Deputy Chairman), Ms. WONG Hau Yeung, Ms. WONG Lan Sze, Nancy and Dr. CHAN So Kuen; the Non-executive Directors are Mr. WONG Ho Lung, Danny (Deputy Chairman), Mr. HUI Chiu Chung, JP and Mr. LI Hon Hung, BBS, MH, JP; the Independent Non-executive Directors are Mr. IP Shu Kwan, Stephen, GBS, JP, Mr. MAK Wing Sum, Alvin, Ms. WONG Yu Pok, Marina, JP and Mr. HUI King Wai.