

周大福

CHOW TAI FOOK

Natural Diamonds Continue to Shine in China

CIBJO CONGRESS 2023

4 Oct 2023

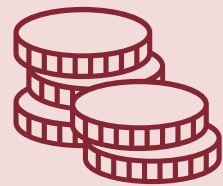
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CHINA'S MACRO OVERVIEW

While demand for natural diamonds may be impacted by short-term volatility, consumer sentiment remains strong in the long term.

Potential to Growth Remains



The **per capita disposable income** in 1H 2023 stood at RMB 19,672, an **increase of 6.5%** from the same period in 2022

Source: National Bureau of Statistics of China released in July 2023

Adding New Potential Buyers



The emerging trend of **self-gifting among female customers** reflects the positive tailwinds that will continue to drive the jewellery market in China

Source: Research conducted by McKinsey for Chow Tai Fook in 2022

Brand jewellery sales in China are expected to increase by 10-14% per annum in the coming years

Source: Research conducted by McKinsey for Chow Tai Fook in 2022

THE TRUE VALUE OF NATURAL DIAMONDS

Natural Diamonds Reign Supreme

RARITY

BEYOND TIME

GIFTING

Commemorate Precious Life Moments

- Parents passing down diamonds as heirlooms to their children
- Exchange between friends to express love and appreciation
- An enduring symbol of love and adoration, serving as cherished gifts for loved one



Pre-bridal survey conducted by De Beers Group

Among 482 participants aged 18-44 :

80% prefer natural diamonds for their engagement rings

82% believe engagement rings are an important part of weddings

39% prefer diamonds that come with certifications

21% value the origin of the diamonds

DEBEERS DIAMOND INSIGHTS REPORT – CHINA

DeBeers released its tenth annual Diamond Insight Report this year, focusing on the outlook and opportunities for diamonds and how the industry can support long-term demand for natural diamonds in the country.

Natural Diamonds Are Still A Chinese Girl's Best Friend

- Report shows **80%** consumers view gifting of natural diamonds as a testament to everlasting love.
- **Gen Z's** share of natural diamond jewellery acquisitions has **more than doubled since 2021**.
- Despite the impact of the pandemic and the challenging economic backdrop, **natural diamond jewellery retained strong allure for Chinese women** and remained among their most desired gifts, **ranking third** among all options in 2023.

The Desire for Diamond Jewellery Is Brewing Amongst Millennials and Gen Zs

- Interest in self-purchase is growing. **About one-third of Chinese women** say they expect to acquire diamond jewellery in the next year – and this proportion is higher among the **younger generations**.
- Millennials represent only about half of the key 18-54 female target market, but they purchase **a significantly higher share** of total diamond jewellery in China – **about two-thirds by value**.
- **Millennials** are much more likely to receive diamond jewellery as a gift to celebrate a life stage occasion. **However, Gen Z (aged 18-25) are most motivated** to receive diamond jewellery for a birthday,

CHOW TAI FOOK'S NATURAL DIAMOND HERITAGE

DE BEERS
JEWELLERS

Became a
sightholder of
De Beers

1973



Purchased the 507-carat
Cullinan Heritage rough
diamond for US\$35.3 million



Unveiled the "Cullinan
Heritage" masterpiece:
"A Heritage in Bloom"



Chow Tai Fook
Pink Star

2017

1929

Started engaging in
jewellery business

2009

Became a select
diamantaire of Rio
Tinto Diamonds



2010

2014

Acquired
Hearts of Fire



2015

Deployed innovative
diamond technology



2016

2020 and beyond

Promote the
concept of
Natural Diamond

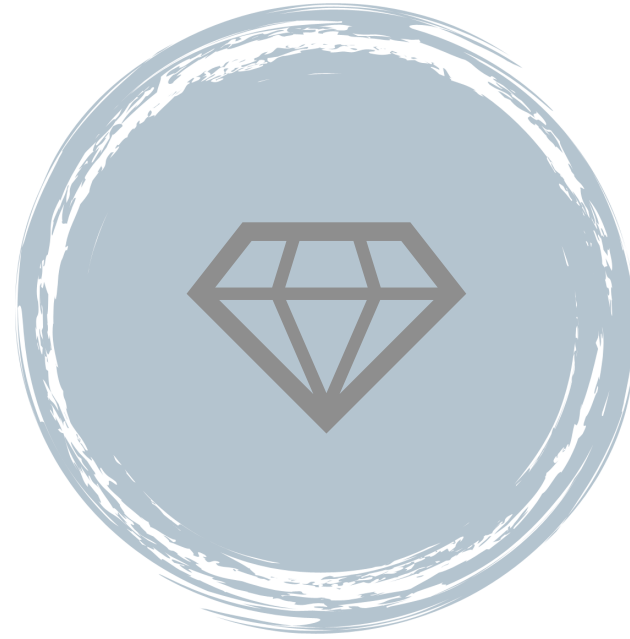


CHOW TAI FOOK'S NATURAL DIAMOND STRATEGY

Continuing Our Legacy



**Enhance Customer
Experience through
Digitalisation and
Innovation**



**Strengthen
Product Offering
Through
Craftmanship and
Design**



**Support
Transparency and
Diamond
Education**



**Expand into Third
and Fourth Tier
Cities in China**

LOOKING AHEAD IN 2024

Objective

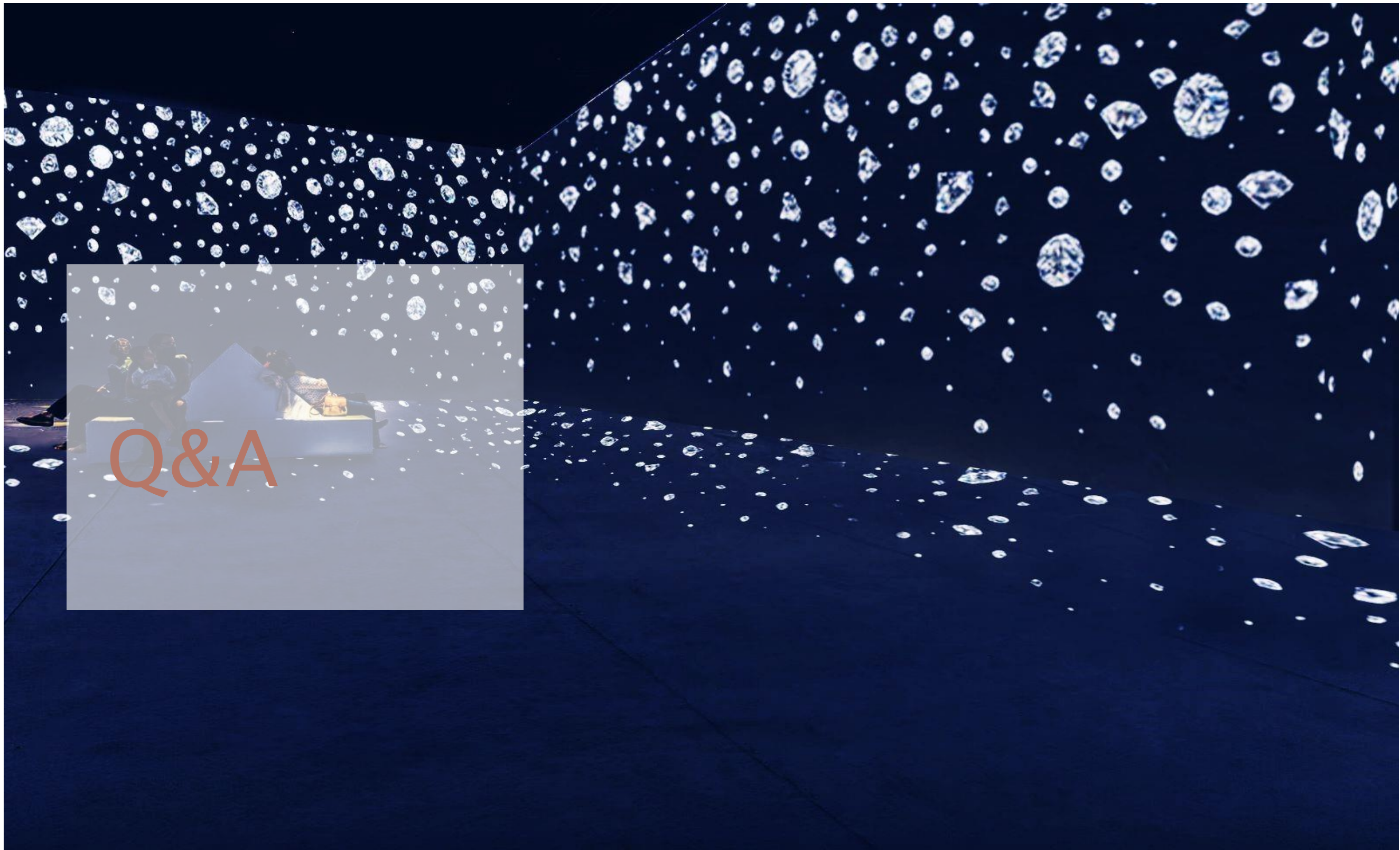
To Educate and Positively Reinforce the Distinctiveness of Natural Diamonds with Consumers

Chinese
Consumer Survey
Report

Partner with
Associations

Cooperate with
Industry Peers

Continuing
Diamond
Education for
Consumers



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