

## Chow Tai Fook Sales Rebound as Tourism Returns



Group revenue at Chow Tai Fook grew 38% in the first two months of the fiscal year as Hong Kong's tourist industry [benefited from the reopening of the border](#) with mainland China.

“The [Chinese] government’s focus on getting businesses back in the mainland will be a positive catalyst to drive retail and economic activity in both the mainland and Hong Kong and Macau, and is supportive of our fiscal year 2024 performance,” the company said last week in its outlook for the year ending March 31, 2024. “We are encouraged by the gradual resumption of business in our key markets and expect fiscal 2024 to be a year of recovery and normality with same-store sales to resume growth in the mainland and Hong Kong and Macau.”

Sales in mainland China rose 35% year on year during the April 1 to May 31 period, the company noted. Meanwhile, in Hong Kong and Macau, revenue climbed 65% compared to the previous year.

The increases follow slower sales during the fiscal year that ended March 31, when travel between China and Hong Kong was closed off and tourism was at a standstill.

Sales slipped 4.3% to HKD 94.68 billion (\$12.08 billion) for the 12 months, the company reported. Strong sales in the fourth quarter offset this to a large degree — driven by an economic recovery — as did the opening of a net 1,631 points of sale on the mainland during the year. The expansion took [Chow Tai Fook's store total](#) to 7,269 points of sale, surpassing the 7,000 the jewelry retailer had estimated to open by fiscal 2025, it explained. Profit dropped 20% to HKD 5.49 billion (\$700.7 million).

Revenue in China fell 6% to HKD 81.82 billion (\$10.44 billion) amid tight [Covid-19 measures](#). The drop was tempered by an improvement in consumer sentiment toward the end of the year, when the government eased restrictions and implemented measures to spur the economy.

In Hong Kong, Macau and other markets, revenue rose 9% to HKD 13.06 billion (\$1.67 billion). The growth was driven by the return of tourism from mainland China and higher spending on bridal jewelry following a release of pent-up demand, Chow Tai Fook noted.

*Image: A Chow Tai Fook store in Hong Kong. (Chow Tai Fook)*