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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

### **VOLUNTARY ANNOUNCEMENT IN RELATION TO THE UNAUDITED KEY OPERATIONAL DATA FOR THE THREE MONTHS ENDED 30 JUNE 2013**

Chow Tai Fook Jewellery Group Limited (the “Company”), together with its subsidiaries (the “Group”), is pleased to announce certain unaudited key operational data of the Group for the three months ended 30 June 2013 (the “First Quarter”). The unaudited key operational data in this announcement should be read in conjunction with the Company’s FY2013 annual report.

#### **KEY OPERATIONAL DATA**

**For the three months ended 30 June 2013**

	<b>(% change compared to the same period last year)</b>		
	<b>The Mainland of China</b>	<b>Hong Kong and Macau</b>	<b>Group</b>
Revenue growth	45%	85%	63%
Same Store Sales Growth (“SSSG”)	32%	68%	48%
Same Store Sales volume growth	41%	81%	55%

#### **Revenue by products**

	<b>% of Total Revenue</b>
— Gem-set jewellery	16%
— Gold product	69%
— Platinum/karat gold product	12%
— Watch	3%

- The Group achieved a remarkable 63% revenue growth in the First Quarter as compared to the same period last year attributable mainly to the increase in sales of gold products following a sharp decrease of gold price since April 2013.
- The strong performance of the Group's SSSG was mainly driven by volume growth during the period. The SSSG of gem-set jewellery and gold product were 8% and 78% respectively.
- Wholesale business in the Mainland of China improved as franchisees increased their replenishment of inventories.
- Based on management evaluation, gross profit margin during the First Quarter have dropped approximately 3%, mainly due to a change in product mix as the portion of gold product increased to 69% of the revenue.
- The Group hedges majority of its gold inventory and maintains a stable hedging ratio of approximately 70% in the foreseeable future.
- The Group has maintained a prudent procurement strategy focusing on fast-moving products, coupled with a boost in sales during the period, and succeeded to improve its overall finished goods inventory turnover to approximately 120 days during the First Quarter, when compared to approximately 170 days during the fourth quarter of FY2013. The inventory level of finished goods also decreased by approximately 1% when compared to that as at 31 March 2013.
- The Group opened a net of 20 POS in the First Quarter, including 3 in Hong Kong and Macau and 17 in the Mainland of China, bringing the total number of POS to 1,856 as at 30 June 2013.

## 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 30 June 2013 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, 9 July 2013

*As of the date of this announcement, the executive directors are Dr. Cheng Kar-Shun, Henry, Mr. Wong Siu-Kee, Kent, Mr. Cheng Chi-Kong, Adrian, Mr. Cheng Chi-Heng, Conroy, Mr. Chan Sai-Cheong, Mr. Chan Hiu-Sang, Albert, Mr. Cheng Ping-Hei, Hamilton and Mr. Suen Chi-Keung, Peter, the non-executive directors are Mr. Cheng Kam-Biu, Wilson and Mr. Koo Tong-Fat and the independent non-executive directors are Mr. Cheng Ming-Fun, Paul, Dr. Fung Kwok-King, Victor, Mr. Kwong Che-Keung, Gordon, Mr. Lam Kin-Fung, Jeffrey and Mr. Or Ching-Fai, Raymond.*