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3DG HOLDINGS (INTERNATIONAL) LIMITED

金至尊集團(國際)有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 2882)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 31 MARCH 2025**

HIGHLIGHTS

- For the 9 months of 2024/25, revenue reached HK\$712 million, reflecting a 18% increase compared to the 12 months of 2023/24. Gross margin increased by 7 p.p. to 35%.
- Operating loss increased by 25% to HK\$164 million, mainly attributed to hedging losses caused by the surge in gold price, which impacted the fair values of the gold loans. Excluding the impact of gold hedging losses, the operating loss turned around to an operating profit of HK\$6 million.
- Loss for the period decreased by 4% to HK\$200 million, while loss for the period attributable to equity holders reduced by 30% to HK\$95 million.
- Excluding the impact of gold hedging losses, Mainland China, including retailing, licensing, e-commerce and its overall business, turned around from a loss-making position to profitability.

FINANCIAL PERFORMANCE

	Period ended 31 March 2025 <i>HK\$'000</i>	Year ended 30 June 2024 <i>HK\$'000</i>	<i>Changes</i>
Revenue*	711,541	604,517	18%
Gross Profit*	248,612	170,277	46%
Operating Loss*	(164,110)	(131,025)	25%
Loss for the Period/Year	(199,686)	(208,746)	-4%
Loss Attributable to Equity Holders	(94,864)	(135,316)	-30%
Basic Earnings per Share	(0.352)	(0.502)	-30%
Gross Margin*	35%	28%	+7 p.p
Operating Margin*	-23%	-22%	-1 p.p
Net Margin*	-28%	-35%	+7 p.p
Total Operating Expenses to Revenue Ratio*	37%	43%	-6 p.p
Effective Tax Rate	-1%	2%	-3 p.p
EBITDA**	(115,371)	(93,536)	23%
Adjusted EBITDA***	(144,885)	(116,336)	25%

* Including continuing operations only

** Represents a non-HKFRS financial measure

*** Adjusted EBITDA which is a non-HKFRS financial measure represents earnings before interest, taxes, depreciation and amortisation without depreciation of right-of-use assets

The board of directors (the “**Board**”) of 3DG Holdings (International) Limited (the “**Company**” or “**3DG**”) hereby presents the consolidated annual results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the nine months ended 31 March 2025 (“**FY2025**” or the “**Period**”) together with the comparative figures for the year ended 30 June 2024 as follows:

CONSOLIDATED INCOME STATEMENT

For the nine months ended 31 March 2025

		Period ended 31 March 2025 <i>HK\$'000</i>	Year ended 30 June 2024 <i>HK\$'000</i>
	<i>Note</i>		
<i>Continuing operations</i>			
Revenue	3	711,541	604,517
Cost of sales	5	<u>(462,929)</u>	<u>(434,240)</u>
Gross profit		248,612	170,277
Other income		3,913	1,841
Other gains/(losses), net		12,493	(5,655)
Provision for impairment losses on financial assets		(451)	–
Selling and distribution costs		(191,504)	(171,342)
Administrative expenses		(67,205)	(72,018)
Net unrealised losses on gold loans from a fellow subsidiary		<u>(169,968)</u>	<u>(54,128)</u>
Operating loss	5	<u>(164,110)</u>	<u>(131,025)</u>
Change in fair value of derivatives embedded in convertible Bonds		–	413
Finance income		80	3,006
Finance costs		<u>(32,754)</u>	<u>(88,077)</u>
Finance costs, net	4	<u>(32,674)</u>	<u>(85,071)</u>
Loss before income tax from continuing operations		<u>(196,784)</u>	<u>(215,683)</u>

CONSOLIDATED INCOME STATEMENT (CONTINUED)

For the nine months ended 31 March 2025

		Period ended 31 March 2025 HK\$'000	Year ended 30 June 2024 HK\$'000
	Note		
Loss before income tax from continuing operations		(196,784)	(215,683)
Income tax (expenses)/credit	6	<u>(2,902)</u>	<u>4,230</u>
Loss from continuing operations		(199,686)	(211,453)
<i>Discontinued operation</i>			
Profit from discontinued operation		<u>–</u>	<u>2,707</u>
Loss for the period/year		<u><u>(199,686)</u></u>	<u><u>(208,746)</u></u>
Loss attributable to:			
Equity holders of the Company		(94,864)	(135,316)
Non-controlling interests		<u>(104,822)</u>	<u>(73,430)</u>
		<u><u>(199,686)</u></u>	<u><u>(208,746)</u></u>
Loss per share for loss attributable to equity holders of the Company arising from continuing and discontinued operations during the period/year			
Basic and diluted	8	<u><u>HK\$0.352</u></u>	<u><u>HK\$0.502</u></u>
Loss per share arising from continuing operations			
Basic and diluted	8	<u><u>HK\$0.352</u></u>	<u><u>HK\$0.520</u></u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 31 March 2025

	Period ended 31 March 2025 HK\$'000	Year ended 30 June 2024 HK\$'000
Loss for the period/year	<u>(199,686)</u>	<u>(208,746)</u>
Other comprehensive (loss)/income:		
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations from		
– Continuing operations	(28,407)	6,938
– Discontinued operations	<u>–</u>	<u>(412)</u>
	(28,407)	6,526
<i>Item that will not be reclassified to profit or loss</i>		
Exchange difference arising on translation of functional currency of the Company	<u>14,130</u>	<u>(10,299)</u>
Other comprehensive loss for the period/year, net of tax	<u>(14,277)</u>	<u>(3,773)</u>
Total comprehensive loss for the period/year	<u>(213,963)</u>	<u>(212,519)</u>
Attributable to:		
– Equity holders of the Company	(109,367)	(134,245)
– Non-controlling interests	<u>(104,596)</u>	<u>(78,274)</u>
Total comprehensive loss for the period/year	<u>(213,963)</u>	<u>(212,519)</u>

CONSOLIDATED BALANCE SHEET

As at 31 March 2025

		As at 31 March 2025 HK\$'000	As at 30 June 2024 HK\$'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		41,583	31,579
Right-of-use assets		79,526	57,368
Intangible asset		155,337	162,976
Deposits		9,863	7,956
Deferred income tax assets		22,923	25,906
		<u>309,232</u>	<u>285,785</u>
Current assets			
Inventories		1,069,901	728,097
Right of return assets		2,644	3,127
Trade receivables	9	68,516	40,865
Deposits, prepayments and other receivables		65,966	24,242
Cash and cash equivalents		53,340	31,918
		<u>1,260,367</u>	<u>828,249</u>
Total assets		<u>1,569,599</u>	<u>1,114,034</u>
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital		270	270
Share premium		845,033	845,033
Reserves		(1,269,175)	(1,159,808)
		(423,872)	(314,505)
Non-controlling interests		(363,626)	(259,030)
Total deficit		<u>(787,498)</u>	<u>(573,535)</u>

CONSOLIDATED BALANCE SHEET (CONTINUED)

As at 31 March 2025

		As at 31 March 2025 <i>HK\$'000</i>	As at 30 June 2024 <i>HK\$'000</i>
	<i>Note</i>		
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		38,836	40,746
Lease liabilities		45,016	35,929
Loan from a fellow subsidiary		100,000	100,000
Employee benefit obligations		1,739	1,252
		<u>185,591</u>	<u>177,927</u>
Current liabilities			
Trade payables, other payables, accruals and deposits received	10	123,985	156,726
Loans from fellow subsidiaries		1,273,846	812,591
Contract liabilities		6,843	7,642
Lease liabilities		42,190	23,883
Refund liabilities		8,685	10,713
Bank borrowings		21,807	–
Gold loans from a fellow subsidiary		693,651	498,087
Current income tax liabilities		499	–
		<u>2,171,506</u>	<u>1,509,642</u>
Total liabilities		<u>2,357,097</u>	<u>1,687,569</u>
Total deficit and liabilities		<u><u>1,569,599</u></u>	<u><u>1,114,034</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

For the period ended 31 March 2025

1. GENERAL INFORMATION

3DG Holdings (International) Limited (the “**Company**”) was incorporated in Bermuda on 29 July 2002 as a company with limited liability under the Companies Act of Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the retailing, wholesaling and licensing operations of a variety of gold and platinum jewellery, and gem-set jewellery.

The Company’s shares were listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 30 June 2003.

These consolidated financial information are presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated, and have been approved for issue by the Board of Directors (the “**Board**”) on 24 June 2025.

2. BASIS OF PREPARATION

The consolidated financial information of the Group has been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of Hong Kong Companies Ordinance Cap.622. The consolidated financial information has been prepared under the historical cost convention except for gold loans from a fellow subsidiary which are measured at fair value.

(a) Change of financial year end date

On 27 February 2025, the Board announced that financial year end date of the Company has been changed from 30 June to 31 March commencing from the financial period ended 31 March 2025 in order to align its financial year end date with the controlling shareholder of the Company. Accordingly, the accompanying consolidated financial information of the current financial period cover a period of nine months from 1 July 2024 to 31 March 2025. The comparative figures for the consolidated income statement, consolidated statement of comprehensive income and related notes, however, cover a period of twelve months from 1 July 2023 to 30 June 2024, and hence are not directly comparable.

(b) Change of accounting estimate

In previous years, intangible asset was considered by the directors of the Company as having indefinite useful life. The intangible asset was not amortised. Since the completion of the acquisition by Luk Fook in February 2024, intangible assets have been amortised over the estimated useful life of 16.5 years.

This change in the useful life of intangible assets has increased the amortization charge for the period ended 31 March 2025 of approximately HK\$7,639,000 (year ended 30 June 2024: HK\$5,090,000).

The board of directors of the Company are of the opinion that the financial impact on the change of accounting estimate is not material to the Group as a whole.

(c) Basis of going concern

The Group incurred a net loss of approximately HK\$199,686,000 during the nine months ended 31 March 2025 and as at that date, the Group had net current liabilities and net liabilities of approximately HK\$911,139,000 and HK\$787,498,000 respectively. Among its current liabilities as of 31 March 2025 were interest-free loans of approximately HK\$13,275,000, interest-bearing loans of approximately HK\$1,260,571,000 and gold loans of approximately HK\$693,651,000. All such loans were provided by the Group's fellow subsidiaries, which are controlled by Luk Fook Holdings (International) Limited ("**Luk Fook**").

In view of these circumstances, the Board has given careful consideration to the liquidity requirements for the Group's operations, the Group's performance, and available sources of financing in assessing whether the Group has sufficient financial resources to continue as a going concern. As at 31 March 2025, certain subsidiaries of Luk Fook (the "**Fellow Subsidiaries**") have provided financing to the Group through interest-free loans, interest-bearing loans and gold loans of approximately HK\$113,275,000, HK\$1,260,571,000 and HK\$693,651,000 respectively. Fellow Subsidiaries have confirmed their intention to not demand for repayment of these loans to enable the Group to meet its liabilities as they fall due and carry on its business without a significant curtailment of operations in the twelve months from the approval of these consolidated financial information and until the Group has sufficient financial resources in self-sustaining its operations. Also, the Group has sufficient working capital and unutilised banking facilities for its liquidity needs. Consequently, the directors have prepared the consolidated financial information on a going concern basis.

(d) Amended standards and interpretations adopted by the Group

The Group has applied the following amended standards and interpretation that are effective for the first time for the financial period beginning 1 July 2024:

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKFRS 16 (Amendments)	Lease Liabilities in a Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements

The adoption of amended standards and interpretation did not have any material impact on the preparation of the consolidated financial information of the Group.

(e) New standards, amended standards and interpretation not yet adopted by the Group

Certain new standards, amended standards and interpretation have been issued but are not yet effective for the financial period beginning 1 July 2024 and have not been early adopted:

HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability ⁽¹⁾
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments ⁽²⁾
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature – Dependent Electricity ⁽²⁾
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11 ⁽²⁾
HKFRS 18	Presentation and Disclosure in Financial Statements ⁽³⁾
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ⁽³⁾
HK-Interpretation 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ⁽³⁾
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽⁴⁾

⁽¹⁾ Effective for annual period beginning on or after 1 January 2025

⁽²⁾ Effective for annual period beginning on or after 1 January 2026

⁽³⁾ Effective for annual period beginning on or after 1 January 2027

⁽⁴⁾ To be announced by HKICPA

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated income statement and providing management-defined performance measures within the consolidated financial statements. Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements.

The Group expects to apply the new standard from its mandatory effective date of 1 April 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 March 2026 will be restated in accordance with HKFRS 18. Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements.

The directors of the Group will adopt the above new standards, amendments and improvements to existing standards and interpretation when they become effective. Except for the above disclosed impact, the directors of the Group are in the process of assessing the financial impact of the adoption of the above new standards, amendments to existing standards and interpretation, none of which is expected to have a significant effect on the consolidated financial statements of the Group in the current or future reporting periods and on foreseeable future transactions.

3. REVENUE AND SEGMENT INFORMATION

Segment Information

The executive directors and senior management collectively are identified as the chief operating decision-makers ("CODM"). The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. The operating segments are reported in accordance with the internal reporting reviewed by the CODM.

The CODM considers the business by nature of business activities and assesses the performance of the following operating segments:

- i. Retailing – Hong Kong and Macau
- ii. Retailing – Mainland
- iii. Wholesaling – Hong Kong
- iv. Wholesaling – Mainland
- v. Licensing

CODM assesses the performance of the operating segments based on segment results. Finance income and costs, corporate income and expenses and income tax expenses and credit are not included in the results for each operating segment that is reviewed by the CODM. Other information provided to the CODM is measured in a manner consistent with that in the consolidated financial information.

Assets of reportable segments exclude intangible asset, cash and cash equivalents, deferred income tax assets and corporate assets, all of which are managed on a central basis. Liabilities of reportable segments exclude deferred income tax liabilities, current income tax liabilities, bank borrowings, gold loans from a fellow subsidiary, loans from fellow subsidiaries, and corporate liabilities, all of which are managed on a central basis. These form part of the reconciliation to total assets and liabilities on the consolidated balance sheet.

Sales to external customers are stated after elimination of inter-segment sales. Sales between segments are carried out at mutually agreed terms. The revenue from external parties, assets and liabilities, reported to the CODM is measured in a manner consistent with that in the consolidated income statement and consolidated balance sheet.

Period ended 31 March 2025							
	Retailing – Hong Kong and Macau <i>HK\$'000</i>	Retailing – Mainland <i>HK\$'000</i>	Wholesaling – Hong Kong <i>HK\$'000</i>	Wholesaling – Mainland <i>HK\$'000</i>	Licensing <i>HK\$'000</i>	Inter- segment elimination <i>HK\$'000</i>	Reportable segments total <i>HK\$'000</i>
Revenue – at a point of time							
Sales to external customers	141,932	502,427	2,662	35,405	–	–	682,426
Inter-segment sales	8,442	243,303	–	41,892	–	(293,637)	–
Sales of merchandises	150,374	745,730	2,662	77,297	–	(293,637)	682,426
Revenue – over time							
Royalty and service income	–	–	–	–	24,409	–	24,409
Consultancy fee income	–	–	–	–	4,706	–	4,706
Total	150,374	745,730	2,662	77,297	29,115	(293,637)	711,541
Results of reportable segments	(46,173)	(85,387)	87	(4,196)	9,799	–	(125,870)
A reconciliation of results of reportable segments to loss for the period is as follows:							
Results of reportable segments							(125,870)
Unallocated income							3,913
Unallocated expenses							(42,153)
Operating loss							(164,110)
Finance income							80
Finance costs							(32,754)
Loss before income tax							(196,784)
Income tax expenses							(2,902)
Loss for the period							(199,686)
Add: Loss attributable to non-controlling interests							104,822
Loss attributable to equity holders of the Company							(94,864)

Period ended 31 March 2025

	Retailing – Hong Kong and Macau HK\$'000	Retailing – Mainland HK\$'000	Wholesaling – Hong Kong HK\$'000	Wholesaling – Mainland HK\$'000	Licensing HK\$'000	Unallocated HK\$'000	Total HK\$'000
Net unrealised losses on gold loans	32,811	133,362	–	3,795	–	–	169,968
Staff costs	21,515	49,028	–	3,763	13,636	16,632	104,574
Depreciation of property, plant and equipment	2,026	8,623	–	21	107	809	11,586
Depreciation of right-of-use assets	15,183	7,343	–	–	–	6,988	29,514
Amortisation of intangible asset	–	–	–	–	–	7,639	7,639
Provision for impairment losses on property, plant and equipment	682	4,908	–	–	–	–	5,590
Provision for impairment losses on right-of-use assets	3,477	1,412	–	–	–	–	4,889
Provision for impairment losses on financial assets	–	451	–	–	–	–	451
Loss/(gain) on disposal of property, plant and equipment	19	(1)	–	–	–	(210)	(192)
Written off of property, plant and equipment	2,948	80	–	–	–	–	3,028
Finance cost	–	–	–	–	–	32,754	32,754
Additions of property, plant and equipment	3,342	26,348	–	10	–	945	30,645
Additions of right-of-use assets	26,406	17,120	–	–	–	25,325	68,851

As at 31 March 2025

	Retailing – Hong Kong and Macau HK\$'000	Retailing – Mainland HK\$'000	Wholesaling – Hong Kong HK\$'000	Wholesaling – Mainland HK\$'000	Licensing HK\$'000	Unallocated HK\$'000	Total HK\$'000
Segment assets	318,449	920,008	–	82,632	2,414		1,323,503
Intangible asset						155,337	155,337
Deferred income tax assets						22,923	22,923
Cash and cash equivalents						53,340	53,340
Other unallocated assets						14,496	14,496
Total assets							1,569,599
Segment liabilities	63,103	124,406	–	17,033	11,883		216,425
Deferred income tax liabilities						38,836	38,836
Current income tax liabilities						499	499
Bank borrowings						21,807	21,807
Gold loans from a fellow subsidiary						693,651	693,651
Loans from fellow subsidiaries						1,373,846	1,373,846
Other unallocated liabilities						12,033	12,033
Total liabilities							2,357,097

	Year ended 30 June 2024					
	Retailing – Hong Kong and Macau <i>HK\$'000</i>	Retailing – Mainland <i>HK\$'000</i>	Wholesaling – Mainland <i>HK\$'000</i>	Licensing <i>HK\$'000</i>	Inter- segment elimination <i>HK\$'000</i>	Reportable segments total <i>HK\$'000</i>
Revenue – at a point of time						
Sales to external customers	114,602	417,607	32,894	–	–	565,103
Inter-segment sales	9,516	140,709	21,171	–	(171,396)	–
Sales of merchandises	124,118	558,316	54,065	–	(171,396)	565,103
Revenue – over time						
Royalty and service income	–	–	–	21,793	–	21,793
Consultancy fee income	–	–	–	17,621	–	17,621
Total	124,118	558,316	54,065	39,414	(171,396)	604,517
Results of reportable segments	(24,186)	(44,083)	(5,119)	14,357	–	(59,031)
A reconciliation of results of reportable segments to loss for the year is as follows:						
Results of reportable segments						(59,031)
Unallocated income						1,344
Unallocated expenses						(73,338)
Operating loss						(131,025)
Change in fair value of derivatives emended on convertible bonds						413
Finance income						3,006
Finance costs						(88,077)
Loss before income tax from continuing operation						(215,683)
Income tax credit						4,230
Loss for the year from continuing operation						(211,453)
Add: Profit from discontinued operation						2,707
Loss for the year						(208,746)
Add: Loss attributable to non-controlling interests						73,430
Loss attributable to equity holders of the company						(135,316)

Year ended 30 June 2024

	Retailing – Hong Kong and Macau <i>HK\$'000</i>	Retailing – Mainland <i>HK\$'000</i>	Wholesaling – Mainland <i>HK\$'000</i>	Licensing <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Net unrealised losses on gold loans	13,666	39,472	990	–	–	54,128
Staff costs	18,728	50,792	4,820	1,033	52,411	127,784
Depreciation of property, plant and equipment	1,110	6,693	162	275	946	9,186
Depreciation of right-of-use assets	9,620	4,141	–	–	9,039	22,800
Amortisation of intangible asset	–	–	–	–	5,090	5,090
Loss on disposal of property, plant and equipment	–	80	–	–	–	80
Written off of property, plant and equipment	14	33	–	–	38	85
Finance cost	2,175	–	–	–	85,902	88,077
Additions of property, plant and equipment	12,066	13,338	–	–	811	26,215
Additions of right-of-use assets	56,296	10,327	–	–	361	66,984

As at 30 June 2024

	Retailing – Hong Kong and Macau <i>HK\$'000</i>	Retailing – Mainland <i>HK\$'000</i>	Wholesaling – Mainland <i>HK\$'000</i>	Licensing <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment asset	291,321	528,148	69,223	1,012		889,704
Intangible asset					162,976	162,976
Deferred income tax assets					25,906	25,906
Cash and cash equivalents					31,918	31,918
Other unallocated assets					3,530	3,530
Total assets						1,114,034
Segment liabilities	67,227	109,286	16,323	17,492		210,328
Deferred income tax liabilities					40,746	40,746
Loans from fellow subsidiaries					912,591	912,591
Gold loans from a fellow subsidiary					498,087	498,087
Other unallocated liabilities					25,817	25,817
Total liabilities						1,687,569

An analysis of the Group's revenue and cost of sales by location in which the transactions took place is as follows:

	Period ended 31 March 2025 <i>HK\$'000</i>	Year ended 30 June 2024 <i>HK\$'000</i>
Revenue		
Hong Kong	138,633	117,843
Mainland	561,696	474,213
Macau	11,212	12,461
	711,541	604,517
Cost of sales		
Hong Kong	88,683	85,283
Mainland	366,476	339,437
Macau	7,770	9,520
	462,929	434,240

During the period ended 31 March 2025, revenue recognised of HK\$5,385,000 was included in the contract liabilities balance as at beginning of the period/year (year ended 31 June 2024: HK\$5,837,000).

The Company is domiciled in the Bermuda while the Group operates its business primarily in Hong Kong, Mainland and Macau. For the period ended 31 March 2025, no revenue was generated from the Bermuda and no assets were located in the Bermuda (year ended 30 June 2024: Nil).

An analysis of the Group's non-current assets (other than deferred income tax assets, and deposits) by location of assets is as follows:

	As at 31 March 2025			As at 30 June 2024		
	Hong Kong and Macau <i>HK\$'000</i>	Mainland <i>HK\$'000</i>	Total <i>HK\$'000</i>	Hong Kong and Macau <i>HK\$'000</i>	Mainland <i>HK\$'000</i>	Total <i>HK\$'000</i>
Property, plant and equipment	10,225	31,358	41,583	12,353	19,226	31,579
Right-of-use assets	49,496	30,030	79,526	47,173	10,195	57,368
Intangible asset	–	155,337	155,337	–	162,976	162,976
	59,721	216,725	276,446	59,526	192,397	251,923

4. FINANCE COSTS, NET

	Period ended 31 March 2025 HK\$'000	Year ended 30 June 2024 HK\$'000
Finance income:		
– Bank interest income	80	3,006
Finance costs:		
– Interest expenses on bank borrowings	(1)	(63,733)
– Interest expenses on gold loans from a fellow subsidiary	(4,394)	(1,423)
– Interest expenses on loans from fellow subsidiaries	(24,068)	(18,492)
– Interest expenses on lease liabilities	(4,230)	(3,066)
– Effective interest on convertible bonds	–	(1,363)
– Others	(61)	–
	<u>(32,754)</u>	<u>(88,077)</u>
Finance costs, net	<u>(32,674)</u>	<u>(85,071)</u>

5. OPERATING LOSS

The operating loss is stated after charging the following:

	Period ended 31 March 2025 HK\$'000	Year ended 30 June 2024 HK\$'000
Auditor's remuneration		
– Audit fee	1,783	1,740
– Non-audit service	220	205
Cost of sales	462,929	434,240
Depreciation of property, plant and equipment	11,586	9,186
Depreciation of right-of-use assets	29,514	22,800
Amortisation of intangible asset	7,639	5,090
Provision for impairment losses on property, plant and equipment	5,590	–
Provision for impairment losses on right-of-use-assets	4,889	–
	<u>4,889</u>	<u>–</u>

6. INCOME TAX EXPENSES/(CREDIT)

	Period ended 31 March 2025 HK\$'000	Year ended 30 June 2024 HK\$'000
Current taxation:		
– Mainland taxation	1,829	104
Deferred income tax	1,073	(4,334)
	<u>2,902</u>	<u>(4,230)</u>

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising from Hong Kong for the period/year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2 million of estimated assessable profits of this subsidiary is taxed at 8.25% and the remaining estimated assessable profits are taxed at 16.5% (year ended 30 June 2024: Same). No provision for taxation in Hong Kong as the Group has no assessable profits in Hong Kong for the period ended 31 March 2025 and year ended 30 June 2024.

Pursuant to the Enterprise Income Tax Law and Implementation Rules of the PRC, subsidiaries of the Company established in the PRC are subject to an income tax rate of 25% for both period/year.

Pursuant to 《關於延續西部大開發企業所得稅政策的公告》 (Announcement No. 23 of the Ministry of Finance in [2020]) issued in April 2020, certain subsidiaries established in Chongqing, the PRC, were subject to a preferential tax rate of 15% from 1 January 2021 to 31 December 2030, when the major business of the enterprises fell within the encouraged industries and the annual revenue from the encouraged business exceeded 60% of each subsidiary's total revenue in a fiscal year.

Pursuant to 《財政部、稅務總局關於進一步支援小微企業和個體工商戶發展有關稅費政策的公告》 (Public Notice [2023] No. 12 issued in August 2023, certain subsidiaries qualifying as Small and Thin Profit Enterprises with an annual taxable income no more than RMB3 million are eligible for a reduction of taxable income to 25% of the original amount. PRC Enterprise Income Tax is then levied at a rate of 20% on the reduced taxable income.

7. DIVIDENDS

The Board has resolved not to propose or declare any final dividend for the period ended 31 March 2025 (year ended 30 June 2024: Nil).

8. LOSS PER SHARE

	Period ended 31 March 2025 HK\$'000	Year ended 30 June 2024 HK\$'000
Loss/(profit) for the year attributable to owners of the Company for the purpose of basic and diluted loss per ordinary share arising from:		
– Continuing operation	(94,864)	(140,144)
– Discontinued operation	–	4,828
	<u>(94,864)</u>	<u>(135,316)</u>
	As at 31 March 2025 No. of shares '000	As at 30 June 2024 No. of shares '000
Number of ordinary shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per ordinary share for continuing and discontinued operations	<u>269,672</u>	<u>269,672</u>
	Period ended 31 March 2025 HK\$'000	Year ended 30 June 2024 HK\$'000
Basic and diluted (loss)/earning per ordinary share attributable to owners of the Company arising from:		
– Continuing operation	(0.352)	(0.520)
– Discontinued operation	–	0.018
	<u>(0.352)</u>	<u>(0.502)</u>

During the period ended 31 March 2025, the Company had potential ordinary shares which are the share options granted under 2009 Share Option Scheme. As the Company incurred losses for the period ended 31 March 2025, these potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, the amounts of diluted loss per share for the period ended 31 March 2025 were the same as basic loss per share (year ended 30 June 2024: Same).

9. TRADE RECEIVABLES

The Group's sales comprised mainly cash sales and credit card sales to retail customers and sales to licensees. Concessionaire sales through department stores and sales through e-commerce platforms are generally on credit terms up to 60 days (30 June 2024: Up to 30 days). The ageing analysis of trade receivables, based on invoice date, is as follows:

	As at 31 March 2025 <i>HK\$'000</i>	As at 30 June 2024 <i>HK\$'000</i>
0 – 30 days	52,152	35,002
31 – 60 days	7,390	1,696
61 – 90 days	4,753	2,333
Over 90 days	4,221	1,834
	<u>68,516</u>	<u>40,865</u>

10. TRADE PAYABLES, OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

Included in trade payables, other payables, accruals and deposits received are trade payables of approximately HK\$26,774,000 (30 June 2024: HK\$31,359,000) and the ageing analysis, based on the invoice date, is as follows:

	As at 31 March 2025 HK\$'000	As at 30 June 2024 HK\$'000
0 – 30 days	26,692	28,779
31 – 60 days	60	2,478
61 – 90 days	–	50
Over 90 days	22	52
	<u>26,774</u>	<u>31,359</u>

11. CAPITAL AND OTHER COMMITMENTS

	As at 31 March 2025 HK\$'000	As at 30 June 2024 HK\$'000
Capital commitments in respect of property, plant and equipment contracted for but not provided for	<u>19</u>	<u>509</u>

As at 31 March 2025, the Group had entered into properties lease agreements in respect of right-of-use assets and lease liabilities of HK\$5,090,000 (30 June 2024: HK\$23,746,000) which are contracted but not yet commenced.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

Revenue

HK\$712M

↑ 18%

Gold Hedging Losses

HK\$170M

↑ 214%

Operating Loss

HK\$164M

↑ 25%

Adjusted Operating Profit[#]

(exclude gold hedging losses)

HK\$6M

N/A

Loss for the Period

HK\$200M

↓ 4%

Adjusted Loss for the Period[#]

(exclude gold hedging losses)

HK\$30M

↓ 81%

Loss Attributable to Equity Holders

HK\$95M

↓ 30%

Total Number of Shops

238

↑ 19

- The change refers to comparison between 31 March 2025 and 30 June 2024
- Excluding gold hedging losses, the adjusted operating profit was HK\$6m, representing a turnaround from the adjusted operating loss of HK\$77m in FY2024
- Businesses which turned around from loss to profit (excluding gold hedging losses) during the period: Mainland China retailing, e-commerce and licensing businesses

Results

The surge in multiple central banks' gold reserves, alongside sustained geopolitical tensions and trade disputes globally, has contributed to elevating gold prices to record levels during the nine months ended 31 March 2025 (the “**Period**”). Despite facing various challenges, including macroeconomic uncertainties and cautious consumer sentiment, the Group benefited from the implementation of its retail network expansion strategies following the acquisition by Luk Fook Holdings (International) Limited (“**Luk Fook**”) which took place in January 2024. As a result, total revenue for the Period increased by 18% to HK\$711,541,000 (year ended 30 June 2024: HK\$604,517,000). Additionally, the Group's overall gross margin improved by 7 p.p. to 35% (year ended 30 June 2024: 28%), leading to a 46% rise in gross profit, which reached HK\$248,612,000 (year ended 30 June 2024: HK\$170,277,000).

[#] Represent a non-HKFRS financial measure.

The surge in gold prices resulted in gold hedging losses of HK\$169,968,000 for the Period (year ended 30 June 2024: HK\$54,128,000). Consequently, the operating loss rose significantly by 25% to HK\$164,110,000 (year ended 30 June 2024: HK\$131,025,000), with the operating loss margin slightly increased to 23% (year ended 30 June 2024: 22%). On the other hand, the Group's finance costs reduced substantially by 63% to HK\$32,754,000 (year ended 30 June 2024: HK\$88,077,000) with the financial assistance arrangements from Luk Fook. Overall, loss for the Period decreased by 4% to HK\$199,686,000 (year ended 30 June 2024: HK\$208,746,000), while the net loss margin reduced by 7 p.p. to 28% (year ended 30 June 2024: 35%). Excluding the impact of gold hedging losses, the adjusted operating profit[#] would be HK\$5,858,000 (year ended 30 June 2024: adjusted operating loss[#] of HK\$76,897,000), representing a turnaround from a loss-making position to profitability, while the adjusted loss for the Period[#] would be HK\$29,718,000 (year ended 30 June 2024: HK\$154,618,000), reflecting a reduction of 81%. The businesses which turned around from loss-making position to profitability (excluding gold hedging losses) included Mainland China retailing, e-commerce and licensing. Furthermore, loss attributable to equity holders of the Group decreased by 30% to HK\$94,864,000 (year ended 30 June 2024: HK\$135,316,000).

Overview

As at 31 March 2025, the Group had a global network of 238 shops (30 June 2024: 219 shops), with business spanning across Hong Kong SAR, China, Macau SAR, China, Mainland China and Thailand.

Distribution Network

	Countries and Regions	31 March 2025	30 June 2024	Y-o-Y Changes
Self-operated Shops	Mainland China ¹	99	72	+27
	Hong Kong SAR, China ²	6	5	+1
	Macau SAR, China ³	0	1	-1
	Sub-total	105	78	+27
Licensed Shops	Mainland	132	141	-9
	Overseas	1	0	+1
	Sub-total	133	141	-8
	Total	238	219	+19

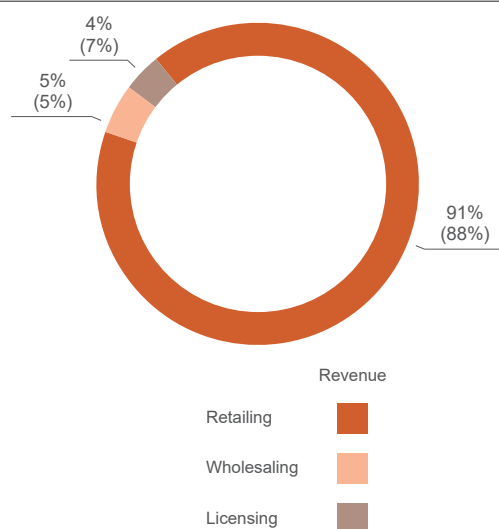
¹ Mainland China: Hereafter refers to as "Mainland"

² Hong Kong SAR, China: Hereafter refers to as "Hong Kong"

³ Macau SAR, China: Hereafter refers to as "Macau"

[#] Represent a non-HKFRS financial measure.

Revenue and Segment Loss by Business



* Comparative figures for FY2024 in the above chart are shown in brackets

HK\$M	Revenue	Segment (Loss)/ Profit	Segment (Loss)/ Profit Margin	Adjusted Segment Profit/(Loss) ^{1,#}	Adjusted Segment Profit/(Loss) Margin ^{1,#}
Retailing	645	(132)	-20%	34	5%
Changes	+21%	Loss increased by 93%	-8 p.p.	Turned around from loss of HK\$15m	+8 p.p.
Wholesaling	38	(4)	-11%	0	-1%
Changes	+16%	Loss decreased by 20%	+5 p.p.	Loss decreased by 92%	+12 p.p.
Licensing	29	10	34%	10	34%
Changes	-26%	-32%	-3 p.p.	-32%	-3 p.p.
Overall	712	(126)	-18%	44	6%
Changes	+18%	Loss increased by 113%	-8 p.p.	Turned around from loss of HK\$5m	+7 p.p.

¹ Adjusted Segment Profit/(Loss) refers to segment profit/(loss) excluding gold hedging losses

[#] Represent a non-HKFRS financial measure.

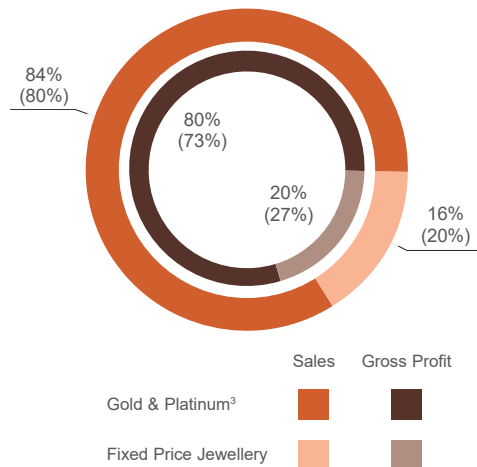
During the Period, retailing business was the main source of revenue of the Group. The Group's retailing revenue increased by 21% to HK\$644,359,000 (year ended 30 June 2024: HK\$532,209,000), accounting for 91% (year ended 30 June 2024: 88%) of the Group's total revenue, while its segment loss was widened to HK\$131,560,000 (year ended 30 June 2024: HK\$68,269,000) with segment loss margin of 20% (year ended 30 June 2024: 13%). Excluding the gold hedging losses attributed to the retailing segment, its adjusted segment result[#] turned around from a loss to a profit of HK\$34,613,000 (year ended 30 June 2024 adjusted segment loss[#]: HK\$15,130,000) and the adjusted segment profit margin[#] would be 5% (year ended 30 June 2024 adjusted segment loss margin[#]: 3%).

The Group's wholesaling revenue increased by 16% to HK\$38,067,000 (year ended 30 June 2024: HK\$32,894,000), accounting for 5% (year ended 30 June 2024: 5%) of the Group's total revenue, while its segment loss was HK\$4,109,000 (year ended 30 June 2024: HK\$5,119,000) with segment loss margin of 11% (year ended 30 June 2024: 16%). Excluding the gold hedging losses attributed to the wholesaling business, its adjusted segment loss[#] would amount to HK\$314,000, (year ended 30 June 2024: HK\$4,130,000) resulting in an adjusted segment loss margin[#] of 1% (year ended 30 June 2024: 13%).

During the Period, the licensing income decreased by 26% to HK\$29,115,000 (year ended 30 June 2024: HK\$39,414,000), accounting for 4% (year ended 30 June 2024: 7%) of the Group's total revenue, while its segment profit margin was 34% (year ended 30 June 2024: 36%), with its segment profit decreased to HK\$9,799,000 (year ended 30 June 2024: HK\$14,357,000).

[#] Represent a non-HKFRS financial measure.

Sales¹ and Gross Profit² by Product



* Comparative figures for FY2024 in the above chart are shown in brackets

HK\$M		Sales	Gross Profit	Gross Margin
Gold & Platinum		572	188	33%
	<i>Changes</i>	<i>+26%</i>	<i>+78%</i>	<i>+10 p.p.</i>
Fixed Price Jewellery		111	47	42%
	<i>Changes</i>	<i>-0%</i>	<i>+5%</i>	<i>+2 p.p.</i>
Overall		683	235	34%
	<i>Changes</i>	<i>+21%</i>	<i>+56%</i>	<i>+8 p.p.</i>

¹ Sales = Revenue – Licensing Income

² Gross Profit = Consolidated Gross Profit – Gross Profit of Licensing Business

³ Gold & Platinum refers to gold & platinum products sold by weight basing on international market price, i.e. at non-fixed price

During the Period, the average international gold price in USD per ounce increased by around 34%. Nevertheless, as the Group has expanded its distribution network as part of its strategic initiatives, sales of gold and platinum products increased by 26% to HK\$571,908,000 (year ended 30 June 2024: HK\$454,420,000), accounting for 84% (year ended 30 June 2024: 80%) of the overall sales amount (revenue of the Group minus licensing income). Its gross margin increased by 10 p.p. to 33% (year ended 30 June 2024: 23%) mainly because of the rise in gold prices. Gross profit of gold and platinum products therefore increased by 78% to HK\$187,585,000 (year ended 30 June 2024: HK\$105,439,000), accounting for 80% (year ended 30 June 2024: 73%) of the overall gross profit (gross profit of the Group minus gross profit of licensing business).

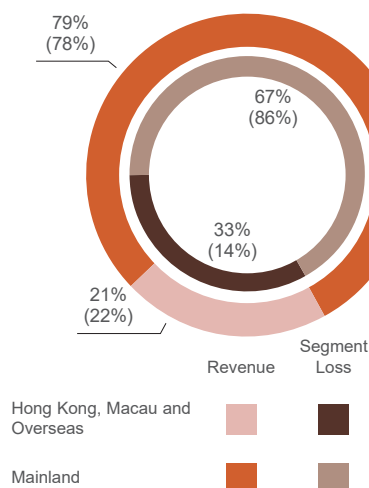
On the other hand, the sales of fixed price jewellery products maintained a flattish position at HK\$110,518,000 (year ended 30 June 2024: HK\$110,683,000), accounting for 16% (year ended 30 June 2024: 20%) of the overall sales amount (revenue of the Group minus licensing income). Gross margin of fixed price jewellery products increased by 2 p.p. to 42% (year ended 30 June 2024: 40%) with its gross profit increased by 5% to HK\$46,770,000 (year ended 30 June 2024: HK\$44,564,000), accounting for 20% (year ended 30 June 2024: 27%) of the overall gross profit (gross profit of the Group minus gross profit of licensing business).

During the Period, the overall Same Store Sales¹ of the Group was -10% (year ended 30 June 2024: -10%). SSS for gold and platinum products was -7% (year ended 30 June 2024: -7%), and -25% (year ended 30 June 2024: -21%) for fixed price jewellery products.

¹ 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’s e-commerce business.

BUSINESS REVIEW

Revenue and Segment Loss by Market



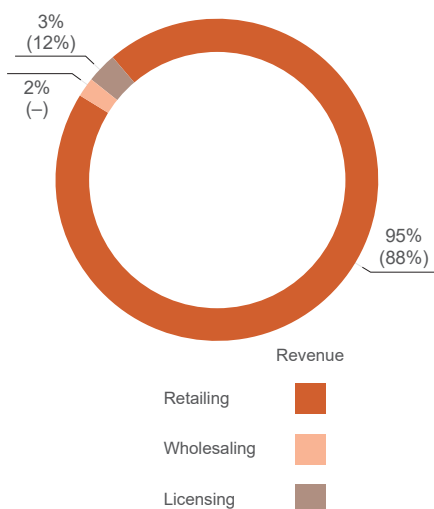
* Comparative figures for FY2024 in the above chart are shown in brackets

HK\$M	Revenue	Segment Loss	Segment Loss Margin	Adjusted Segment (Loss)/Profit ^{1,#}	Adjusted Segment (Loss)/Profit Margin ^{1,#}
Hong Kong, Macau & Overseas	150	(41)	-27%	(8)	-5%
<i>Changes</i>	<i>+15%</i>	<i>loss increased by 382%</i>	<i>-22 p.p.</i>	<i>Turned from profit of HK\$5m to loss</i>	<i>-9 p.p.</i>
Mainland	562	(85)	-15%	52	9%
<i>Changes</i>	<i>+18%</i>	<i>loss increased by 68%</i>	<i>-4 p.p.</i>	<i>Turned around from loss of HK\$10m to profit</i>	<i>+11 p.p.</i>
Overall	712	(126)	-18%	44	6%
<i>Changes</i>	<i>+18%</i>	<i>loss increased by 113%</i>	<i>-8 p.p.</i>	<i>Turned around from loss of HK\$5m</i>	<i>+7 p.p.</i>

¹ Adjusted Segment (Loss)/Profit refers to segment (loss)/profit excluding gold hedging losses

[#] Represent a non-HKFRS financial measure.

Hong Kong, Macau and Overseas



* Comparative figures for FY2024 in the above chart are shown in brackets

HK\$M	Revenue	Segment (Loss)/ Profit	Segment (Loss)/ Profit Margin	Adjusted Segment (Loss)/Profit ^{1,#}	Adjusted Segment (Loss)/ Profit Margin ^{1,#}
Retailing	142	(46)	-32%	(13)	-9%
<i>Changes</i>	<i>+24%</i>	<i>Loss increased by 91%</i>	<i>-11 p.p.</i>	<i>Loss increased by 27%</i>	<i>-</i>
Wholesaling	3	0	3%	0	3%
<i>Changes</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>
Licensing	5	5	99%	5	99%
<i>Changes</i>	<i>-67%</i>	<i>-67%</i>	<i>-1 p.p.</i>	<i>-67%</i>	<i>-1 p.p.</i>
Overall	150	(41)	-27%	(8)	-6%
<i>Changes</i>	<i>+15%</i>	<i>Loss increased by 382%</i>	<i>-22 p.p.</i>	<i>Turned from profit of HK\$5m to loss</i>	<i>-10 p.p.</i>

¹ Adjusted Segment (Loss)/Profit refers to segment (loss)/profit excluding gold hedging losses

[#] Represent a non-HKFRS financial measure.

Hong Kong, Macau and Overseas

Hong Kong and Macau

The Hong Kong and Macau markets continue to be affected by changes in the consumption patterns of outbound travellers and mainland tourists. According to the retail sales data released by the Census and Statistics Department of Hong Kong, the sales value of jewellery, watches and clocks, and valuable gifts from July 2024 to March 2025 decreased by 15% over the corresponding period last year. Nevertheless, as the Group has expanded its retail network in Hong Kong and Macau, the retailing revenue increased 24% to HK\$141,932,000 (year ended 30 June 2024: HK\$114,602,000) during the Period. As at 31 March 2025, the Group operated 6 self-operated shops (30 June 2024: 5 self-operated shops) in Hong Kong and none (30 June 2024: 1 self-operated shop) in Macau.

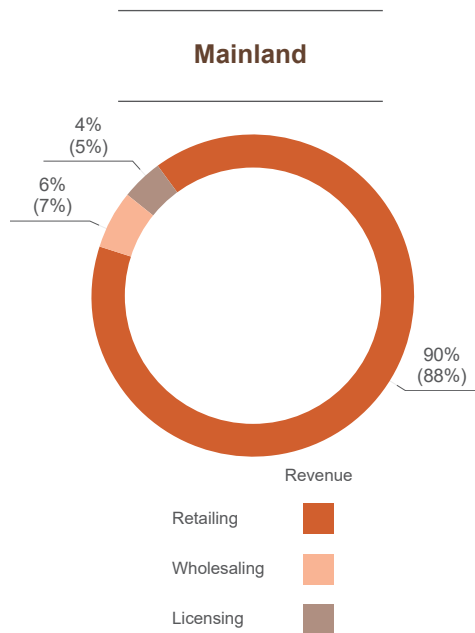
Overseas

During the Period, the Group has started its network expansion initiatives in overseas markets. In November 2024, the Group has launched its first licensed shop in Thailand.

Overall speaking, revenue from the Hong Kong, Macau and overseas markets increased by 15% to HK\$149,845,000 (year ended 30 June 2024: HK\$130,304,000) during the Period, accounting for 21% (year ended 30 June 2024: 22%) of the Group's total revenue. Its segment loss was HK\$40,891,000 (year ended 30 June 2024: HK\$8,484,000) with segment loss margin of 27% (year ended 30 June 2024: 5%). Excluding the gold hedging losses incurred, its adjusted segment loss[#] would be HK\$8,080,000 (year ended 30 June 2024 adjusted segment profit[#]: HK\$5,182,000), and the adjusted segment loss margin[#] would be 5% (year ended 30 June 2024: adjusted segment profit margin[#]: 4%).

The overall SSS in the Hong Kong and Macau markets was -21% (year ended 30 June 2024: -2%). SSS for gold and platinum products was -12% (year ended 30 June 2024: -2%), and -35% (year ended 30 June 2024: -1%) for fixed price jewellery products.

[#] Represent a non-HKFRS financial measure.



* Comparative figures for FY2024 in the above chart are shown in brackets

HK\$M	Revenue	Segment (Loss)/ Profit	Segment (Loss)/ Profit Margin	Adjusted Segment Profit/(Loss) ^{1,#}	Adjusted Segment Profit/(Loss) Margin ^{1,#}
Retailing	503	(86)	-17%	48	10%
<i>Changes</i>	<i>+20%</i>	<i>Loss increased by 94%</i>	<i>-6 p.p.</i>	<i>Turned around from loss of HK\$5m</i>	<i>+11 p.p.</i>
Wholesaling	35	(4)	-12%	0	-1%
<i>Changes</i>	<i>+8%</i>	<i>Loss decreased by 18%</i>	<i>+4 p.p.</i>	<i>Loss decreased by 90%</i>	<i>+12 p.p.</i>
Licensing	24	5	19%	4	19%
<i>Changes</i>	<i>+1%</i>	<i>Turned around from loss of HK\$1m</i>	<i>+25 p.p.</i>	<i>Turned around from loss of HK\$1m</i>	<i>+25 p.p.</i>
Overall	562	(85)	-15%	52	9%
<i>Changes</i>	<i>+18%</i>	<i>Loss increased by 68%</i>	<i>-4 p.p.</i>	<i>Turned around from loss of HK\$10m</i>	<i>+11 p.p.</i>

¹ Adjusted Segment Profit/(Loss) refers to segment profit/(loss) excluding gold hedging losses

[#] Represent a non-HKFRS financial measure.

Mainland

As the Group has started to broaden its distribution network in Mainland, the retailing revenue increased by 20% to HK\$502,427,000 (year ended 30 June 2024: HK\$417,607,000), accounting for 90% (year ended 30 June 2024: 88%) of Mainland market's revenue and 71% (year ended 30 June 2024: 69%) of the Group's total revenue during the Period. Its segment loss was HK\$85,387,000 (year ended 30 June 2024: HK\$44,083,000) with segment loss margin of 17% (year ended 30 June 2024: 11%). The overall SSS in Mainland was -7% (year ended 30 June 2024: -8%). The SSS for its gold and platinum products was -5% (year ended 30 June 2024: -4%), and -17% (year ended 30 June 2024: -27%) for its fixed price jewellery products. Excluding the gold hedging losses attributed, its adjusted segment result[#] turned around from a loss to a profit of HK\$47,975,000 (year ended 30 June 2024 adjusted segment loss[#]: HK\$4,610,000) and the adjusted segment profit margin[#] would be 10% (year ended 30 June 2024 adjusted segment loss margin[#]: 1%).

The revenue of the wholesaling business increased by 8% to HK\$35,405,000 (year ended 30 June 2024: HK\$32,894,000), which accounted for 6% (year ended 30 June 2024: 7%) of Mainland market's revenue and 5% (year ended 30 June 2024: 5%) of the Group's total revenue during the Period. Its segment loss decreased by 18% to HK\$4,196,000 (year ended 30 June 2024: HK\$5,119,000), with segment loss margin at 12% (year ended 30 June 2024: 16%). Excluding gold hedging losses attributed to the wholesaling business, its adjusted segment loss[#] would reduce to HK\$401,000 (year ended 30 June 2024: HK\$4,130,000), resulting in an adjusted segment loss margin[#] of 1% (year ended 30 June 2024: 13%).

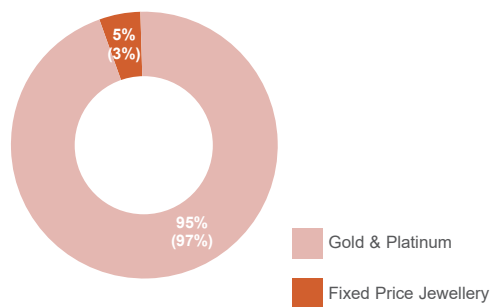
Licensing income in the Mainland market increased by 1% to HK\$23,864,000 (year ended 30 June 2024: HK\$23,712,000), which accounted for 4% (year ended 30 June 2024: 5%) of Mainland market's revenue and 3% (year ended 30 June 2024: 4%) of the Group's total revenue during the Period. Its segment result turned around from a loss to a profit of HK\$4,604,000 (year ended 30 June 2024 segment loss: HK\$1,345,000), with segment profit margin was 19% (year ended 30 June 2024 segment loss margin: 6%).

As at 31 March 2025, the Group had a total of 231 shops (30 June 2024: 213 shops) in Mainland, including 132 licensed shops (30 June 2024: 141 licensed shops) and 99 self-operated shops (30 June 2024: 72 self-operated shops).

[#] Represent a non-HKFRS financial measure.

FY2025 Mainland E-commerce Business Performance

Sales by Product



* Comparative figures for FY2024 in the above chart are shown in brackets

Revenue	
HKD136 million	+68% Changes
RMB127 million	+68% Changes
Average Selling Price ²	
RMB3,293	+32% Changes
Contribution to Mainland Retailing Revenue ¹ :	
27%	+8 p.p.
Contribution to Group's Retailing Revenue ¹ :	
21%	+6 p.p.

¹ Sales of self-operated shops and e-commerce business

² ASP included value-added tax (VAT)

During the Period, revenue of e-commerce business from Mainland increased 68% to HK\$136,279,000 (year ended 30 June 2024: HK\$81,085,000), accounting for 27% (year ended 30 June 2024: 19%) of the retailing revenue in Mainland and 21% (year ended 30 June 2024: 15%) of the Group's retailing revenue. Sales of gold and platinum products accounted for 95% (year ended 30 June 2024: 97%) of its sales mix and 5% (year ended 30 June 2024: 3%) for its fixed price jewellery products.

Overall speaking, revenue from the Mainland market increased 18% to HK\$561,696,000 (year ended 30 June 2024: HK\$474,213,000), accounting for 79% (year ended 30 June 2024: 78%) of the Group's total revenue for the Period. Its segment loss increased to HK\$84,979,000 (year ended 30 June 2024: HK\$50,547,000), with segment loss margin of 15% (year ended 30 June 2024: 11%). Excluding the gold hedging losses attributed to the Mainland market, its adjusted segment result[#] would turn around from a loss to a profit of HK\$52,178,000 (year ended 30 June 2024 adjusted segment loss[#]: HK\$10,085,000) and the adjusted segment profit margin[#] would be 9% (year ended 30 June 2024 adjusted segment loss margin[#]: 2%).

FINANCIAL REVIEW

Non-HKFRS Financial Measure

To supplement the consolidated results of the Group prepared in accordance with HKFRS Accounting Standards (“**HKFRS**”), certain non-HKFRS financial measures, adjusted operating profit/(loss), adjusted loss for the period/year, adjusted segment profit/(loss), adjusted segment profit/(loss) margin, EBITDA, EBITDA margin and total operating expenses to revenue ratio have been presented in this announcement. The management of the Group believes that such non-HKFRS financial measures provide investors with clearer view on the Group's financial results, and with useful supplementary information to assess the performance of the Group's strategic operations by excluding the impact of certain non-cash items. Nevertheless, the use of these non-HKFRS financial measures have limitations as an analytical tool. These unaudited non-HKFRS financial measures should be considered in addition to, not as a substitute for, analysis of the Group's financial performance prepared in accordance with HKFRS. In addition, these non-HKFRS financial measures may be defined differently from similar terms used by other companies.

Liquidity and Financial Resources

As at 31 March 2025, the Group's cash and cash equivalents amounted to HK\$53,340,000 (30 June 2024: HK\$31,918,000). Excluded loans from fellow subsidiaries and gold loans from a fellow subsidiary, net cash was HK\$31,533,000 (30 June 2024: HK\$31,918,000). The debt-to-equity ratio was 556% (30 June 2024: 537%), being the ratio of total liabilities of HK\$2,357,097,000 (30 June 2024: HK\$1,687,569,000) against total shareholders' deficit of HK\$423,872,000 (30 June 2024: HK\$314,505,000). As at 31 March 2025, the Group utilised banking facilities of approximately HK\$21,807,000 (30 June 2024: Nil). The Group's income and expenditure streams are mainly denominated in Renminbi.

[#] Represent a non-HKFRS financial measure.

Inventory

(Turnover Days)	Average Inventory		Closing Inventory	
	9 months ended 31 Mar 2025	Changes	9 months ended 31 Mar 2025	Changes
Gold & Platinum	397	+47	500	+69
Fixed Price Jewellery	1,473	-159	1,586	-160
Overall	550	-4	654	+14

As at 31 March 2025, the Group's inventory increased by 47% to HK\$1,069,901,000 (30 June 2024: HK\$728,097,000). The average inventory turnover days were 550 days (year ended 30 June 2024: 554 days), among which the average inventory turnover days of gold and platinum products were 397 days (year ended 30 June 2024: 350 days). The average inventory turnover days of fixed price jewellery products were 1,473 days (year ended 30 June 2024: 1,632 days).

The inventory turnover days calculated basing on closing inventory were 654 days (year ended 30 June 2024: 640 days) with the closing inventory turnover days of gold and platinum products being 500 days (year ended 30 June 2024: 431 days) and 1,586 days (year ended 30 June 2024: 1,746 days) for fixed price jewellery products.

Capital Expenditure

During the Period, the Group's capital expenditures amounted to approximately HK\$30,645,000 (year ended 30 June 2024: HK\$26,215,000), including the leasehold improvements, furniture, fixtures and equipment.

Capital Commitments

As at 31 March 2025, the Group's total commitments amounted to HK\$19,000 (30 June 2024: HK\$509,000).

Contingent Liabilities and Guarantee

As at 31 March 2025, the Group had provided corporate financial guarantees of HK\$400,000,000 to banks in respect of the aggregate banking facilities granted to its intermediate holding company. As at 30 June 2024, the Group had provided corporate financial guarantees of HK\$550,000,000 in respect of the aggregate banking facilities granted to its subsidiaries.

As at 31 March 2025, no loss allowance was recognised (30 June 2024: Nil) under the expected credit loss model in respect of such corporate financial guarantee in the Company's balance sheet whereas no financial impact on the consolidated financial statements.

As at 31 March 2025 and 30 June 2024, save as disclosed above, the Group had no significant contingent liabilities.

Human Capital Policy

As at 31 March 2025, the number of employees of the Group was 1,158 (30 June 2024: 978). The management reviews and examines the remuneration policies on a regular basis to ensure that fair rewards and compensation are provided to our employees. Remuneration packages are determined with reference to comparable market rates while bonuses and other rewards are linked to the performances of the Group and the employees. This policy aims to motivate employees with monetary incentives to work together to enhance the Group's business performance.

OUTLOOK

The growing reserves of gold in various central banks, combined with ongoing geopolitical tensions and trade disputes globally, have pushed gold prices to unprecedented levels. Furthermore, factors such as macroeconomic uncertainties, a sustained decline in consumer sentiment, and weakened Renminbi have had a notable impact on the Group's sales performance during the Period.

Although gold prices have climbed to historic peaks, there are signs that consumers are adjusting to higher gold prices, which should facilitate a return to normal sales levels. The Mainland government's efforts to stimulate domestic demand signal a positive trend for the gradual recovery of the market. As macroeconomic conditions and consumer sentiment improve, our businesses in the region are poised to keep building on their growth momentum, bolstered by renewed consumer confidence. Given these encouraging factors, the Group is confident in its mid- to long-term prospects and will continue to expand its footprint in the Mainland market.

Thanks to the robust financial backing from Luk Fook, the Group is steadfast in its commitment to advancing its corporate strategies, vision, mission, and values, leveraging a strategic framework that has contributed to Luk Fook's commercial success. The Group will further expand its retail network by opening self-operated stores in Hong Kong and Mainland. Furthermore, it will continue to revitalise its licensing efforts and scale up the e-commerce business in Mainland. The Group is optimistic about the substantial growth opportunities in overseas markets and remains committed to expand its international presence.

The Group's three-year corporate strategy focuses on three key areas: Market Expansion, Brand Revamp, and Product Differentiation. This strategic focus aims to help driving steady future business growth of the Group.

Market Expansion



Mainland Market Expansion

The Group will continue to expand its business in Mainland through a combination of self-operated and licensed shops, as well as e-commerce. By leveraging Luk Fook's robust distribution network and well-established licensing partnerships, the Group is revitalizing its licensing operations in the Mainland. Furthermore, the Group is continuously enhancing its e-commerce presence and strengthening collaborations with various online platforms. Recognizing the significant spending power of young consumers on these platforms, the Group will actively promote affordable luxury jewellery to broaden its appeal within this demographic. As part of its broader market expansion strategy, the Group is actively pursuing retailing and licensing opportunities in regions beyond China and Hong Kong. This initiative aims to promote the brand's influence by leveraging regional growth in targeted markets.

Brand Revamp

The Group is continuously enhancing its brand image and positioning. The Group is committed to improving product quality assurance, elevating service standards, and optimising support for our licensees to better meet market demands. Our store image has been refreshed to reflect a vibrant new identity. The redesigned store features a harmonious blend of warm peach fuzz tones, bronze, and light beige, creating a comfortable and enjoyable shopping experience while leaving a stylish and memorable impression of 3DG Jewellery. Additionally, the brand has creatively integrated the new theme concept of “Stylish Femme” into the decor, showcasing a range of fashionable and diverse female styles. This is complemented by personalized jewellery, aimed at providing consumers with fashion inspiration and fulfilling their varied shopping preferences.

Product Differentiation

Our company is pursuing a multi-faceted product differentiation strategy aimed at enhancing brand value and expanding our product appeal to a broader audience. This includes exploring advanced and innovative craftsmanship techniques, as well as collaborating with selected intellectual property (IP) partners to co-create exclusive collections. At the same time, we are reassessing our pricing strategy to better align with our brand positioning and the differentiated product offerings.

Operational Efficiency

To strengthen its competitive advantage, the Group will enhance operational efficiency through synergy by utilizing Luk Fook’s systems and infrastructure, including supply chain management, process automation, big data management, and data analytics. Additionally, the Group is committed to maximizing employee productivity by fostering a culture of continuous improvement and innovation.

FINAL DIVIDEND

The Board has resolved not to declare any final dividend in respect of the period ended 31 March 2025 to the holders of ordinary shares of the Company.

CLOSURE OF REGISTER OF MEMBER

For the purpose of determining shareholders who are entitled to attend and vote at the annual general meeting to be held on 20 August 2025 (the “**AGM**”), the register of members of the Company will be closed from 15 August 2025 to 20 August 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 14 August 2025.

CORPORATE GOVERNANCE

The Board and management of the Company are committed to maintaining good corporate governance practices and procedures. The corporate governance principles of the Company place emphasis on a quality Board, sound risk management and internal controls as well as transparency and accountability to all shareholders. During the Period, the Company has adopted the principles and complied with all code provisions of the Corporate Governance Code (the “**Corporate Governance Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), except for the following deviation:

Code Provision C.2.1 of the Corporate Governance Code as contained in Appendix C1 to the Listing Rules provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual, so that there is a clear division of responsibilities for the management of the Board and the day-to-day management of the Group’s business to ensure a balance of power and authority.

With the business growth deriving from the Mainland market, it is believed that Mr. WONG Ho Lung, Danny, being the Chairman and Chief Executive Officer of the Company, will further enhance the business development of the Group in the Mainland market due to the norms on “status parity” when future business negotiations are conducted in Mainland. Besides, members of the Board also include qualified professionals and other prominent and experienced individuals from the community. The Board considers that the existing Board composition, with the assistance of the Board Committees, can ensure a balance of power and authority.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as a code of conduct regarding directors’ securities transactions. Having made specific enquiries of all directors, the Company confirmed that all directors have complied with the required standard set out in the Model Code during the Period.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Period.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed the consolidated financial statements of the Group for the period ended 31 March 2025.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group’s consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the period ended 31 March 2025 as set out in the preliminary results announcement have been agreed by the Group’s auditor, PricewaterhouseCoopers, to the amounts set out in the Group’s draft consolidated financial statements for the period. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary results announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT 2024/25

This annual results announcement is published on the websites of the Hong Kong Exchanges and Clearing Limited (the “**HKEx**”) (www.hkexnews.hk) and the Company (3dg-group.com). The Annual Report 2024/25 will be despatched to the shareholders of the Company and will be published on the websites of the HKEx and the Company in due course.

APPRECIATION

On behalf of the Board, I would like to extend my heartfelt gratitude to all our staff members, shareholders, customers, business partners and other stakeholders for their strong support and contributions to the Group’s success. 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 with a view to generating sustainable returns for our shareholders and establishing a new benchmark for corporate excellence.

By Order of the Board
3DG Holdings (International) Limited
WONG Ho Lung, Danny
Chairman & Chief Executive Officer

Hong Kong, 24 June 2025

As at the date of this announcement, the Board comprises Mr. WONG Ho Lung, Danny (Chairman and Chief Executive Officer), Ms. CHEUNG Irene (Chief Operating Officer), Ms. WONG Hau Yeung and Dr. CHAN So Kuen as Executive Directors; Ms. YEUNG Po Ling, Pauline as the Non-executive Director and Mr. SZE Yeung Kuen, Mr. CHAN Raymond, Dr. LAM Ki Wai, Lianne and Dr. CHOW Kwoon Ho, Simon as the Independent Non-executive Directors.