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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)**

**INTERIM RESULTS ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2024**

**HIGHLIGHTS**

- For the first half of 2024/25, revenue reached HK\$370 million, reflecting a 47% increase compared to the same period in the prior year. Gross margin increased 1 p.p. to 32%.
- Loss for the period increased by 14% to HK\$113 million. Such increment was mainly attributed to hedging loss caused by the surge in gold price, which impacted the fair values of the gold loans. If the impact of gold hedging losses was excluded, the adjusted loss for the period would decrease by 47%, accounting for HK\$52 million.
- Loss for the period attributable to equity holders decreased by 8% to HK\$50 million.

## FINANCIAL PERFORMANCE

	<b>2024</b>	2023	Y-o-Y
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>	<i>Changes</i>
Revenue*	<b>370,250</b>	251,762	+47%
Gross Profit*	<b>119,660</b>	77,529	+54%
Operating Loss*	<b>(90,697)</b>	(30,387)	+198%
Loss for the period	<b>(112,721)</b>	(98,463)	+14%
Loss Attributable to Equity holders	<b>(49,978)</b>	(54,244)	-8%
Basic Loss per Share	<b>(0.19)</b>	(0.20)	-8%
Gross Margin*	<b>32%</b>	31%	+1 p.p.
Operating Margin*	<b>(24%)</b>	(12%)	-12 p.p.
Net Margin	<b>(30%)</b>	(39%)	+9 p.p.
Total Operating Expenses to Revenue Ratio**	<b>44%</b>	46%	-2 p.p.
Effective Tax Rate	<b>(1%)</b>	-	-1 p.p.
EBITDA**	<b>(60,171)</b>	(17,553)	+243%
Adjusted EBITDA***	<b>(78,584)</b>	(26,191)	+200%

\* 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**”) is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 31 December 2024 (the “**Period**”) together with comparative figures for the corresponding period in 2023 as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2024

		<b>Six months ended</b>	
		<b>31 December</b>	
		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Continuing operations</b>			
Revenue	7	<b>370,250</b>	251,762
Cost of sales and services rendered		<u><b>(250,590)</b></u>	<u>(174,233)</u>
Gross profit		<b>119,660</b>	77,529
Other income		<b>3,557</b>	3,752
Selling expenses		<b>(129,888)</b>	(83,704)
General and administrative expenses		<b>(37,150)</b>	(30,419)
Other gains and losses, net		<b>14,131</b>	2,455
Net losses on gold loans from a fellow subsidiary		<b>(60,438)</b>	–
Impairment loss on trade and other receivables recognised under expected credit loss model		<u><b>(569)</b></u>	<u>–</u>
Operating loss		<b>(90,697)</b>	(30,387)
Change in fair value of derivatives embedded in convertible bonds		–	413
Finance costs	8	<u><b>(20,428)</b></u>	<u>(60,445)</u>
Loss before taxation from continuing operations	9	<b>(111,125)</b>	(90,419)
Income tax expense	10	<u><b>(1,596)</b></u>	<u>(351)</u>
Loss from continuing operations		<b>(112,721)</b>	(90,770)
<b>Discontinued operation</b>			
Loss from discontinued operation		<u>–</u>	<u>(7,693)</u>
Loss for the period		<u><b>(112,721)</b></u>	<u>(98,463)</u>

		<b>Six months ended</b>	
		<b>31 December</b>	
		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Loss for the period attributable to:			
Equity holders		<b>(49,978)</b>	(54,244)
Non-controlling interests		<b>(62,743)</b>	(44,219)
		<u><b>(112,721)</b></u>	<u>(98,463)</u>
Loss for the period attributable to equity holders:			
Continuing operations		<b>(49,978)</b>	(48,672)
Discontinued operation		–	(5,572)
		<u><b>(49,978)</b></u>	<u>(54,244)</u>
Loss for the period attributable to non-controlling interests:			
Continuing operations		<b>(62,743)</b>	(42,098)
Discontinued operation		–	(2,121)
		<u><b>(62,743)</b></u>	<u>(44,219)</u>
Loss per ordinary share for loss attributable to equity holders arising from Continuing and discontinued operations:			
Basic and diluted	<i>12</i>	<u><b>(HK\$0.19)</b></u>	<u>(HK\$0.20)</u>
Loss per ordinary share for loss attributable to equity holders arising from Continuing operations:			
Basic and diluted	<i>12</i>	<u><b>(HK\$0.19)</b></u>	<u>(HK\$0.18)</u>

	<b>Six months ended</b>	
	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Loss for the period	<b>(112,721)</b>	(98,463)
Other comprehensive income/(expense):		
<i>Item that will not be reclassified to profit or loss:</i>		
Exchange difference arising on translation	<b>13,998</b>	(9,116)
<i>Items that will be reclassified to profit or loss:</i>		
Exchange difference arising on translation of foreign operations of Continuing operations	<b>(32,451)</b>	18,539
Exchange difference arising on translation of foreign operations of Discontinued operation	<u>          –</u>	<u>          747</u>
Other comprehensive (expense)/income for the period	<u><b>(18,453)</b></u>	<u>10,170</u>
Total comprehensive loss for the period	<u><b>(131,174)</b></u>	<u>(88,293)</u>
Total comprehensive loss for the period attributable to:		
Equity holders	<b>(67,485)</b>	(46,650)
Non-controlling interests	<u><b>(63,689)</b></u>	<u>(41,643)</u>
	<u><b>(131,174)</b></u>	<u>(88,293)</u>
Total comprehensive loss for the period attributable to equity holders arising from:		
Continuing operations	<b>(67,485)</b>	(41,814)
Discontinued operation	<u>          –</u>	<u>(4,836)</u>
	<u><b>(67,485)</b></u>	<u>(46,650)</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<b>31 December</b>	30 June
	<b>2024</b>	2024
<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS AND LIABILITIES</b>		
<b>Non-current assets</b>		
Property, plant and equipment	<b>46,731</b>	31,579
Right-of-use assets	<b>100,900</b>	57,368
Deposits paid	<b>10,156</b>	7,956
Intangible assets	<b>157,883</b>	162,976
Deferred income tax assets	<b>24,464</b>	25,906
	<b>340,134</b>	285,785
<b>Current assets</b>		
Inventories	<b>977,573</b>	728,097
Right to returned goods asset	<b>2,477</b>	3,127
Trade and other receivables and deposits paid	<b>119,580</b>	65,107
Bank balances and cash	<b>32,227</b>	31,918
	<b>1,131,857</b>	828,249

		<b>31 December</b>	30 June
		<b>2024</b>	2024
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Current liabilities</b>			
Trade and other payables, accruals and deposits received	<i>14</i>	<b>184,840</b>	157,978
Loans from fellow subsidiaries		<b>1,147,864</b>	812,591
Gold loans from a fellow subsidiary		<b>578,304</b>	498,087
Contract liabilities		<b>11,525</b>	7,642
Refund liabilities		<b>9,850</b>	10,713
Lease liabilities		<b>44,103</b>	23,883
Current income tax liabilities		<b>527</b>	–
		<u><b>1,977,013</b></u>	<u>1,510,894</u>
<b>Net current liabilities</b>		<u><b>(845,156)</b></u>	<u>(682,645)</u>
<b>Total assets less current liabilities</b>		<u><b>(505,022)</b></u>	<u>(396,860)</u>

	<b>31 December</b>	30 June
	<b>2024</b>	2024
<i>Notes</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
<b>Non-current liabilities</b>		
Lease liabilities	<b>60,214</b>	35,929
Loan from a fellow subsidiary	<b>100,000</b>	100,000
Deferred income tax liabilities	<b>39,473</b>	40,746
	<u><b>199,687</b></u>	<u>176,675</u>
<b>NET LIABILITIES</b>	<u><b>(704,709)</b></u>	<u>(573,535)</u>
<b>EQUITY</b>		
<b>Capital and reserves attributable to equity holders</b>		
Share capital	<b>270</b>	270
Reserves	<b>(382,260)</b>	(314,775)
	<u><b>(381,990)</b></u>	<u>(314,505)</u>
Non-controlling interests	<b>(322,719)</b>	(259,030)
<b>TOTAL DEFICIT</b>	<u><b>(704,709)</b></u>	<u>(573,535)</u>



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 31 December 2024*

## 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 and its subsidiaries (together, the “**Group**”) are principally engaged in the retailing, wholesaling and licensing operations for gold and jewellery products.

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.

This condensed consolidated interim financial information is presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated.

## 2. CHANGE OF ACCOUNTING ESTIMATE

In previous years, intangible assets were considered by the directors of the Company as having indefinite useful life. The intangible assets were not amortised. Upon the completion of the acquisition of the Company’s shares on 12 January 2024 and the completion of unconditional mandatory cash offers on 9 February 2024 (collectively the “**Acquisition**”) by Luk Fook 3D Investment Holding Company Limited (“**Luk Fook 3D Investment**”), intangible assets have been amortised over the estimated useful life of 16.5 years. Subsequent to the Acquisition, the intermediate holding company of the Company became Luk Fook Holdings (International) Limited (“**Luk Fook**”). Luk Fook and its subsidiaries are principally engaged in the sourcing, designing, wholesaling, trademark licensing and retailing of a variety of gold and platinum jewellery and gem-set jewellery products. Based on valuable experience in jewellery industry provided by the management of Luk Fook, together with the marketing research provided by an international market consultant which is independent to the Group, the Board reassessed the estimated useful life of the intangible assets (i.e. trademarks), and considered that there is a structural change of product life cycle of those trademarked products resulting from the foreseeable technological change, especially the real application of artificial intelligence in the jewellery market starting from 2024. The trademarked products no longer contribute to net cash inflows indefinitely. Consequently, the intangible assets have been amortised over the useful life of 16.5 years, which is estimated by the management of the Group.

This change in the useful life of intangible assets has increased the amortisation charge for the period ended 31 December 2024 by approximately HK\$5,093,000. It is estimated that this change will increase the amortisation charge for each subsequent year by approximately HK\$10,186,000 until the end of the useful life.

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

### **3. BASIS OF PREPARATION**

This condensed consolidated interim financial information for the six months ended 31 December 2024 has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountant (the “HKICPA”). The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 30 June 2024, which were prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

### **4. GOING CONCERN BASIS**

The Group incurred a net loss of approximately HK\$112,721,000 during the six months ended 31 December 2024 and as at that date, the Group had net current liabilities and net liabilities of approximately HK\$845,156,000 and HK\$704,709,000 respectively. Among its current liabilities as of 31 December 2024 were interest-free loans of approximately HK\$13,275,000, interest-bearing loans of approximately HK\$1,134,589,000 and gold loans of approximately HK\$578,304,000. All types of loans were provided by the Group’s fellow subsidiaries, which are controlled by Luk Fook.

In view of these circumstances, the directors of the Company have 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 December 2024, certain subsidiaries of Luk Fook have provided financing to the Group through interest-free loans, interest-bearing loans and gold loans of approximately HK\$113,275,000, HK\$1,134,589,000 and HK\$578,304,000 respectively. In September 2024, the Company received a deed of continuing financial support from Luk Fook, affirming its irrevocable commitment to provide ongoing financial assistance for the Group’s operations. The Board evaluated Luk Fook’s financial capacity by reviewing its published condensed consolidated interim financial statements for the six months ended 30 September 2024, which were made available on 26 November 2024, and satisfied with the assessment. Accordingly, the Board considers it is appropriate to prepare the consolidated financial statements on a going concern basis.

## 5. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those set out in the Group's annual financial statements for the year ended 30 June 2024.

Taxes on income for the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

- (a) Amendments to existing standards and interpretation are effective for the first time for the financial year beginning 1 July 2024:

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

The adoption of above amendments to existing standards and interpretation did not have any material impact on preparation of these condensed consolidated interim financial information.

- (b) Certain new standards and amendments to existing standards and interpretation have been published that are mandatory for the Group's accounting periods beginning on or after 1 July 2025, which the Group has not early adopted, are as follows:

HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability <sup>(1)</sup>
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments <sup>(2)</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>(3)</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>(3)</sup>
Hong Kong Interpretation 5 (2020) Presentation of Financial Statements (Amendments)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>(3)</sup>
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>(4)</sup>

<sup>(1)</sup> Effective for annual period beginning on or after 1 January 2025

<sup>(2)</sup> Effective for annual period beginning on or after 1 January 2026

<sup>(3)</sup> Effective for annual period beginning on or after 1 January 2027

<sup>(4)</sup> To be announced by HKICPA

The directors of the Group will adopt the new standards and amendments to existing standards and interpretation when they become effective. The directors of the Group are in the process of assessing the financial impact of the adoption of the above new standards and amendments to existing standards and interpretation, none of which is expected to have a significant effect on the condensed consolidated interim financial information of the Group.

## **6. ESTIMATES**

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 30 June 2024.

## **7. SEGMENT INFORMATION**

The executive directors and senior management collectively are identified as the chief operating decisionmaker ("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.

As at 31 December 2023, the Group had two reportable segments, which were (i) retail sales and franchising operations for selling gold and jewellery products in Mainland; and (ii) retail sales for selling gold and jewellery products in Hong Kong and Macau.

Upon the completion of the Acquisition, the intermediate holding company of the Company became Luk Fook and all the directors of the Company were replaced by new directors. In a manner consistent with the way in which information is reporting internally to the Group's current CODM for the purposes of resource allocation and performance assessment, the reportable segment of the retail sales and franchising operations for selling gold and jewellery products in Mainland is divided into three reportable segments, namely retail sales for selling gold and jewellery products in Mainland; wholesales for selling gold and jewellery products in Mainland; and licensing operations for selling gold and jewellery products. Certain income and expenses, which were previously classified as corporate income and expenses, are considered as part of the segment results of the reportable segments by the current CODM.

Accordingly, the segment information for the six months ended 31 December 2023 has been restated to conform with the current year's presentation.

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

**Continuing operations**

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

CODM assesses the performance of the operating segments based on segment results. Finance income and costs, corporate income and expenses are not included in the results of 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 condensed consolidated interim financial information.

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 condensed consolidated income statement and condensed consolidated financial position.

## Segment revenues and results

For the six months ended 31 December 2024 (unaudited)

	Continuing operations						Reportable segments Total HK\$'000
	Retailing – Mainland HK\$'000	Retailing – Hong Kong and Macau HK\$'000	Wholesaling – Mainland HK\$'000	Wholesaling – Hong Kong HK\$'000	Licensing HK\$'000	Inter-segment elimination HK\$'000	
<b>REVENUE</b>							
<i>Recognised at a point in time</i>							
– Retail sales of goods	163,575	86,230	-	-	-	-	249,805
– Wholesales of goods	-	-	24,242	1,075	-	-	25,317
– Sales of E-commerce goods	80,697	-	-	-	-	-	80,697
	244,272	86,230	24,242	1,075	-	-	355,819
– Inter-segment sales	160,624	8,118	30,019	-	-	(198,761)	-
	404,896	94,348	54,261	1,075	-	(198,761)	355,819
<i>Recognised over time</i>							
– Franchising and licensing income	-	-	-	-	14,431	-	14,431
	404,896	94,348	54,261	1,075	14,431	(198,761)	370,250
<b>RESULT</b>							
Segment loss	(2,829)	(13,697)	(190)	(107)	(10,813)	-	(27,636)
Unallocated other income							3,378
Unallocated corporate staff and directors' salaries							(14,656)
Other unallocated corporate expenses							(5,533)
Net losses on golds loans from a fellow subsidiary							(60,438)
Exchange gain, net							14,188
Unallocated finance costs							(20,428)
Loss before taxation							(111,125)
Income tax expense							(1,596)
Loss for the period							(112,721)

For the six months ended 31 December 2023 (unaudited) (Restated)

	Continuing operations					Reportable segments Total HK\$'000
	Retailing – Mainland HK\$'000	Retailing – Hong Kong and Macau HK\$'000	Wholesaling – Mainland HK\$'000	Licensing HK\$'000	Inter-segment elimination HK\$'000	
<b>REVENUE</b>						
<i>Recognised at a point in time</i>						
– Retail sales of goods	153,116	37,879	–	–	–	190,995
– Wholesales of goods	–	–	19,028	–	–	19,028
– Sales of E-commerce goods	30,710	–	–	–	–	30,710
	183,826	37,879	19,028	–	–	240,733
– Inter-segment sales	51,603	–	7,067	–	(58,670)	–
	235,429	37,879	26,095	–	(58,670)	240,733
<i>Recognised over time</i>						
– Franchising and licensing income	–	–	–	11,029	–	11,029
	<u>235,429</u>	<u>37,879</u>	<u>26,095</u>	<u>11,029</u>	<u>(58,670)</u>	<u>251,762</u>
<b>RESULT</b>						
Segment profit/(loss)	<u>790</u>	<u>(3,030)</u>	<u>(2,590)</u>	<u>(8,243)</u>	<u>–</u>	<u>(13,073)</u>
Unallocated other income						3,715
Unallocated corporate staff and directors' salaries						(14,192)
Other unallocated corporate expenses						(9,358)
Change in fair value of derivatives embedded in convertible bonds						413
Exchange gain, net						2,521
Unallocated finance costs						(60,445)
Loss before taxation						(90,419)
Income tax expense						(351)
Loss for the period						<u>(90,770)</u>

Segment (loss)/profit represents the (loss)/profit of each reportable segment without allocation of unallocated other income, unallocated corporate staff and directors' salaries, other unallocated corporate expenses, change in fair value of derivatives embedded in convertible bonds, net losses on gold loans from a fellow subsidiary, net exchange (loss)/gain, unallocated finance costs and income tax expense. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

## 8. FINANCE COSTS

	<u>Continuing operations</u>	
	<b>Six months ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Interests on:		
Bank and other borrowings	–	57,466
Gold loans from a fellow subsidiary	<b>1,916</b>	–
Loans from fellow subsidiaries	<b>15,640</b>	–
Loan from a non controlling shareholder of a subsidiary	–	748
Loan from a director of the Company	–	33
Lease liabilities	<b>2,869</b>	835
Effective interest on convertible bonds	–	1,363
Other finance costs	<b>3</b>	–
	<b>20,428</b>	<b>60,445</b>

## 9. LOSS BEFORE TAXATION

Loss before taxation has been arrived after charging:

	<u>Continuing operations</u>	
	<b>Six months ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Cost of inventories recognised as an expense	<b>249,105</b>	173,871
Depreciation of property, plant and equipment	<b>7,020</b>	4,197
Depreciation of right-of-use assets	<b>18,413</b>	8,638
Amortisation of intangible assets		
(included in general and administrative expenses)	<b>5,093</b>	–
Allowance of inventories, net (included in cost of sales)	<b>1,485</b>	362



## 10. INCOME TAX EXPENSE

	<b>Continuing operations</b>	
	<b>Six months ended 31 December</b>	
	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Current tax:		
The People's Republic of China ("PRC") Enterprise Income Tax	<b>1,428</b>	58
Deferred taxation	<b>168</b>	293
	<b><u>1,596</u></b>	<u>351</u>

No provision for taxation in Hong Kong has been made for both periods as the Group has no assessable profit in Hong Kong.

Pursuant to rules and regulations of Bermuda and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in Bermuda and the BVI.

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 periods. 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, PRC, were subject to a preferential tax rate of 15% from 1 January 2021 to 31 December 2030, when the annual revenue from the encouraged business exceeded 60% of each subsidiary's total revenue in a fiscal year.

Pursuant to 《關於實施小微企業普惠性稅收減免政策的通知》(Caishui [2019] No. 13) of the PRC issued in 2019, certain subsidiaries qualifying as Small and Micro Enterprises whose annual taxable income is less than RMB1 million, 25% of the amount will be reduced, and the PRC Enterprise Income Tax will be at the tax rate of 20%; for the portion of annual taxable income exceeding RMB1 million but not exceeding RMB3 million, 50% of the amount will be reduced, and the PRC Enterprise Income Tax will be at the tax rate of 20%. Pursuant to 《關於實施小微企業和個體工商戶所得稅優惠政策的公告》(Caishui [2021] No. 12) of the PRC issued in 2021, for the portion of annual taxable income less than RMB1 million for Small and Micro Enterprises, on the basis of the preferential policies stipulated in Article 2 of 《關於實施小微企業普惠性稅收減免政策的通知》(Caishui [2019] No. 13) issued in 2019, the PRC Enterprise Income Tax will be reduced by half.

No provision for the Macau Complementary Tax has been made as the Group has no assessable profits in Macau for both periods.

PRC withholding income tax of 5% shall be levied on the dividends declared by the companies established in the PRC to their foreign investors out of their profits earned after 1 January 2008.

## 11. DIVIDENDS

No dividend was paid or proposed for the six months ended 31 December 2024 and 2023, nor has any dividend been proposed since the end of the reporting period.

## 12. LOSS PER ORDINARY SHARE

	Six months ended 31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Loss:		
Loss for the period attributable to equity holders for the purposes of basic and diluted loss per ordinary shares ( <i>Note (i)</i> )		
– Continuing operations	(49,978)	(48,672)
– Discontinued operation	–	(5,572)
	<u>(49,978)</u>	<u>(54,244)</u>

	<b>2024</b>	2023
	<b>'000</b>	'000
	<b>(Unaudited)</b>	(Unaudited)
Number of ordinary shares:		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per ordinary share for the Continuing and Discontinued operations ( <i>Notes (i) &amp; (ii)</i> )	<b><u>269,672</u></b>	<u>269,672</u>
	<b>Six months ended 31 December</b>	
	<b>2024</b>	2023
	<b>HK\$</b>	HK\$
	<b>(Unaudited)</b>	(Unaudited)
Basic and diluted loss per ordinary share attributable to equity holders		
– Continuing operations	<b>(0.19)</b>	(0.18)
– Discontinued operation	<u>–</u>	<u>(0.02)</u>
	<b><u>(0.19)</u></b>	<u>(0.20)</u>

*Notes:*

- i) The calculation of diluted loss per ordinary share for the six months ended 31 December 2024 and 2023 did not assume the conversion of convertible bonds, since the conversion would result in an anti-dilutive effect on loss per ordinary share.
- ii) For the six months ended 31 December 2024 and 2023, the computation of diluted loss per ordinary share did not assume the exercise of share options because the share options had an anti-dilutive effect on the basis loss per ordinary share.

### 13. TRADE AND OTHER RECEIVABLES AND DEPOSITS PAID

The Group generally allows a credit period up to 30 days (30 June 2024: up to 30 days) to its debtors.

Included in trade and other receivables and deposits paid are trade receivables from contracts with customers, net of allowance for credit losses, of approximately HK\$59,398,000 (30 June 2024: HK\$40,865,000) and an aging analysis based on invoice date, net of allowance, at the end of the reporting period, is as follows:

	<b>31 December</b> <b>2024</b> <i>HK\$'000</i> <b>(Unaudited)</b>	30 June 2024 <i>HK\$'000</i> (Audited)
0-30 days	52,520	35,002
31-60 days	1,713	1,696
61-90 days	277	2,333
Over 90 days	4,888	1,834
	<u>59,398</u>	<u>40,865</u>

### 14. TRADE AND OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

Included in trade and other payables, accruals and deposits received are trade payables of approximately HK\$45,713,000 (30 June 2024: HK\$31,359,000) and an aging analysis based on the invoice date at the end of the reporting period is as follows:

	<b>31 December</b> <b>2024</b> <i>HK\$'000</i> <b>(Unaudited)</b>	30 June 2024 <i>HK\$'000</i> (Audited)
0-30 days	43,752	28,779
31-60 days	1,929	2,478
61-90 days	4	50
Over 90 days	28	52
	<u>45,713</u>	<u>31,359</u>

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL PERFORMANCE

### Revenue

HK\$370M

↑ 47%

### Gold Hedging Losses<sup>1</sup>

HK\$60M

N/A

### Loss Attributable to Equity Holders

HK\$50M

↓ 8%

### Loss for the Period

HK\$113M

↑ 14%

### Total number of shops<sup>2</sup>

241

↑ 22

### Adjusted Loss for the Period (exclude gold hedging losses)

HK\$52M

↓ 47%

<sup>1</sup> No gold hedging was conducted during 1H FY2024

<sup>2</sup> The change of total number of shops refers to comparison between 31 December 2024 and 30 June 2024

## Results

The surge in central banks' gold reserves, coupled with ongoing global geopolitical tensions, has propelled gold prices to new highs during the six months ended 31 December 2024 (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 which took place in January 2024. As a result, total revenue increased by 47% to HK\$370,250,000 during the review period (2023: HK\$251,762,000). Additionally, the Group's overall gross margin improved by 1 p.p. to 32% (2023: 31%), leading to a 54% rise in gross profit, which reached HK\$119,660,000 (2023: HK\$77,529,000).

The surge in gold prices resulted in a gold hedging loss of HK\$60,438,000 for the Period (2023: Nil). Consequently, the operating loss rose significantly by 198% to HK\$90,697,000 (2023: HK\$30,387,000), with the operating loss margin widening to 24% (2023: 12%). On the other hand, the Group's finance costs reduced substantially by 66% to HK\$20,428,000 (2023: HK\$60,445,000) with the financial assistance arrangements from Luk Fook. Overall, loss for the Period increased by 14% to HK\$112,721,000 (2023: HK\$98,463,000), while the net loss margin decreased by 9 p.p. to 30% (2023: 39%). Excluding the impact of gold hedging losses, the adjusted loss for the Period would be HK\$52,283,000 (2023: HK\$98,463,000), reflecting a reduction of 47%. Furthermore, loss attributable to equity holders of the Group decreased by 8% to HK\$49,978,000 (2023: HK\$54,244,000).

## Overview

As at 31 December 2024, the Group had a global network of 241 shops (30 June 2024: 219 shops), with business spanning across Hong Kong SAR<sup>1</sup>, China, Macau SAR<sup>2</sup>, China, Mainland China<sup>3</sup> and Thailand.

## Distribution Network

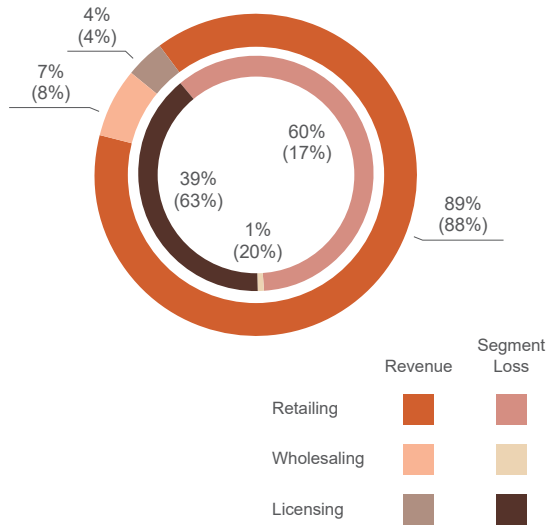
	Countries and Regions	31 December 2024	30 June 2024	Changes	31 December 2023	Y-o-Y Changes
Self-operated Shops	Mainland	93	72	+21	63	+30
	Hong Kong	7	5	+2	2	+5
	Macau	1	1	-	-	+1
	Sub-total	101	78	+23	65	+36
Licensed Shops	Mainland	139	141	-2	157	-18
	Overseas	1	-	+1	-	+1
	Sub-total	140	141	-1	157	-17
	Total	241	219	+22	222	+19

<sup>1</sup> Hong Kong SAR, China: Hereafter refers to as "Hong Kong"

<sup>2</sup> Macau SAR, China: Hereafter refers to as "Macau"

<sup>3</sup> Mainland China: Hereafter refers to as "Mainland"

## Revenue and Segment Loss by Business



\* Comparative figures for 1H FY2024 in the above chart are shown in brackets

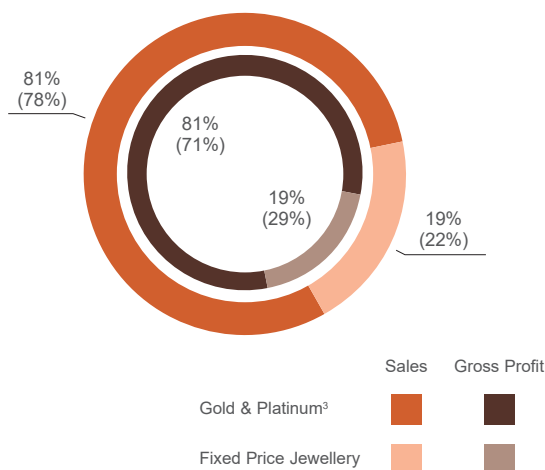
HK\$M		Revenue	Segment Loss	Segment Loss Margin
Retailing		331	(17)	-5%
	<i>Y-o-Y changes</i>	<i>+49%</i>	<i>Loss increased by 638%</i>	<i>-4 p.p.</i>
Wholesaling		25	0	-1%
	<i>Y-o-Y changes</i>	<i>+33%</i>	<i>Loss improved by 89%</i>	<i>+12 p.p.</i>
Licensing		14	(11)	-75%
	<i>Y-o-Y changes</i>	<i>+31%</i>	<i>Loss increased by 31%</i>	<i>-</i>
Overall		370	(28)	-7%
	<i>Y-o-Y changes</i>	<i>+47%</i>	<i>Loss increased by 111%</i>	<i>-2 p.p.</i>

During the Period under review, retailing business was the main source of revenue of the Group. The Group's retailing revenue increased by 49% to HK\$330,502,000 (2023: HK\$221,706,000), accounting for 89% (2023: 88%) of the Group's total revenue, while its segment loss widened to HK\$16,526,000 (2023 segment loss: HK\$2,240,000) with segment loss margin of 5% (2023 segment loss margin: 1%).

The Group's wholesaling revenue increased by 33% to HK\$25,317,000 (2023: HK\$19,028,000), accounting for 7% (2023: 8%) of the Group's total revenue, while its segment loss was HK\$297,000 (2023 segment loss: HK\$2,589,000) with segment loss margin of 1% (2023 segment loss margin: 13%).

During the Period under review, the licensing income increased by 31% to HK\$14,431,000 (2023: HK\$11,028,000), accounting for 4% (2023: 4%) of the Group's total revenue, while its segment loss margin was 75% (2023: 75%), with its segment loss increased to HK\$10,813,000 (2023 segment loss: HK\$8,243,000).

### Sales<sup>1</sup> and Gross Profit<sup>2</sup> by Product



\* Comparative figures for 1H FY2024 in the above chart are shown in brackets

HK\$M	Sales <sup>1</sup>	Gross Profit <sup>2</sup>	Gross Margin
Gold & Platinum	290	86	30%
<i>Y-o-Y changes</i>	<i>+55%</i>	<i>+79%</i>	<i>+4 p.p.</i>
Fixed Price Jewellery	66	20	30%
<i>Y-o-Y changes</i>	<i>+23%</i>	<i>+4%</i>	<i>-6 p.p.</i>
Overall	356	106	30%
<i>Y-o-Y changes</i>	<i>+48%</i>	<i>+57%</i>	<i>+2 p.p.</i>

<sup>1</sup> Sales = Revenue – Licensing Income

<sup>2</sup> Gross Profit = Consolidated Gross Profit – Gross Profit of Licensing Business

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



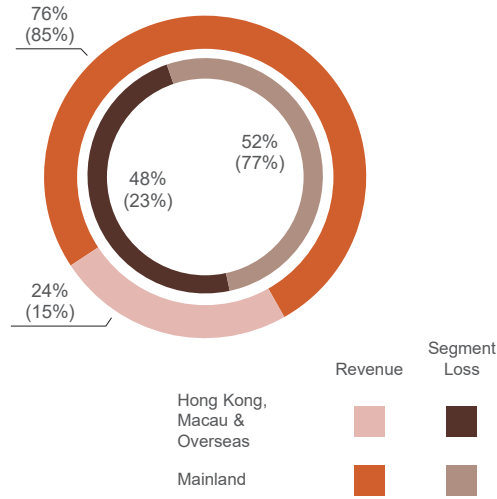
During the Period under review, the average international gold price in USD per ounce increased nearly by 31% year-on-year. Nevertheless, as the Group has expanded its distribution network as part of its strategic initiatives, sales of gold and platinum products increased by 55% to HK\$289,859,000 (2023: HK\$187,197,000), accounting for 81% (2023: 78%) of the overall sales amount (revenue of the Group minus licensing income). Its gross margin increased by 4 p.p. to 30% (2023: 26%) because of the rise in gold prices. Gross profit of gold and platinum products therefore increased by 79% to HK\$85,985,000 (2023: HK\$48,080,000), accounting for 81% (2023: 71%) of the overall gross profit (consolidated gross profit of the Group minus gross profit of licensing business).

On the other hand, the sales of fixed price jewellery products increased by 23% to HK\$65,960,000 (2023: HK\$53,537,000), accounting for 19% (2023: 22%) of the overall sales amount (revenue of the Group minus licensing income). Gross margin of fixed price jewellery products decreased by 6 p.p. to 30% (2023: 36%) with its gross profit increased by 4% to HK\$20,067,000 (2023: HK\$19,255,000), accounting for 19% (2023: 29%) of the overall gross profit (consolidated gross profit of the Group minus gross profit of licensing business).

During the Period under review, the overall same store sales (“SSS”) of the Group was -17% (2023: -11%). SSS for gold and platinum products was -14% (2023: -10%) and -33% (2023: -12%) for fixed price jewellery products.

# BUSINESS REVIEW

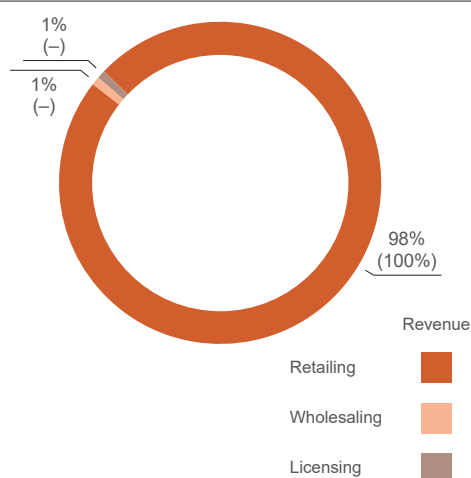
## Revenue and Segment Loss by Market



\* Comparative figures for 1H FY2024 in the above chart are shown in brackets

HK\$M	Revenue	Segment Loss	Segment Loss Margin
Hong Kong, Macau & Overseas	88	(13)	-15%
<i>Y-o-Y changes</i>	<i>+132%</i>	<i>Loss increased by 336%</i>	<i>-7 p.p.</i>
Mainland	282	(15)	-5%
<i>Y-o-Y changes</i>	<i>+32%</i>	<i>Loss increased by 44%</i>	<i>-</i>
Overall	370	(28)	-7%
<i>Y-o-Y changes</i>	<i>+47%</i>	<i>Loss increased by 111%</i>	<i>-2 p.p.</i>

## Hong Kong, Macau and Overseas



\* Comparative figures for 1H FY2024 in the above chart are shown in brackets

HK\$M		Revenue	Segment Profit/(Loss)	Segment Profit/(Loss) Margin
Retailing	<i>Y-o-Y changes</i>	86 <i>+128%</i>	(14) <i>Loss increased by 352%</i>	-16% <i>-8 p.p.</i>
Wholesaling	<i>Y-o-Y changes</i>	1 <i>N/A</i>	0 <i>N/A</i>	-10% <i>N/A</i>
Licensing	<i>Y-o-Y changes</i>	1 <i>N/A</i>	1 <i>N/A</i>	89% <i>N/A</i>
Overall	<i>Y-o-Y changes</i>	88 <i>+132%</i>	(13) <i>Loss increased by 336%</i>	-15% <i>-7 p.p.</i>

## 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 to December 2024 decreased by 16% over the corresponding period last year. Nevertheless, as the Group has expanded its retail network in Hong Kong and Macau, the retailing revenue increased 128% to HK\$86,230,000 (2023: HK\$37,879,000) during the Period under review. Its retailing segment loss widened to HK\$13,697,000 (2023 segment loss: HK\$3,030,000) with segment loss margin of 16% (2023 segment loss margin: 8%). As at 31 December 2024, the Group operated 8 self-operated shops (2023: 2 self-operated shops) in Hong Kong and Macau.

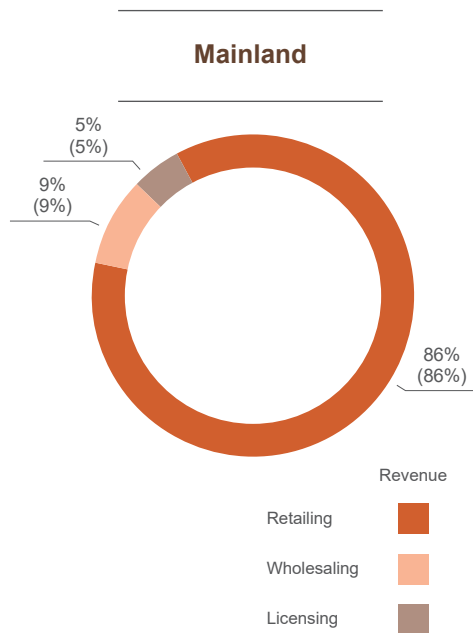
## ***Overseas***

During the Period under review, 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 132% to HK\$87,967,000 (2023: HK\$37,879,000) during the Period under review, accounting for 24% (2023: 15%) of the Group's total revenue. Its segment loss increased to HK\$13,213,000 (2023 segment loss: HK\$3,030,000) with segment loss margin of 15% (2023: 8%).

The overall SSS in the Hong Kong, Macau and overseas markets was -31% (2023: +4%), while their SSS for gold and platinum products was -23% (2023: -1%) and -45% (2023: +11%) for fixed price jewellery products.

As at 31 December 2024, the Group had a total of 9 shops (2023: 2 shops) in Hong Kong, Macau and Overseas, including 1 licensed shop (2023: Nil) and 8 self-operated shops (2023: 2 self-operated shops).



\* Comparative figures for 1H FY2024 in the above chart are shown in brackets

HK\$M	Revenue	Segment Loss	Segment Loss Margin
Retailing	245	(3)	-1%
<i>Y-o-Y changes</i>	<i>+33%</i>	<i>Turned from profit of HK\$1m to loss</i>	<i>-1 p.p.</i>
Wholesaling	24	0	-1%
<i>Y-o-Y changes</i>	<i>+27%</i>	<i>Loss reduced by 93%</i>	<i>+13 p.p.</i>
Licensing	13	(12)	-83%
<i>Y-o-Y changes</i>	<i>+25%</i>	<i>Loss increased by 38%</i>	<i>-8 p.p.</i>
Overall	282	(15)	-5%
<i>Y-o-Y changes</i>	<i>+32%</i>	<i>Loss increased by 44%</i>	<i>-</i>

## Mainland

As the Group has started to broaden its distribution network in Mainland, the retailing revenue increased by 33% to HK\$244,272,000 (2023: HK\$183,827,000), accounting for 86% (2023: 86%) of Mainland market's revenue and 66% (2023: 73%) of the Group's total. Its segment loss was HK\$2,829,000 (2023 segment profit: HK\$790,000) with segment loss margin of 1% (2023 segment profit margin: 0%). The overall SSS in Mainland was -14% (2023: -9%). The SSS for its gold and platinum products was -11% (2023: -7%) and -25% (2023: -19%) for its fixed price jewellery products.

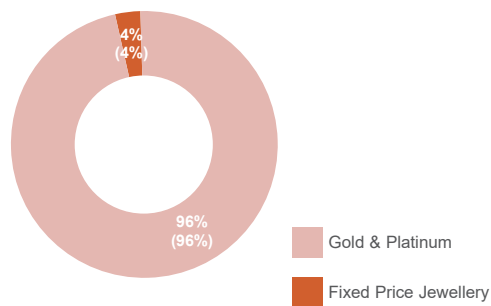
The Group's revenue of the wholesaling business, increased by 27% to HK\$24,242,000 (2023: HK\$19,028,000), which accounted for 9% (2023: 9%) of Mainland market's revenue and 7% (2023: 8%) of the Group's total. Its segment loss decreased by 93% to HK\$190,000 (2023 segment loss: HK\$2,589,000), with segment loss margin at 1% (2023 segment loss margin: 14%).

Licensing income in the Mainland market increased by 25% to HK\$13,769,000 (2023: HK\$11,028,000), which accounted for 5% (2023: 5%) of Mainland market's revenue and 3% (2023: 4%) of the Group's total. Its segment loss increased by 38% to HK\$11,404,000 (2023 segment loss: HK\$8,243,000), with segment loss margin was 83% (2023 segment loss margin: 75%).

As at 31 December 2024, the Group had a total of 232 shops (2023: 220 shops) in Mainland, including 139 licensed shops (2023: 157 licensed shops) and 93 self-operated shops (2023: 63 self-operated shops).

**1H FY2025**  
**Mainland E-commerce Business Performance**

Sales by Product



\* Comparative figures for 1H FY2024 in the above chart are shown in brackets

<b>Revenue</b>	
HKD81 million	+163%
	<i>Y-o-Y Changes</i>
RMB75 million	+165%
	<i>Y-o-Y Changes</i>
<b>Contribution to Mainland Retailing Revenue<sup>1</sup>:</b>	
33%	+16 p.p.
<b>Contribution to Group's Retailing Revenue<sup>1</sup>:</b>	
24%	+11 p.p.
<b>Average Selling Price<sup>2</sup></b>	
RMB3,259	+39%
	<i>Y-o-Y Changes</i>

<sup>1</sup> Sales of self-operated shops and e-commerce business

<sup>2</sup> ASP included value-added tax (VAT)

During the Period under review, revenue of e-commerce business from Mainland increased 163% to HK\$80,697,000 (2023: HK\$30,710,000), accounting for 33% (2023: 17%) of the retailing revenue in Mainland and 24% (2023: 13%) of the Group's retailing revenue. Sales of gold and platinum products accounted for 96% (2023: 96%) of its sales mix and 4% (2023: 4%) for its fixed price jewellery products.

Overall speaking, revenue from the Mainland market increased 32% to HK\$282,283,000 (2023: HK\$213,883,000), accounting for 76% (2023: 85%) of the Group's total revenue. Its segment loss increased to HK\$14,423,000 (2023 segment loss: HK\$10,042,000), with segment loss margin of 5% (2023: segment loss margin 5%).

## **FINANCIAL REVIEW**

### **Non-HKFRS Financial Measure**

To supplement the consolidated interim results of the Group prepared in accordance with HKFRS, non-HKFRS financial measures, EBITDA, EBITDA margin and total operating expenses to revenue ratio have been presented in this report. The Company's management 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 has 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 December 2024, the Group's cash and bank balances amounted to HK\$32,227,000 (30 June 2024: HK\$31,918,000). Excluded loans from fellow subsidiaries and gold loans from a fellow subsidiary, net cash was HK\$32,227,000 (30 June 2024: HK\$31,918,000). The debt-to-equity ratio was 570% (30 June 2024: 537%), being the ratio of total liabilities of HK\$2,176,700,000 (30 June 2024: HK\$1,687,569,000) against total shareholders' equity of HK\$381,990,000 (30 June 2024: HK\$314,505,000). As at 31 December 2024, the Group's did not utilise any banking facilities (30 June 2024: Nil). The Group's income and expenditure streams are mainly denominated in Renminbi.

## Inventory

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### Inventory Turnover Days (By Product)

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Turnover Days	Average Inventory		Closing Inventory	
	1H FY2025	Y-o-Y changes	1H FY2025	Y-o-Y changes
Gold & Platinum	455	+100	547	+111
Fixed Price Jewellery	1,322	-174	1,404	-196
Overall	615	+63	705	+68

As at 31 December 2024, the Group's inventory increased by 34% to HK\$977,573,000 (30 June 2024: HK\$728,097,000). The average inventory turnover days were 615 days (30 June 2024: 552 days), among which the average inventory turnover days of gold and platinum products were 455 days (30 June 2024: 355 days). The average inventory turnover days of fixed price jewellery products were 1,322 days (30 June 2024: 1,496 days).

The inventory turnover days calculated basing on closing inventory were 705 days (30 June 2024: 637 days) with the closing inventory turnover days of gold and platinum products being 547 days (30 June 2024: 436 days) and 1,404 days (30 June 2024: 1,600 days) for fixed price jewellery products.

## Capital Expenditure

During the Period under review, the Group's capital expenditures amounted to HK\$22,808,000 (2023: HK\$3,559,000), including the leasehold improvements, furniture, fixtures and equipment.

## Capital Commitments

As at 31 December 2024, the Group's total capital commitments amounted to HK\$4,319,000 (30 June 2024: HK\$509,000).



## **Contingent Liabilities and Guarantee**

As at 31 December 2024, the Company had provided corporate financial guarantee amounting to HK\$400,000,000 (30 June 2024: HK\$550,000,000) to bank in respect of the aggregate amount of banking facilities granted to its subsidiary. As at 31 December 2024, the subsidiary did not utilise any banking facilities (30 June 2024: Nil).

As at 31 December 2024, 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 statement of financial position whereas no financial impact on the consolidated financial statements.

As at 31 December 2024 and 30 June 2024, the Group had no significant contingent liabilities.

## **Human Capital Policy**

As at 31 December 2024, the number of employees of the Group was 1,144 (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 central banks, combined with ongoing geopolitical tensions, have pushed gold prices to unprecedented levels. Furthermore, factors such as macroeconomic uncertainties, a dip in consumer sentiment, and a weakened Renminbi have had a notable impact on the Group's sales performance during the Period under review.

The Group is strategically refocusing to address the current market challenges. Although demand for diamond products remains sluggish, the Group is committed to promoting our non-diamond fixed-price jewellery offerings to enhance overall performance. 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 retail business is poised to regain its 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.

The Group remains committed to collaborating closely with Luk Fook to execute its corporate strategies, vision, mission, and values, leveraging a strategic planning and operational framework that has contributed to Luk Fook's commercial success. The Group has commenced its retail network expansion by opening self-operated stores in Hong Kong and Mainland. Furthermore, it is revitalizing its licensing efforts and nurturing e-commerce business in Mainland. The Group is optimistic about the substantial growth opportunities in overseas markets and has begun to expand its international presence, initially focusing on Asian countries. Additionally, Luk Fook's strong financial position and extensive access to funding will allow the Group to secure financing at significantly lower costs in the future.

The Group has launched a new three-year corporate strategy centered on three key areas: Mainland Market Expansion, Branding, and Operational Efficiency. This strategic focus aims to drive future business growth of the Group.

## **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 aims to enhance its e-commerce presence and strengthen 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.

## **Branding Strategy**

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.

## **Operational Efficiency**

To enhance its competitive advantage, the Group is improving operational efficiency through synergies by leveraging Luk Fook's systems and infrastructure, which include supply chain management, process automation, big data management, and data analytics. Furthermore, the Group is dedicated to maximizing employee productivity by cultivating a culture of continuous improvement and innovation.

## **INTERIM DIVIDEND**

The Board has resolved not to recommend an interim dividend in respect of the Period to the holders of ordinary shares of the Company.

## **CORPORATE GOVERNANCE**

The Board and the 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. The Company has applied 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**”) throughout the six months ended 31 December 2024, 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.

In view of the Group’s business 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 its norms on “status parity” when future business negotiations are conducted in Mainland. Besides, members of the Board also include qualified professionals and experienced individuals from the community. The Board considers that the existing Board composition, with the support of Board Committees, can ensure a balance of power and authority. The Board will nevertheless review this structure from time to time and will consider segregation of the two roles when appropriate.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

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

## **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 under review.

## **AUDIT COMMITTEE**

The Audit Committee of the Company has reviewed the condensed consolidated interim financial information of the Company for the six months ended 31 December 2024.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT 2024/25**

This interim results announcement is published on the websites of the Hong Kong Exchanges and Clearing Limited (the "HKEx") ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([3dg-group.com](http://3dg-group.com)). The Interim 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 sincere gratitude to 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.

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

Hong Kong, 27 February 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.*