

What’s Hot Today:

► China gold jewelry: improvement on track

We have summarized the latest 1H25 results of six leading gold jewelry companies in China to identify key industry trends. Among them, high-end brands such as Laopu Gold (6181 HK, HK\$709, HK\$122bn) and emerging fashionable brands like Chaohongji (002345.SZ, RMB15.06, RMB13.4bn) maintained strong momentum, benefiting from successful marketing and product innovation. As consumer demand gradually recovers, traditional brands such as CTF (1929 HK, HK\$15.49, HK\$153bn), Luk Fook (590 HK, HK\$26.36, HK\$15.5bn), Lao Feng Xiang (600612.SH, RMB52.51, RMB27.5bn) saw sequential YoY topline improvement in April–June. During this period, profit margins for most brands improved, mainly driven by rising gold prices, strong demand for higher-margin fixed-price products, and the ongoing closure of underperforming stores.

Fig 1: the latest semi-annual results of the six companies

RMB mn	As of 31/03/2025		As of 30/06/2025			
	CTF	Luk Fook	Laopu	Lao Feng Xiang	CHJ	Zhouliufu
Revenue	42,525	6,680	12,354	33,356	4,062	3,150
YoY	-15.1%	0.7%	251.0%	-16.5%	19.6%	5.2%
Gross profit	11,913	2,230	4,705	2,895	936	827
YoY	41.1%	25.9%	223.4%	-21.3%	18.4%	8.7%
GPM	28.0%	33.4%	38.1%	8.7%	23.1%	26.3%
S&M expense	(4,211)	(1,177)	(1,464)	(422)	(380)	(242)
% of revenue	-9.9%	-17.6%	-11.9%	-1.3%	-9.4%	-7.7%
Admin. expense	(1,846)	(175)	(211)	(213)	(85)	(65)
% of revenue	-4.3%	-2.6%	-1.7%	-0.6%	-2.1%	-2.1%
Financial expense	(233)	(19)	(42)	(86)	(21)	(7)
% of revenue	-0.5%	-0.3%	-0.3%	-0.3%	-0.5%	-0.2%
Net profit	3,148	619	2,268	1,220	331	415
YoY	73.8%	-19.3%	285.8%	-13.1%	44.3%	11.9%
NPM	7.4%	9.3%	18.4%	3.7%	8.2%	13.2%

Source: Company Data, Sunwah Kingsway Research

Fig 2: Revenue YoY growth of the six companies

	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
Laopu		148%		183%		251%
Zhouliufu		N/A		N/A		5%
CHJ	18%	10%	-4%	18%	25%	13%
Lao Feng Xiang	4%	-9%	-42%	-55%	-32%	11%
	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26
CTF	12%	-20%	-21%	-14%	-12%	-2%
Luk Fook	5%	-18%	-16%	-6%	-2%	13%

Source: Company Data, Sunwah Kingsway Research

China & HK Indices			CLOSE	1D	YTD	
HSI			26,544	-1.4%	32.3%	
HSCEI			9,456	-1.5%	29.7%	
HSCCI			4,257	-1.4%	12.6%	
CSI300			4,498	-1.2%	14.3%	
Shanghai A			4,016	-1.2%	-1.2%	
Shanghai B			264	-0.4%	-1.2%	
Shenzhen A			2,594	-1.2%	26.7%	
Shenzhen B			1,356	-0.3%	11.8%	
Key Int'l Indices			CLOSE	1D	YTD	
Dow Jones			46,142	0.3%	8.5%	
S&P 500			6,631	0.5%	12.8%	
Nasdaq			22,470	0.9%	16.4%	
Nikkei Index			45,743	1.0%	14.7%	
FTSE Index			9,228	0.2%	12.9%	
CAC Index			7,854	0.9%	6.4%	
DAX Index			23,674	1.4%	18.9%	
Commodities			CLOSE	1D	YTD	
GOLD (US\$/oz.)			3,644	-0.4%	38.6%	
STEEL (US\$/oz.)			2,171	-0.6%	21.6%	
SILVER (US\$/oz.)			41	0.4%	44.2%	
CRUDE OIL (US\$/bbl)			63	-0.7%	-11.4%	
COPPER (US\$/oz.)			9,940	-1.8%	13.4%	
ALUMINIUM (US\$/oz.)			2,684	-1.2%	5.2%	
PLATINUM (US\$/oz)			1,386	1.2%	52.3%	
ZINC (US\$/oz.)			2,916	-2.5%	-2.1%	
WHEAT (US\$/bu)			524	-0.8%	-4.7%	
CORN (US\$/bu)			423	-0.7%	-3.9%	
SUGAR (US\$/lb)			N/A	N/A		
SOYBEAN (US\$/bu)			1,037	-0.6%	1.6%	
PVC (US\$/t.)			N/A	N/A	-12.2%	
CRB			301	-2.0%	3.0%	
BDI					118.7%	
Exchange Rates						
	USD	HKD	EUR	JPY	CHF	RMB
USD		7.778	0.848	148.000	0.792	7.113
HKD	0.129		0.109	19.027	10.189	0.914
EUR	1.179	9.169		174.440	1.071	8.385
JPY	0.007	5.256	0.573		0.536	0.048
CHF	1.262	9.814	1.071	186.755		8.976
RMB	0.141	1.094	0.119	20.793	0.112	
Market Sentiment						
				CURRENT	5D	
CDS Monitor - USD SR 5Y						
Greece					N/A	N/A
Ireland					83	-2.4%
Italy					139	-0.6%
Portugal					207	-0.0%
Spain					108	0.3%
VIX					15	6.7%
Source: Bloomberg						

Fixed-price products led the growth. Since 2H24, gold jewelry retailers actively introduced fixed-price products featuring diamonds or enamel to enhance the designs. Demand for these products remained strong. CTF’s Rouge Collection and Palace Museum Collection series each contributed more than HK\$4bn of sales in FY25. Meanwhile, they have collaborated with popular IPs such as Disney, Chikwawa, Sanrio and Black Myth: Wukong, and focused on lightweight, high-repurchase items like beads and rings to attract young generation.

Fig 3: Chikwawa series of CTF



Source: Company Data

Fig 4: Joie Collection of CTF



Source: Company Data

Fig 5: Sanrio series of CHJ



Source: Company Data

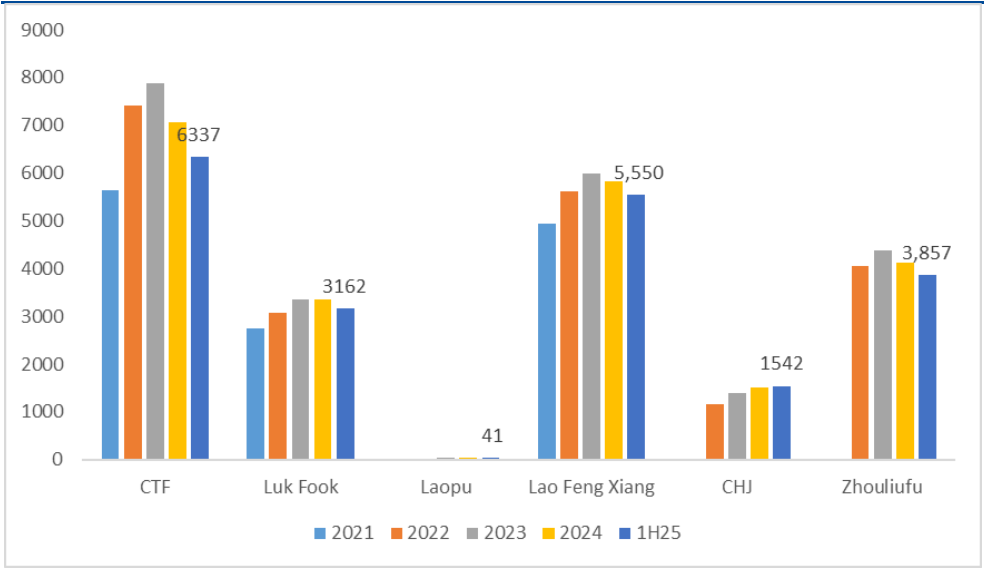
Fig 6: Diabling series of Luk Fook



Source: Company Data

Continuous network optimization. The gold jewelry brands prioritize quality over quantity of their store networks. Except for Laopu and CHJ, their peers continued to close underperforming stores while opening new ones with upgraded brand image. The majority of store closures were franchised outlets, and the higher proportion of self-operated stores helped support the GPM. Meanwhile, they stepped up efforts in overseas expansion, especially in Southeast Asia which presents strong Chinese culture. Luk Fook expects to net open 50 new stores in the overseas market over the next three years, with 20 stores planned for 2025.

Fig 7: POS of six companies



Source: Company Data, Sunwah Kingsway Research

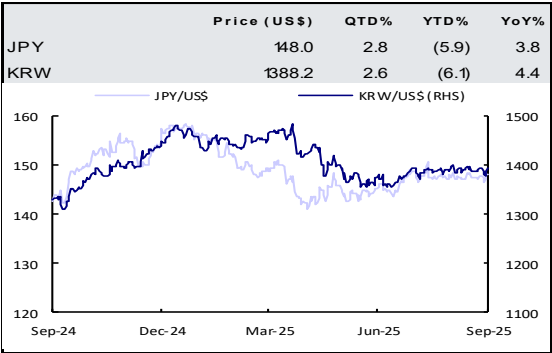
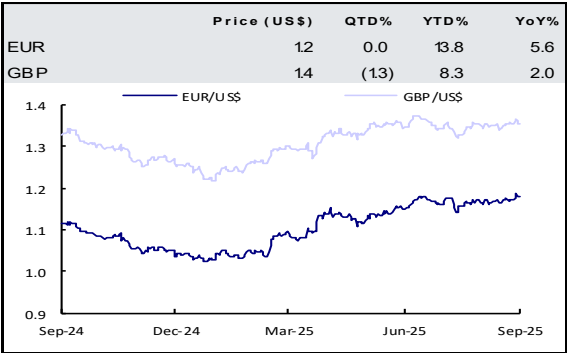
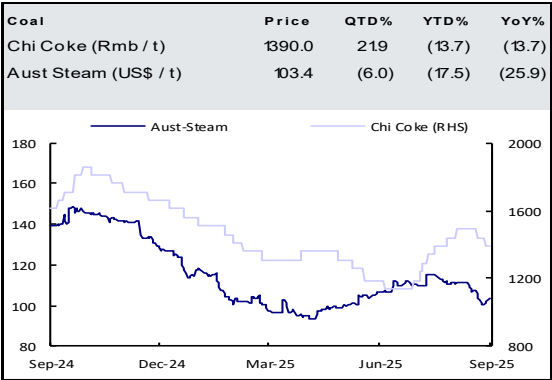
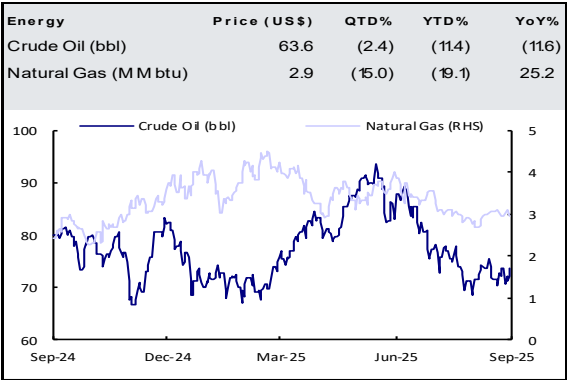
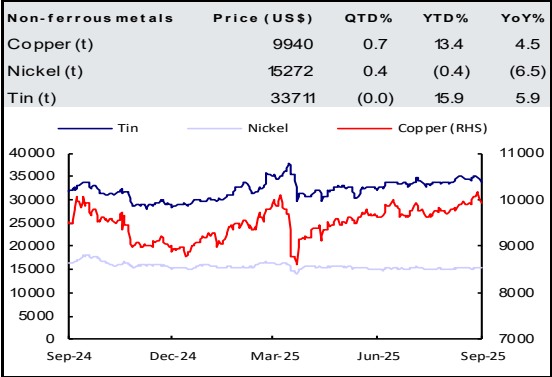
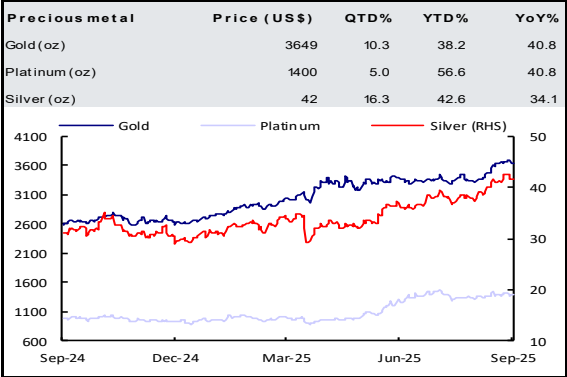
Our view: Traditional brands including CTF, Luk Fook and Zhouliufu are experiencing faster SSSG during July and August. With the peak consumption season approaching and rising gold prices, the gold jewelry sector is expected to carry the momentum in 2H25 (July-Dec). Among them, we believe CTF and Chao Hong Ji are likely to benefit the most, given their strong design capabilities and effective marketing strategies. (Ensley LIU)

Fig 8: Valuation of the six companies

	Stock code	Stock price	Market cap	PE		
				FY26E	FY27E	FY28E
CTF	1929 HK	HK\$15.49	HK\$152.8bn	18.8	16.9	15.4
Luk Fook	590 HK	HK\$26.36	HK\$15.5bn	10.5	9.4	8.7
	Stock code	Stock price	Market cap	FY25E	FY26E	FY27E
Laopu	6181 HK	HK\$709	HK\$122.4bn	23.0	17.0	13.6
Lao Feng Xiang	600612.SH	RMB52.51	RMB27.5bn	16.3	14.9	14.0
CHJ	002345.SZ	HK\$15.06	HK\$13.4bn	26.2	21.7	18.4
Zhouliufu	6168 HK	HK\$48.5	HK\$21.4bn	23.3	20.7	18.5

Source: Bloomberg, Company Data, Sunwah Kingsway Research

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Initial Jobless Claims	WoW		18-Sep-25
New home Sales	MoM		24-Sep-25
Wholesale Inventories	MoM		25-Sep-25
Existing Home Sales	MoM		25-Sep-25
Durable Goods Orders	MoM		25-Sep-25
GDP	QoQ		25-Sep-25
Personal Income & Spending	MoM		26-Sep-25
Consumer Confidence	MoM		30-Sep-25
ISM Manufacturing PMI	MoM		1-Oct-25
Factory Orders	MoM		2-Oct-25
Employment Report	MoM		3-Oct-25
Trade Balance	MoM		7-Oct-25
CPI	MoM		15-Oct-25
PPI	MoM		16-Oct-25
Business Inventories	MoM		16-Oct-25
Retail Sales	MoM		16-Oct-25
Industrial Production	MoM		17-Oct-25
Housing Starts / Building Permits	MoM		17-Oct-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI Manufacturing	MoM		30-Sep-25
Foreign Exchange Reserves	QoQ		7-Oct-25
Money Supply - M2	MoM		10-Oct-25
Trade Balance	MoM		13-Oct-25
PPI	MoM		15-Oct-25
CPI	MoM		15-Oct-25
Retail Sales	MoM		20-Oct-25
Industrial Production	MoM		20-Oct-25
GDP	YoY		20-Oct-25

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
CPI	MoM		22-Sep-25
Trade Balance	MoM		25-Sep-25
Money Supply - M2	MoM		30-Sep-25
Retail Sales	MoM		2-Oct-25
PMI	MoM		6-Oct-25
Foreign Currency Reserve	MoM		8-Oct-25
Unemployment Rate	MoM		20-Oct-25
GDP	QoQ		31-Oct-25
Producer Prices Index	QoQ		15-Dec-25
Industrial Production	QoQ		15-Dec-25
Composite Interest Rate	MoM		

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