

**CHOW TAI FOOK JEWELLERY GROUP LIMITED**  
**周大福珠寶集團有限公司**

Stock Code: 1929 • A Hong Kong Main Board Listed Company

**FOR IMMEDIATE RELEASE**

**Chow Tai Fook Jewellery Delivers Growth in  
Same Store Sales and Retail Sales Value in First Quarter FY2024**

**Results Highlights**

- Sustained recovery in general mobility and retail activity in Mainland China (the “Mainland”) and Hong Kong & Macau of China, positively impacted Chow Tai Fook Jewellery Group’s Same Store Sales Growth (“SSSG”) trend during the Quarter.
- Following the shift in pandemic-control measures, the Group’s Retail Sales Value (“RSV”) achieved a growth of 29.4% during the Quarter. Mainland RSV increased 25.2%, while that of Hong Kong, Macau and other markets rose 64.0%, reaching approximately 76% of the corresponding FY2019 levels.
- The Group made progress in executing the five strategic priorities to enhance earnings quality and yielded resilient Average Selling Price (“ASP”) in both the Mainland and Hong Kong and Macau markets.
- Demand for gold jewellery and products remained resilient with evolving market dynamics. In addition to the successful HUÁ Collection, the Group offers the ING Collection and Liu Jin Sui Yue (“流金歲月”) Collection to cater for different consumer segments and capture emerging growth opportunities.
- The Group centralised its marketing effort to improve consistency, maximise the impact and synergy across all channels, aimed at offering customers an enhanced omni-channel experience especially during special occasions and festivals.

## KEY OPERATIONAL DATA

For the three months ended 30 June 2023

(% change compared to the same period last year)

	Group	
Retail Sales Value <sup>(1)</sup> (“RSV”) growth	+29.4%	
	<b>Mainland China</b>	<b>Hong Kong &amp; Macau of China and other markets</b>
RSV growth	+25.2%	+64.0%
Contribution to Group RSV	86.4%	13.6%
	<b>Mainland China</b>	<b>Hong Kong &amp; Macau of China</b>
Same Store Sales <sup>(2)</sup> (“SSS”) growth	+8.5%	+64.2%
SSS volume growth	-1.0%	+36.7%
<b>SSSG by product</b>		
— Gem-set, Platinum and K-gold jewellery	-4.1%	+16.9%
— Gold jewellery and products	+9.9%	+101.1%

<sup>(1)</sup> “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.

<sup>(2)</sup> “Same Store Sales” for the First Quarter is the RSV from the self-operated POS of CHOW TAI FOOK JEWELLERY existing as at 30 June 2023 and which have been opened prior to 1 April 2022. RSV from franchised POS and other channels are not included.

(Hong Kong, China, 10 July 2023) **Chow Tai Fook Jewellery Group Limited** (“Chow Tai Fook Jewellery Group”, the “Group” or the “Company”; SEHK stock code: 1929), today announces unaudited key operational data of the Group for the three months ended 30 June 2023 (the “First Quarter”, or the “Quarter” or “1QFY2024”).

### SSS and RSV Improvements Supported by Increased Mobility and Retail Activity

During 1QFY2024, recovery in general mobility and retail activity in the Mainland and Hong Kong and Macau had a positive impact on the Group’s business. Same Store Sales (“SSS”) in the Mainland recorded positive growth of 8.5%. With the reopening of Mainland’s border, SSS in Hong Kong and Macau increased notably by 64.2% during the Quarter, with Hong Kong showing an increase of 64.9% and Macau up by 62.1%.

Correspondingly, the Group’s RSV achieved a growth of 29.4% during the Quarter. Mainland RSV increased 25.2%, while that of Hong Kong and Macau rose 64.0% during the Quarter, reaching approximately 76% of the corresponding FY2019 levels.

### **Resilient Demand for Gold Products Presents Growth Opportunities**

Demand for gold jewellery and products remained resilient in the First Quarter. This was an outcome of three ongoing developments as the Group constantly prospects for new growth opportunities which emerge with evolving market dynamics. Firstly, there is a higher propensity to spend and preference towards gold products in lower tier cities, where the Group has been deepening its penetration into. Secondly, there is a heightened appreciation for culture and aesthetics among younger customers, playing to the Group's strengths in Chinese craftsmanship and heritage. Lastly, given the market uncertainty, an overall shift in consumer spending and mindset towards luxury products has been observed, resulting in a positive impact on gold products.

In the Mainland, SSS of the gold jewellery and products was up by 9.9% during the Quarter. Its ASP was resilient at HK\$5,500 (1QFY2023: HK\$5,300). In Hong Kong and Macau, SSS of the product category doubled and its ASP ascended to HK\$8,300 (1QFY2023: HK\$6,100).

### **Attractive Value Proposition with Exquisite Gem-Set Offering, Uplifting RSV and ASP**

In the Mainland, SSS of gem-set, platinum and k-gold jewellery category declined 4.1%, while its RSV grew by 8.0% during the Quarter. SSS of the product category in Hong Kong and Macau increased by 16.9% during the Quarter, driven by healthy volume and price increase. In the Mainland, the Same Store ASP of gem-set jewellery was benefitted from increased sales of higher ticketsize jewellery during the Quarter. In the Mainland, ASP was lifted to HK\$8,000 (1QFY2023: HK\$6,900), while that of Hong Kong and Macau was HK\$16,700 (1QFY2023: HK\$16,600).

### **Targeted Brand Positioning and Strengthened Product Differentiation**

The Group continued to strengthen its product differentiation and optimise product portfolio. With an expanded gold offering portfolio, the Group is able to cater for different consumer segments, effectively capturing the emerging growth opportunities and trends. In addition to the successful HUÁ Collection, the Group also has the ING Collection and Liu Jin Sui Yue (“流金歲月”) Collection, which were well received by the younger customers.

During the Quarter, HEARTS ON FIRE, the internationally renowned jewellery brand known for the unparalleled sparkle of its signature cut diamonds, announced the global launch of its new VELA Collection. The VELA Collection reinforces HEARTS ON FIRE's diamond expertise and craftsmanship with renewed focus on modernity and creativity, positioning HEARTS ON FIRE jewellery as a celebration of love in all its forms.

### **Driving Omni-Channel Growth with Centralised Marketing Strategy**

As part of elevating the Group's brand positioning to increase brand desirability and build revenue resiliency, the Group centralised its marketing strategy to improve consistency and maximise impact and synergy across all channels. The Group bolstered its marketing efforts during Mother's Day and 520 Chinese Valentine's Day period, aimed at offering customers an enhanced omni-channel experience while celebrating special occasions.

During the 618 Shopping Festival this year, the Group also strengthened the digital marketing initiatives and amplified the impact with livestreaming and short videos to drive sales. The Group emerged top place on the jeweller rankings on key online platforms. Compared to the same period last year, overall gross merchandise value during the festival grew by low teens.

**Committed to Sustainable Stakeholder Value Creation in A Year of Recovery and Normality**

Notwithstanding the ongoing macro headwinds and market uncertainty which are beyond the Company's control, the Group will stay focused on enhancing operational efficiency and resiliency. This complements the Group's growth trajectory, building on the verticals of targeted brand positioning and product optimisation. To that end, the Group will be launching new designs for the HUÁ Collection together with its global campaign launch in mid July 2023.

The Group continues to monitor the fluid market conditions closely and adopt a flexible approach with expansion plans. It stays prepared at all times with the ability to recalibrate its network and resources to capture growth opportunities as they emerge.

Building on the positive traction observed with the five strategic priorities, the Group is fully committed to strengthening its competitiveness, enhance the quality of its earnings and drive sustainable long-term stakeholder value creation.

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## **Chow Tai Fook Jewellery Group Limited**

Chow Tai Fook Jewellery Group Limited (the “Group”; SEHK stock code: 1929) was listed on the Main Board of The Stock Exchange of Hong Kong in December 2011. The Group’s vision is to become the most trusted jewellery group in the world.

Founded in 1929, the Group’s iconic brand “CHOW TAI FOOK” is widely recognised for its trustworthiness and authenticity, and is renowned for its product design, quality and value. A long-standing commitment to innovation and craftsmanship has contributed to the Group’s success, along with that of its iconic retail brand, and has been embodied in its rich heritage. Underpinning this success are our long-held core values of “Sincerity • Eternity”.

The Group’s differentiation strategy continues to make inroads into diverse customer segments by catering to a bespoke experience for different lifestyles and personalities, as well as customers’ different life stages. Offering a wide variety of products, services and channels, the Group’s brand portfolio comprises the CHOW TAI FOOK flagship brand with curated retail experiences, and other individual brands including HEARTS ON FIRE, ENZO, SOINLOVE and MONOLOGUE.

The Group’s commitment to sustainable growth is anchored in its customer-centric focus and strategies, which are in place to promote long-term innovation in business, in people and in culture. Another asset underpinning sustainable growth is a sophisticated and agile business model. This supports the Group by fostering excellence and extending opportunities along the entire value chain to communities and industry partners across the world.

With an extensive retail network in China, Japan, Korea, Southeast Asia, the United States and Canada, as well as a fast-growing smart retail business, the Group is implementing effective online-to-offline (“O2O”) strategies to succeed in today’s omni-channel retail environment.

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