

CHOW TAI FOOK JEWELLERY GROUP LIMITED

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

FOR IMMEDIATE RELEASE

Chow Tai Fook Jewellery Posts Strong Margin Expansion and Operating Profit for FY2025 from Brand Transformation Success

Results Highlights

- Macro-economic externalities and elevated gold prices weighed on the consumer sentiment in FY2025. The Group's revenue decreased by 17.5% year-on-year to HK\$89,656 million. Nonetheless, operating profit remained resilient, with a year-on-year growth of 9.8%, reaching HK\$14,746 million. Operating profit margin expanded by 400 basis points to 16.4%, attributable to an improved product mix comprising higher margin products, the higher gold prices and the Group's disciplined cost and capital management.
- The Group delivered notable progress on brand transformation in FY2025, unveiling five new image stores in Mainland China (the "Mainland") and Hong Kong. This premium store format elevated the Group's brand desirability, improved product mix and achieved higher store productivity than the average store during the initial months post opening.
- Fixed-price gold products continued to gain traction with their iconic design and exquisite craftsmanship. Its revenue surged by 105.5% year-on-year and its retail sales value ("RSV") mix within the Mainland gold jewellery and product category expanded significantly to 19.2% from 7.1% a year ago.
- The CTF Rouge Collection and Chow Tai Fook Palace Museum Collection, have sustained strong momentum since launch and each achieved sales of approximately HK\$4 billion in this financial year, exceeding the annual targets.

Financial Summary

For the year ended 31 March	2025 HK\$ million	2024 HK\$ million	YoY Change
Revenue	89,656	108,713	-17.5%
Gross profit ⁽¹⁾	26,455	26,042	+1.6%
Gross profit margin	29.5%	24.0%	
Operating profit ⁽²⁾	14,746	13,432	+9.8%
Operating profit margin	16.4%	12.4%	
Profit attributable to shareholders of the Company ⁽³⁾	5,916	6,499	-9.0%
Earnings per share (HK\$)	0.59	0.65	-8.9%
Full year dividend per share ⁽⁴⁾ (HK\$)	0.52	0.55	N/A

(1) Gold loan impact was reclassified from cost of goods sold ("COGS") to "other gains and losses" for FY2024 and before

(2) Aggregate of gross profit and other income, less selling and distribution costs and general and administrative expenses

(3) The decreased was mainly due to the loss arising from the revaluation of gold loan contracts amid considerable volatility in international gold prices during the financial year

(4) The payout ratio for FY2025 approximated 87.8%

(Hong Kong, China, 12 June 2025) **Chow Tai Fook Jewellery Group Limited** ("Chow Tai Fook Jewellery Group", the "Group" or the "Company"; SEHK stock code: 1929), today announces its annual results for the year ended 31 March 2025 ("FY2025").

Strong Operating Profit and Margin Expansion Underscores Financial Resilience

The Group demonstrated financial resilience and strategically navigated the evolving market landscape by embarking on its brand transformation in FY2025. While macro-economic externalities and elevated gold prices weighed on the consumer sentiment and consequently jewellery spending during the financial year and led to a 17.5% decline in the Group's revenue, it was able to chart steady progress towards enhancing brand desirability and earnings quality.

The Group's gross profit margin expanded by 550 basis points to 29.5%, mainly attributable to the improved like-for-like margin at retail level resulting from the gold price surge, as well as an improvement in the product mix particularly with the higher contribution of our fixed-price gold products. The operating profit margin also expanded by 400 basis points to 16.4%, while operating profit delivered a year-on-year growth of 9.8%, reaching HK\$14,746 million.

Profit attributable to shareholders decreased 9.0% in FY2025 to HK\$5,916 million, as the increase in operating profit was offset by the loss arising from the revaluation of gold loan contracts amid volatility in gold prices during the financial year. Earnings per share was HK\$0.59. The Board has proposed a final dividend of HK\$0.32 per share, bringing the dividend per share for the year to HK\$0.52. The full year payout ratio in FY2025 was approximately 87.8%.

Dr. Henry Cheng, Chow Tai Fook Jewellery Group Chairman, said, "At Chow Tai Fook Jewellery, we are making great strides in our brand transformation journey. We remain determined to satisfy evolving customer demand while seizing the emerging opportunities across China and other markets. As the leading Chinese jeweller, we maintain our strong commitment to carrying forth our legacy of bold innovation, masterful craftsmanship, and proud cultural heritage."

New Image Stores Enhances Brand Desirability and Store Productivity

As an integral part of its brand transformation, the Group is reshaping the jewellery shopping experience with the launch of five new image stores in Hong Kong, Shanghai, Shenzhen, Wuhan and Xi'an. The new premium store format elevated Chow Tai Fook Jewellery's brand desirability and provided an improved product mix, resulting in higher store productivity compared to the average store in the first few months since opening.

As we continue to progress our five strategic priorities and take a proactive approach to evolving market trends, same store performance in Mainland China improved quarter by quarter in FY2025, while Hong Kong and Macau saw a stabilisation in performance towards the end of the financial year.

SSS in the Mainland declined by 19.4% in FY2025. Separately, sales of franchised POS calculated on a same-store basis dropped 13.9% during the financial year, signifying a stronger performance than self-operated stores due to a higher proportion of newer stores. In Hong Kong and Macau, SSS was down

by 26.1% in the financial year. SSS in Hong Kong dropped 23.1% while in Macau it fell 35.3%, as Macau's business had higher reliance on the spending of Mainland tourists.

Product Optimisation to Resonate with Target Customers

The Group continued its product optimisation efforts and offered products with different value propositions to meet customer preferences and create emotional resonance. Notably, revenue from fixed-price gold products surged by 105.5% year-on-year and its RSV mix within the Mainland gold jewellery and product category expanded significantly to 19.2% from 7.1% the same period last year.

The Group's new iconic fixed price collections, CTF Rouge Collection and Chow Tai Fook Palace Museum Collection, have sustained strong momentum since launch and each achieved sales of approximately HK\$4 billion in this financial year, exceeding the annual targets.

During the financial year, the Group further tapped into the "Intellectual Properties (IPs) Derivative Economy", driven by Gen Z consumers, by strengthening its portfolio of high-profile collaborations with brands such as Black Myth: Wukong and Chiikawa, in response to the younger generation's pursuit of emotional value.

Demonstrating its commitment to diversification and capturing emerging consumer trends, the Group also unveiled the exclusive CTF Pet Jewellery in March 2025, the first of its kind from a Chinese jeweller. The meaningful and innovative products tap into the booming pet economy, which has experienced significant growth in recent years.

Leveraging Online Channels to Deepen Customer Engagement

During the financial year, the Group significantly enhanced customer engagement and achieved fruitful results in e-commerce development in both Mainland China and Hong Kong.

In the Mainland, by leveraging the resources of its newly established in-house livestreaming studio and Key Opinion Sales ("KOS"), the Group expanded its reach and created viral bestsellers across multiple social media platforms, further amplifying brand visibility and consumer connection online. E-commerce contributed 5.8% in RSV and 13.8% in volume to its Mainland performance during FY2025. Furthermore, during Double 11 in 2024, the Group secured the No.1 position in livestreaming jewellery sales on the Tmall platform, helping to amplify the Group's reach, particularly to young customers.

In Hong Kong and Macau, the e-commerce channel complemented and further enhanced the omni-channel shopping experience. E-commerce sales grew by approximately 91% in this market segment in FY2025, driven by the customers' positive reception to the revamped brand website and successful launch of key IP collections.

Optimising Point of Sales ("POS") Network to Maximise Store Productivity

POS optimisation is crucial to the Group's strategy for sustaining market leadership, while enhancing the overall financial health and resilience of its retail network by maximising store productivity. In FY2025, the Group's POS optimisation strategy proved effective, resulting in improved store productivity.

In Mainland China, the Group remained agile and strategic in optimising its retail network by adopting a highly selective approach to opening stores in prime locations. The new stores opened during the year delivered more than double the average productivity of those closed. In addition, the progressive and healthy ramp-up of newer stores during the financial year strengthened the resilience and stability of the Group's store network. As of 31 March 2025, the Group maintained its leading position with a network of 6,274 CHOW TAI FOOK JEWELLERY POS in Mainland China, .

The retail network in Hong Kong and Macau was maintained at 87 CHOW TAI FOOK JEWELLERY POS, positioning the Group favourably to drive quality earnings growth. In other markets, we optimised the store locations during the year. We opened a net of 3 CHOW TAI FOOK JEWELLERY POS (excluding China duty free) in Thailand, Malaysia and Japan.

Business Outlook

Chow Tai Fook Jewellery Group is encouraged by the continued progress in its brand transformation strategy and the positive impact on the Group's financial and operational performance in FY2025 and in FY2026 to date. Building on this momentum, the Group's strategic initiatives, together with the relatively lower comparables, shall further support its business fundamentals and recovery trajectory, making FY2026 a year set for quality growth.

Amidst the external volatility and uncertainty, the Group is closely examining government policies and initiatives to boost consumption, tracking gold price movements and assessing the operating landscape in countries earmarked for international expansion to inform its business decisions.

Looking ahead, the Group will continue to rigorously uphold its financial discipline in cost and capital management to achieve high earnings quality. The Group's unwavering commitment to brand transformation will sharpen its competitiveness, bolster long-term growth prospects, and increase total shareholder returns sustainably.

Photo Caption



Chow Tai Fook Jewellery Group announces FY2025 annual results

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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 firmly upholds the vision: "To be the leading global jewellery brand that is a trusted lifetime partner for every generation", drawing on nearly a century of legacy and success.

Founded in 1929, the Group's iconic brand "CHOW TAI FOOK" has become an emblem of tradition, celebrated for its bold designs and an unwavering attention to detail. Building upon a rich heritage and a foundation of trust, the Group is not only widely recognised for honouring traditions but also for fostering deep, meaningful connections with a diverse customer base through its exquisite jewellery. The Group's long-standing commitment to innovation and craftsmanship has been integral to its success over time and has become synonymous with excellence, value and authenticity.

As a leading Chinese jeweller, the Group believes in blending contemporary cutting-edge designs with traditional techniques to create jewellery that can be passed down from generation to generation. Every collection is thoughtfully conceived and crafted to reflect the stories of our customers, celebrating the special moments in their lives. Committed to growing alongside our customers, the Group embraces a spirit that aspires to inspire and captivate generations to come, weaving the story of CHOW TAI FOOK into the fabric of their lives.

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 and MONOLOGUE.

The Group is committed to delivering sustainable long-term value creation for its stakeholders by enhancing the quality of earnings and driving higher value growth. We operate an extensive omni-channel retail ecosystem, with a retail network across China and multiple locations globally, complemented by a growing e-commerce business that further enhances our competitive edge.

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