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## **CHOW TAI FOOK JEWELLERY GROUP LIMITED**

### **周大福珠寶集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 1929

### **THE UNAUDITED KEY OPERATIONAL DATA FOR THE THREE MONTHS ENDED 31 DECEMBER 2020**

Chow Tai Fook Jewellery Group Limited (the “Company”), together with its subsidiaries (the “Group”), hereby announce certain unaudited key operational data of the Group for the three months ended 31 December 2020 (the “Third Quarter”, or the “Quarter”). The unaudited key operational data in this announcement should be read in conjunction with the Company’s FY2020/21 interim report.

#### **KEY OPERATIONAL DATA**

**For the three months ended 31 December 2020**

**(% change compared to the same period last year)**

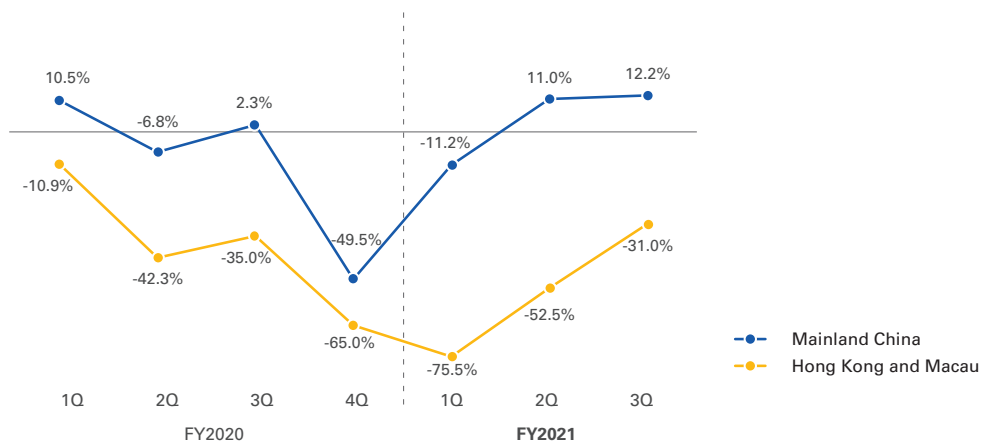
	<b>Group</b>	
Retail Sales Value <sup>(1)</sup> (“RSV”) growth	+17.5%	
	<b>Mainland China</b>	<b>Hong Kong, Macau and other markets</b>
RSV growth	+26.1%	-12.5%
Contribution to Group RSV	83.3%	16.7%
	<b>Mainland China</b>	<b>Hong Kong and Macau</b>
Same Store Sales <sup>(2)</sup> (“SSS”) growth	+12.2%	-31.0%
SSS volume growth	-9.1%	-32.5%
<b>SSSG by product<sup>(3)</sup></b>		
— Gem-set / Platinum / K-gold jewellery	-5.2%	+14.0%
— Gold jewellery and products	+12.7%	-50.7%

<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 Third Quarter is the RSV from the self-operated POS of CHOW TAI FOOK JEWELLERY existing as at 31 December 2020 and which have been opened prior to 1 April 2019. RSV from franchised POS and other channels are not included.

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

## Same Store Sales Growth

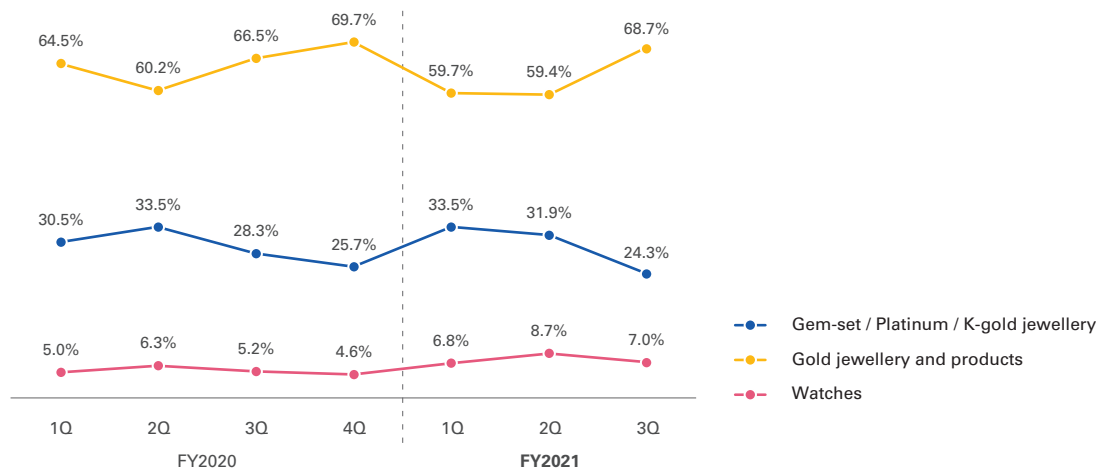


- In light of the easing COVID-19 situation in Mainland China, business there sustained an encouraging improvement and its SSS delivered a positive growth of 12.2% during the Quarter. Challenging macros, the pandemic development and closure of major border crossings still weighed on the retail demand in Hong Kong and Macau during the Quarter. Yet, SSS decline in Hong Kong and Macau further narrowed to 32.6% and 25.8%, respectively, thanks to a lower base of comparison.
- In Mainland China, SSS of gem-set / platinum / k-gold jewellery category was down by 5.2%, while its RSV increased 8.1% during the Quarter, thanks to a healthy contribution from new openings. SSS of gem-set / platinum / k-gold jewellery category in Hong Kong and Macau recorded a growth of 14.0% during the Quarter. Same store Average Selling Price (“ASP”) trend was favourable during the Quarter. In Mainland China, same store ASP of gem-set jewellery was HK\$7,500 (3QFY2020: HK\$7,000) while that of Hong Kong and Macau jumped to HK\$17,700 (3QFY2020: HK\$11,500) driven by some big ticket transactions.
- Gold jewellery and products category which includes those selling by weight and at fixed-price recorded a volume decline in both markets. ASP of gold jewellery and products increased to HK\$5,300 (3QFY2020: HK\$4,400) in Mainland China. Yet, ASP in Hong Kong and Macau declined to HK\$5,700 (3QFY2020: HK\$7,400), mainly due to the shift of sales mix towards lower ASP gold products during the Quarter. The average international gold price in the Quarter was 26.5% higher when compared to the same period last year.

## Analysis by Market

### Mainland China

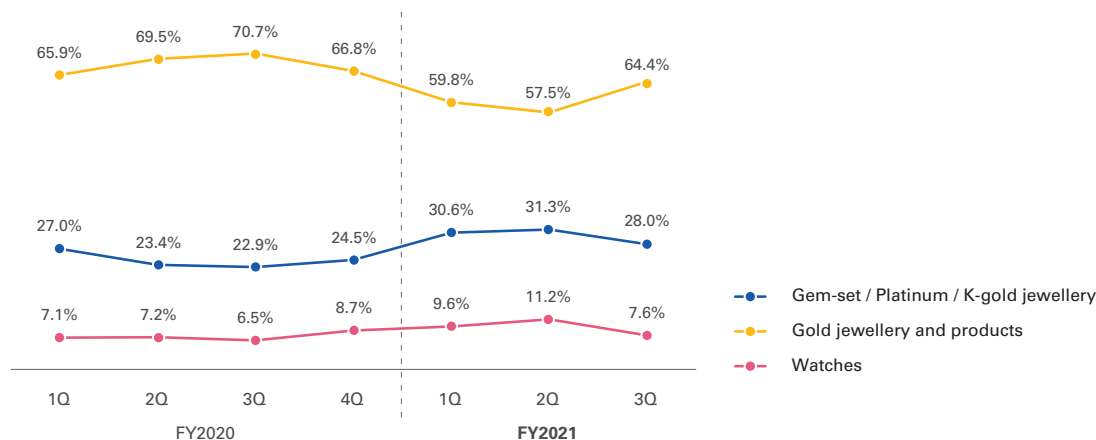
% of respective RSV by product



- RSV of watches recorded a robust growth and its contribution was 7.0% as domestic demand stayed strong amid international travel restrictions.
- E-commerce and O2O related RSV<sup>(4)</sup> in Mainland China delivered a 67.1% year-on-year growth, thanks to our efforts in O2O retailing, while volume also increased by 12.0%. Its contribution to Mainland China's RSV was 8.3% in the Quarter, of which 3.1% was contributed by O2O related platforms.

### Hong Kong, Macau and other markets

% of respective RSV by product

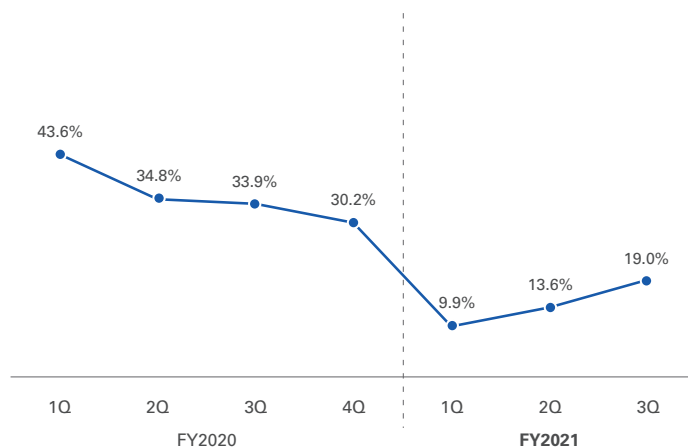


Note: The percentages calculated are subject to minor rounding differences

<sup>(4)</sup> E-commerce and O2O related RSV includes RSV contributed from e-commerce, O2O distribution (i.e. routing online orders to POS for delivery service), CloudSales 365 and Cloud Kiosk.

## Hong Kong and Macau

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



- The percentage of RSV settled by China UnionPay, Alipay, WeChat Pay or RMB to the total RSV of Hong Kong and Macau market sequentially improved to 19.0% from last two quarters.

### **POS Network**

- The Group added a net of 286 POS in Mainland China during the Quarter, including 254 net POS openings of CHOW TAI FOOK JEWELLERY (3 net openings of self-operated store and 251 net openings of franchised store), 11 SOINLOVE POS, 3 MONOLOGUE POS, 5 ENZO POS, and 13 CTF WATCH POS.
- In Hong Kong, Macau and other markets, the Group had nil change in the number of POS in Hong Kong and Macau, while opened 2 CHOW TAI FOOK JEWELLERY POS and 1 MONOLOGUE POS in other markets during the Quarter.
- As at 31 December 2020, the Group had 4,442 POS in total.

## CAUTION STATEMENT

The Board wishes to remind investors that the above operational update is based on the Company's internal records and management accounts for the three months ended 31 December 2020 which have not been reviewed or audited by auditors of the Company.

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

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

Hong Kong, 11 January 2021

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