China Jewelry

China Jewelry: Heritage gold is not luxury; favor resilient business models; prefer CTF

Consumer

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We turn more selective on China jewelry as the key development in 2026 is not simply weak sector demand, but the first real stress test of premium heritage gold. Laopu, the flagship heritage gold pure-play, has fallen c.55% YTD versus c.13% for CTF and c.26% for LFX (-10%/-20% for HSI/MSCI China), reflecting both consensus earnings downgrades and a reset in previously elevated growth and valuation expectations. What has changed for us is not the long-term relevance of heritage gold but our assumption that premium positioning could materially reduce sensitivity to underlying gold prices. Recent trading suggests otherwise. We therefore place greater emphasis on earnings resilience and execution rather than category exposure. We rank CTF (Overweight) as our top pick, downgrade Laopu to Neutral, and retain LFX at Underweight.

- **Heritage gold is not luxury:** Heritage gold remains attractive, but gold price sensitivity is greater than we assumed. We initially viewed Laopu's sharp 2Q26 slowdown as a result of temporary demand deferral following gold price corrections and 1Q26 purchase pull-forward. However, 3Q26 recovery remained uneven, even after broader promotions and deeper discounts: Aug improved from Jul, but Sep weakened again as gold prices declined. As the leading premium heritage gold franchise, Laopu's experience suggests that strong branding and fixed pricing can sustain materially higher margins but cannot fully detach consumer demand from gold price expectations. We still expect heritage gold to gain share over time, but believe future returns should depend increasingly on product execution, pricing discipline and sustainable store productivity, rather than a category-driven luxury valuation premium.
- **2026 dispersion shows that business model and expectations matter more than sector beta.** Operating performance has diverged materially: CTF delivered resilient 3Q group RSV of c.-0.5% YoY, while we estimate Laopu sales declined c.25%; LFX remained pressured by continued channel restructuring. Share price moves have been even wider, reflecting different starting expectations as well as fundamentals: Laopu's c.55% YTD decline represents a much larger reset from its previous high-growth, premium-valuation framework. CTF's broader product portfolio, improving network quality and overseas exposure provide multiple buffers across gold price environments; Laopu remains a higher-margin but more concentrated premium-gold exposure; while we believe LFX's traditional wholesale/franchise model requires a longer channel and product reset.
- **Favor earnings resilience: CTF OW / Laopu N / LFX UW.** CTF is our top pick given it has the strongest combination of product flexibility, improving store productivity and geographic diversification; we value it at 15x FY29E P/E versus the China jewelry sector trading at 9x. Laopu's superior margins still justify a premium to traditional jewelry, but greater gold sensitivity has forced both earnings and valuation resets; trading at 10/9x 2027/28E P/E, we now see balanced risk/reward and downgrade to Neutral. We maintain LFX at Underweight as its slower growth and ongoing channel restructuring do not justify its current 11x 2028E P/E, in our view. Key signals to monitor are Laopu's 2H26 sales/earnings versus our expectations and whether GPM can hold c.40%; CTF's RSV resilience and any FY27 guidance revision at the Nov interim results; and LFX's traction from newer products/retained stores.

See page 10 for analyst certification and important disclosures, including non-US analyst disclosures.

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The report is priced as of 29 October unless otherwise stated.

Table 1: China jewelry – preference order

Ticker	Company	Rating	Stock view
1929 HK	Chow Tai Fook	OW	We rank CTF as our top pick in China jewelry, as its 2QFY27 update demonstrated stronger resilience than the broader sector amid weak consumer sentiment and gold price volatility.
6181	Laopu	N	Recent trading challenges our previous assumption that its premium heritage resilience could increasingly insulate demand from gold price volatility and support a luxury-like valuation. We forecast 2H26 revenue/earnings -26%/-23% YoY. For 2027E, we reset our earnings expectations considering a normalized post-boom store-productivity base and forecast revenue/earnings to decline 20%/31% YoY. With the stock now trading at c.10x/9x our 2027/28E P/E, broadly around sector levels, we believe our earnings and valuation reset leaves risk/reward more balanced.
600612 CH	Lao Feng Xiang	UW	We expect LFX's business reset to take longer amid continued channel restructuring, weak jewelry demand and slower progress in product and store format upgrades. We admire LFX's solid brand equity backed by the brand legacy from its nearly 100-year history; yet we remain concerned about the headwinds amid a challenging environment: (i) further store network optimization, especially franchised stores; (ii) efforts to enhance product offerings and store experience could take longer to bear fruit; (iii) intensified competition. LFX currently trades at 11x 2028E P/E, and we think the premium over sector average is not justified by its growth profile.

Source: J.P. Morgan estimates.

Table 2: China jewelry – PT and EPS changes

Ticker	Company	Current PT (LC)	Prior PT (LC)	Chg	Drivers / Changes EPS estimates	Drivers / Changes Implied target multiple (P/E)	Drivers / Changes Valuation timeframe	Implied P/E (x) 2026E	Implied P/E (x) 2027E	Implied P/E (x) 2028E	Implied target multiple P/E (x)
1929 HK	Chow Tai Fook Jewellery	19.0	18.5	3%	unchanged	from 16x to 15x	Mar-28 (from Mar-27)	9.8	9.1	8.5	15x FY29E
6181 HK	Laopu Gold	296.0	891.0	-67%	43% cut for 28E	from 18x to 9.5x	Dec-27 (from Dec-26)	6.7	9.7	8.9	9.5x 28E
600612 CH	Lao Feng Xiang	22.0	38.0	-42%	39% cut for 28E	from 10x to 9x	Dec-27 (from Dec-26)	12.1	11.5	10.9	9x 28E

Source: Bloomberg Finance L.P., as of 27 Oct 2026; J.P. Morgan estimates. Note: China jewelry sector's average trading P/E at 15x/11x/9x 26E/27E/28E, see Fig 3.

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Table 3: China jewelry – key financials

	Actual			JPMe				Consensus				JPMe vs. Consensus			
(LC mn)	FY25	FY26	1H FY27	2H FY27E	FY27E	FY28E	FY29E	2H FY27E	FY27E	FY28E	FY29E	2H FY27E	FY27E	FY28E	FY29E
Chow Tai Fook															
Revenue	89,656	94,398	40,115-42,227	56,942-59,053	99,168	102,377	106,792	na	99,957	104,827	110,665	na	-0.8%	-2.3%	-3.5%
Revenue: yoy	-17.5%	5.3%	3%-8%	3%-7%	5.1%	3.2%	4.3%	na	5.9%	4.9%	5.6%	na	-0.8%	-1.6%	-1.3%
Gross Profit	26,455	30,500	na	na	26,280	27,335	28,727	na	26,666	28,753	30,395	na	-1.4%	-4.9%	-5.5%
GPM	29.5%	32.3%	na	na	26.5%	26.7%	26.9%	na	26.7%	27.4%	27.5%	na	-0.2%	-0.7%	-0.6%
Operating profit	8,417	12,592	na	na	14,833	15,723	16,828	na	14,073	15,101	16,254	na	5.4%	4.1%	3.5%
OPM	9.4%	13.3%	na	na	15.0%	15.4%	15.8%	na	14.1%	14.4%	14.7%	na	0.9%	1.0%	1.1%
Net profit	5,916	9,004	4,814-5,067	5,741-5,995	10,809	11,606	12,486	na	10,503	11,065	11,987	na	2.9%	4.9%	4.2%
Net profit: yoy	-9.0%	52.2%	90%-100%	-7%-11%	20.0%	7.4%	7.6%	na	16.6%	5.4%	8.3%	na	3.4%	2.0%	-0.8%
NPM	6.6%	9.5%	12.0%	10.1%-10.2%	10.9%	11.3%	11.7%	na	10.5%	10.6%	10.8%	na	0.4%	0.8%	0.9%
Laopu	**2024**	**2025**	**1H26**	**2H26E**	**2026E**	**2027E**	**2028E**	**2H26E**	**2026E**	**2027E**	**2028E**	**2H26E**	**2026E**	**2027E**	**2028E**
Revenue	8,506	27,303	19,808	11,116	30,924	24,825	26,725	13,136	32,944	35,312	39,379	-15.4%	-6.1%	-29.7%	-32.1%
Revenue: yoy	167.5%	221.0%	60.3%	-25.6%	13.3%	-19.7%	7.7%	-12.1%	20.7%	7.2%	11.5%	-13.5%	-7.4%	-26.9%	-3.9%
Gross Profit	3,501	10,274	8,174	4,490	12,663	9,941	10,701	5,377	13,551	14,458	16,203	-16.5%	-6.6%	-31.2%	-34.0%
GPM	41.2%	37.6%	41.3%	40.4%	40.9%	40.0%	40.0%	40.9%	41.1%	40.9%	41.1%	-0.5%	-0.2%	-0.9%	-1.1%
Operating profit	1,973	6,549	5,674	2,728	8,402	5,849	6,337	3,216	8,890	9,283	10,429	-15.2%	-5.5%	-37.0%	-39.2%
OPM	23.2%	24.0%	28.6%	24.5%	27.2%	23.6%	23.7%	24.5%	27.0%	26.3%	26.5%	0.1%	0.2%	-2.7%	-2.8%
Net profit	1,473	4,868	4,267	1,996	6,263	4,323	4,694	2,325	6,592	6,989	7,801	-14.1%	-5.0%	-38.1%	-39.8%
Net profit: yoy	253.9%	230.5%	88.2%	-23.2%	28.7%	-31.0%	8.6%	-10.6%	35.4%	6.0%	11.6%	-12.6%	-6.7%	-37.0%	-3.1%
NPM	17.3%	17.8%	21.5%	18.0%	20.3%	17.4%	17.6%	17.7%	20.0%	19.8%	19.8%	0.3%	0.2%	-2.4%	-2.2%
Lao Feng Xiang	**2024**	**2025**	**1H26**	**2H26E**	**2026E**	**2027E**	**2028E**	**2H26E**	**2026E**	**2027E**	**2028E**	**2H26E**	**2026E**	**2027E**	**2028E**
Revenue	56,793	52,823	19,987	16,296	36,282	36,807	37,196	23,923	43,910	45,552	47,840	-31.9%	-17.4%	-19.2%	-22.2%
Revenue: yoy	-20.5%	-7.0%	-40.1%	-16.3%	-31.3%	1.4%	1.1%	22.9%	-16.9%	3.7%	5.0%	-39.2%	-14.4%	-2.3%	-4.0%
Gross Profit	5,069	4,803	2,430	1,502	3,932	4,025	4,118	1,808	4,238	4,452	4,680	-16.9%	-7.2%	-9.6%	-12.0%
GPM	8.9%	9.1%	12.2%	9.2%	10.8%	10.9%	11.1%	7.6%	9.7%	9.8%	9.8%	1.7%	1.2%	1.2%	1.3%
Operating profit	3,286	2,917	1,550	624	2,174	2,246	2,357	994	2,544	2,720	2,953	-37.2%	-14.5%	-17.4%	-20.2%
OPM	5.8%	5.5%	7.8%	3.8%	6.0%	6.1%	6.3%	4.2%	5.8%	6.0%	6.2%	-0.3%	0.2%	0.1%	0.2%
Net profit	1,950	1,755	716	413	1,129	1,188	1,256	778	1,494	1,595	1,704	-46.9%	-24.4%	-25.5%	-26.3%
Net profit: yoy	-11.9%	-10.0%	-41.3%	-22.8%	-35.7%	5.3%	5.7%	45.5%	-14.9%	6.8%	6.8%	-68.3%	-20.8%	-1.5%	-1.1%
NPM	3.4%	3.3%	3.6%	2.5%	3.1%	3.2%	3.4%	3.3%	3.4%	3.5%	3.6%	-0.7%	-0.3%	-0.3%	-0.2%

Note: CTF's 1HFY27 figures are based on JPMe. Source: Respective companies' 2024-1H26 financial reports; Bloomberg Finance L.P., as of 29 Oct 2026; J.P. Morgan estimates.

Table 4: China jewelry – operating metrics comparison

	1Q26	2Q26	3Q26	1H26	2H26E	2023	2024	2025	2026E	2027E
NBS overall retail sales	2%	0%	1%	1%	na	7%	3%	4%	na	na
Gold & Jewelry	13%	-11%	-13%	2%	na	13%	-3%	13%	na	na
RSV YoY										
Chow Tai Fook	-2%	15%	-1%	7%	+HSD	17%	-15%	1%	+MSD	+MSD
Laopu	112%	-32%	-25%	60%	-26%	146%	168%	221%	13%	-20%
Lao Feng Xiang	-mid-teens	-50~60%	-mid-teens	-mid-30s	-mid-teens	HSD	-high-teens	-LSD	-30%	+LSD
SSSG YoY										
Chow Tai Fook	0%	20%	2%	10%	+low-teens	2%	-19%	7%	10%	5%
Laopu	80%	-45~50%	-20~25%	35%	-20~25%	115%	121%	161%	20%	-mid-20s
Lao Feng Xiang	-15%	-57%	-mid-teens	-35%	-mid-teens	8%	-17%	-1%	-30%	+LSD
Revenue YoY										
Chow Tai Fook	na	na	na	10%	+MSD	15%	-18%	5%	5%	3%
Laopu	112%	-32%	-25%	60%	-26%	146%	168%	221%	13%	-20%
Lao Feng Xiang	-22%	-61%	-mid-teens	-40%	-16%	13%	-20%	-7%	-31%	1%
Earnings YoY										
Chow Tai Fook	na	na	na	91%	c20%	21%	-9%	52%	20%	7%
Laopu	163%	-31%	-20~25%	88%	-23%	340%	254%	230%	29%	-31%
Lao Feng Xiang	47%	-69%	-20%	-41%	-23%	30%	-12%	-10%	-36%	5%
Share price										
Chow Tai Fook	-12%	0%	1%	-12%	0%	-27%	-42%	84%	-13%	na
Laopu	1%	-45%	-4%	-44%	-20%	na	245%	156%	-55%	na
Lao Feng Xiang	-7%	-23%	-2%	-28%	2%	61%	-21%	-18%	-26%	na

Note: red text = actual/reported; blue text = JPMe. Source: Respective companies' 2023-1H26 financial reports; Bloomberg Finance L.P., as of 29 Oct 2026; J.P. Morgan estimates.

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Table 5: Industry comparison – gold and jewelry brands, as of 1H26

Founded	1929		2009	1992	1999
Listed	2011		2024	2009	2017
Headquarter	Hong Kong		Beijing	Shanghai	Shenzhen, Guangdong
Reporting currency	HKD		CNY	CNY	CNY
Market cap (USD mn)	13,530		6,267	2,047	1,719
Revenue mix by region					
Mainland China	80.5%		83.3%	98.5%	100.0%
HK & Macau and other markets	19.5%		16.7%	1.5%	0.0%
Revenue mix by category					
Gem-set, Platinum and K-gold jewelry	31.5%	35.4%	99.9%	91.6%	5.6%
Gold jewelry and products	64.2%	61.2%			71.8%
Watches	4.3%	3.4%	na	na	na
Others	na	na	0.1%	8.4%	22.6%
Revenue mix by channel					
Retail	49.9%	33.4%	77.8%	na	33.9%
Wholesale	50.1%	66.6%	na	mostly	19.4%
Online	na	na	22.2%	na	43.3%
Others	na	na	na	na	3.4%
Store count					
Overall	5,192		45	4,916	4,006
-Mainland China	7,627		38	4,899	4,006
-HK & Macau and other markets	155		7	17	0
-Self-operated	c.29%		45	213	379
-Franchised	c.71%		0	4,703	3,627
Operational data					
No. of total employees	24,700+	20,525+	2,190	na	4,235
A&P as % of sales	5.9%	4.4%	3.1%	1.8%	7.1%
Staff cost as % of sales	0.9%	0.9%	na	0.5%	3.2%
R&D as % of sales	na	na	na	0.0%	0.2%
Key ratio					
GPM	32%	32%	41%	12%	37%
OPM	13%	12%	29%	8%	16%
NPM	10%	na	22%	4%	12%
OPEX/sales	19%	19%	13%	4%	21%
ROE	31.4%	na	65.8%	9.6%	15.4%
ROA	11.1%	na	36.9%	5.5%	11.8%
ROIC	17.3%	na	43.8%	9.4%	15.1%
FCF (LC mn)	425	na	1,846	(311)	149
Net debt(cash) (LC mn)	18,403	na	4,281	(6,284)	(239)
Net debt/equity	59.4%	na	32.4%	-47.5%	-3.8%

Note: Chow Tai Fook and Luk Fook fiscal year-end in Mar, others in Dec. Market cap as at 29 Oct 2026.
Source: Bloomberg Finance L.P., companies' 1H26 reports.

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Table 5: Industry Comparison – gold and jewelry brands, as of 1H26 (continued)

	Gold and Jewelry brands				
	600655 CH Shanghai Yuyuan 豫园股份	600916 CH China National Gold 中国黄金	590 HK Luk Fook 六福	116 HK Chow Sang Sang 周生生	002345 CH CHJ 潮宏基
Founded	1987	2003	1991	1934	1996
Listed	1992	2021	1997	1973	2010
Headquarter	Shanghai	Beijing	Hong Kong	Guangzhou, Guangdong	Shantou, Guangdong
Reporting currency	CNY	CNY	HKD	HKD	CNY
Market cap (USD mn)	2,576	1,760	1,492	1,038	1,002
Revenue mix by region					
Mainland China	96.1%	100.0%	43.2%	61.9%	98.2%
HK & Macau and other markets	3.9%	0.0%	56.8%	38.1%	1.8%
Revenue mix by category					
Gem-set, Platinum and K-gold jewelry	62%	98%	Gold & Platinum: 66.4%	25%	Fashion jewelry: 53.2%
Gold jewelry and products			Fixed price jewelry: 33.6%	65%	Traditional gold: 39.5%
Watches	2%	na	na	10%	na
Others	36%	2%	na	na	7.3%
Revenue mix by channel					
Retail	na	na	77.6%	98.7%	21.2%
Wholesale	na	na	16.6%	na	57.9%
Online	na	na	na	na	12.6%
Others	na	na	5.8%	1.3%	8.3%
Store count					
Overall	3,485	2,987	2,788	755	1,682
-Mainland China	na	2,986	2,655	638	1,668
-HK & Macau and other markets	na	1	133	117	14
-Self-operated	253	93	370	na	172
-Franchised	3,232	2,894	2,418	na	1,510
Operational data					
No. of total employees	na	na	c6,700	9,621	na
A&P as % of sales	8.1%	0.5%	7.7%	8.3%	5.1%
Staff cost as % of sales	1.0%	0.0%	1.0%	na	1.9%
R&D as % of sales	0.1%	0.0%	na	na	0.9%
Key ratio					
GPM	21%	3%	37%	33%	27%
OPM	5%	0%	15%	23%	14%
NPM	1%	1%	12%	17%	10%
OPEX/sales	16%	2%	22%	10%	14%
ROE	-14.8%	3.3%	14.5%	19.8%	15.6%
ROA	-4.2%	1.9%	10.2%	12.7%	9.6%
ROIC	-3.5%	2.2%	11.2%	12.8%	12.9%
FCF (LC mn)	33	(954)	(538)	2,369	1,269
Net debt(cash) (LC mn)	30,516	(4,970)	2,390	5,557	(560)
Net debt/equity	102.1%	-69.4%	15.9%	34.1%	-14.4%

Note: Chow Tai Fook and Luk Fook fiscal year-end in Mar, others in Dec. Market cap as at 29 Oct 2026.
Source: Bloomberg Finance L.P., companies' 1H26 reports.

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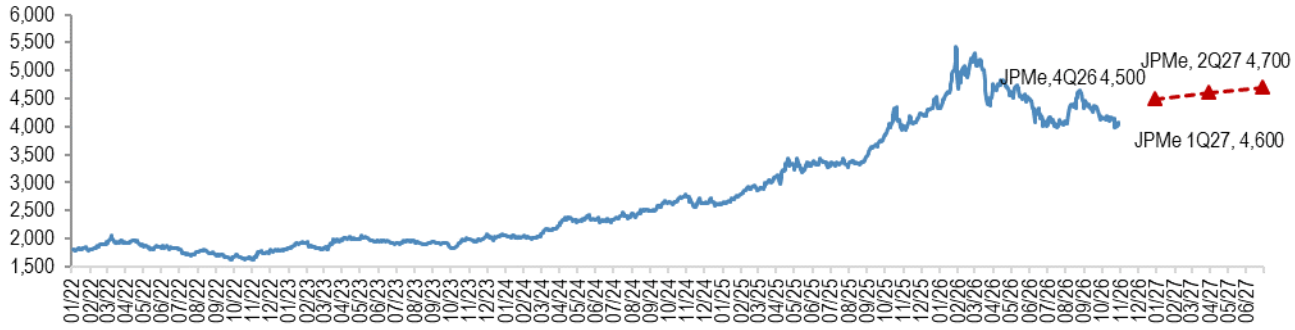
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Table 6: Gold price forecast by JPM global commodity team (USD/t oz)

Category	1Q25A	2Q25A	3Q25A	4Q25A	1Q26A	2Q26A	3Q26A	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E	2025A	2026E	2027E
Gold	2,872	3,289	3,458	4,152	4,873	4,508	4,263	4,500	4,600	4,700	4,800	5,000	3,446	4,536	4,775
QoQ	*8.0%*	*14.5%*	*5.1%*	*20.1%*	17.4%	-7.5%	-5.4%	5.6%	2.2%	2.2%	2.1%	4.2%	*NA*	*NA*	*NA*
YoY	*38.5%*	*40.6%*	*39.5%*	*56.1%*	69.7%	37.1%	23.3%	8.4%	-5.6%	4.3%	12.6%	11.1%	*44.3%*	31.6%	5.3%

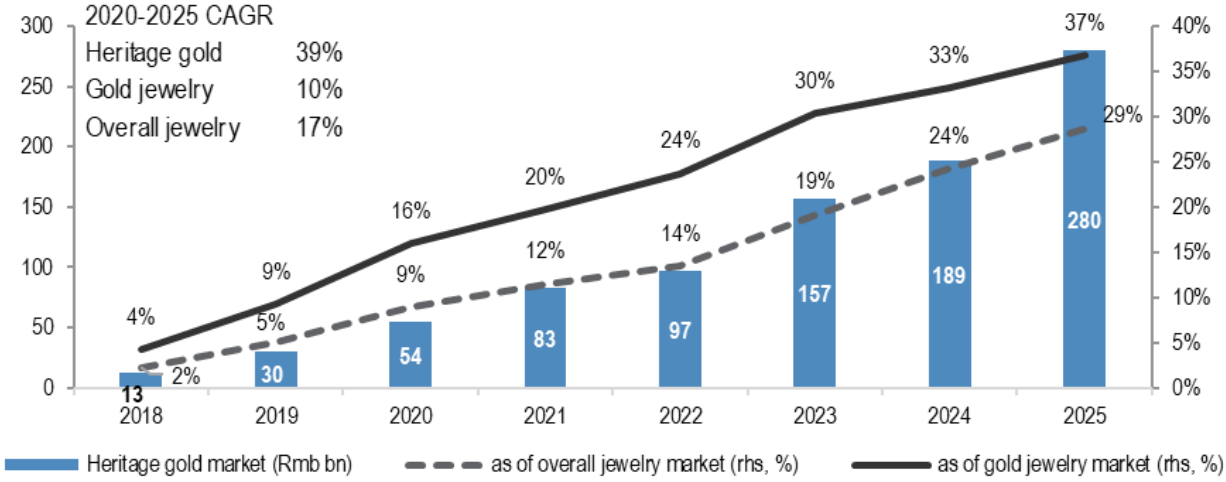
Source: J.P. Morgan estimates, as of 23 Oct 2026.

Figure 1: Gold spot price trend since 2022 (USD/t oz)



Source: Bloomberg Finance L.P., as of 29 Oct 2026; J.P. Morgan estimates (global commodity team estimates, as of 23 Oct 2026).

Figure 2: Heritage gold sector gaining share in the overall China jewelry market (Rmb bn)



Note: 2024 heritage gold market size is based on JPMe.
Source: Gems & Jewelry Trade Association of China, China Gold Association, Frost & Sullivan (as quoted by Frost & Sullivan from Laopu's prospectus, as of 20 Jun 2024), J.P. Morgan estimates.

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Table 7: Store counts of selective gold jewelry brands in China

Category	Brand	Latest store counts	New openings in 2026	Pricing of fixed-price products (Rmb/g, post discount)
Independent Heritage gold brand	Laopu Gold 老铺黄金	44	1 (1 more under construction)	1,800 - 2,900
Independent Heritage gold brand	Jemper 君佩	16	5	2,400 - 4,200
Independent Heritage gold brand	Moneta 墨涅塔	13	2	2,000 – 3,500
Independent Heritage gold brand	Bao Wang Fu 宝王府	9	2	1,900 – 3,000
Independent Heritage gold brand	Duo Bao Pavilion 多宝阁	5	3	2,200 - 3,300
Independent Heritage gold brand	Jinlux 京匠黄金	7	5	2,100 – 4,500
Independent Heritage gold brand	Borland 宝兰	5	2	2,200 – 2,800
Independent Heritage gold brand	Yu Tai Gold 御泰黄金	4	2	1,800 – 2,800
Independent Heritage gold brand	Vinbo 文博金	4	3	2,000 – 2,800
Independent Heritage gold brand	Gong Xi Huang Hou 宫囍黄逅	4	0	2,000 – 2,800
Independent Heritage gold brand	Lamchiu 琳朝	2	1	2,400 – 2,600
Independent Heritage gold brand	Feeling 凤翎	1	1	2,000 – 3,000
Independent Heritage gold brand	Guanlan 官兰	1	1	1,200 – 1,800
Independent Heritage gold brand	Dunhuang Gold 敦煌金	1	1	1,500 – 1,700
Heritage gold brand under traditional jewelry brand	Heirloom Fortune owned by Luk Fook 六福旗下福满传家	133	Net closure of 22	1,800 – 2,900
Heritage gold brand under traditional jewelry brand	Cang Bao Gold owned by LFX 老凤祥旗下藏宝金	122	Net closure of 3	1,300 – 2,400
Heritage gold brand under traditional jewelry brand	National Treasure Gold owned by CTS 周大生旗下国家宝藏	c100	c15 new openings	1,400 – 2,800
Heritage gold brand under traditional jewelry brand	Jin Xuu owned by China Gold 中国黄金旗下金叙	5	5	1,800 – 3,000
Heritage gold brand under traditional jewelry brand	Crafts Pavilion owned by CHJ 潮宏基旗下非遗工艺馆	4	4	1,800 – 2,800
Heritage gold brand under traditional jewelry brand	Palace Gold owned by DR Group 迪阿股份旗下宫廷质造	0	1 under construction	NA
Heritage gold brand under traditional jewelry brand	Heritage Gold Theme owned by Qeelin 麒麟旗下古法黄金主题店	0	1 under construction	NA
Traditional gold brand	Lao Feng Xiang 老凤祥	4,910	Net closure of 439	1,300 – 2,000
Traditional gold brand	Chow Tai Fook 周大福	4,901	Net closure of 623	2,000 – 3,000
Traditional gold brand	Chao Tai Seng 周大生	4,006	Net closure of 473	1,400 – 2,000
Traditional gold brand	Lao Miao 老庙 (incl. First Asia 亚一)	3,476	Net closure of 476	1,500 – 1,900
Traditional gold brand	China Gold 中国黄金	2,987	Net closure of 324	1,200 – 1,500
Traditional gold brand	Luk Fook 六福	2,730	Net closure of 295	1,800 – 2,000
Traditional gold brand	CHJ 潮宏基	1,682	Net opening of 12	1,700 – 2,000
Traditional gold brand	Chow Sang Sang 周生生	700	Net closure of 88	1,200 – 2,800
Traditional gold brand	Emperor 英皇珠宝	64	Net opening of 7	1,900 – 2,500

Note: Store count covers mainland China + Hong Kong & Macau; pricing based on our online channel checks.
Source: Respective brands' official website, respective listed companies' announcements, Tmall, as of 28 Oct 2026, J.P. Morgan.

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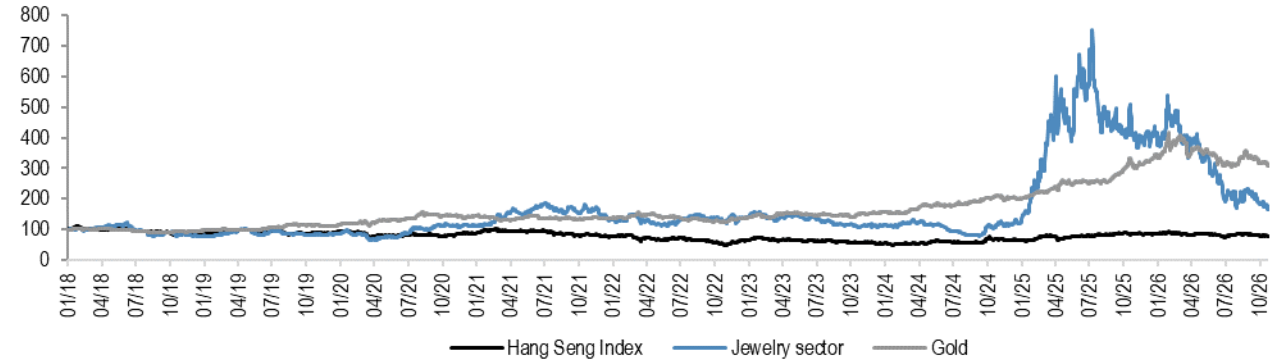
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Figure 3: Consensus valuation comparison – Global jewelry

Company	Core jewelry brands	BBG Ticker	Rating	Price (LC)	Mkt Cap (USD mn)	P/E (x)		P/S (x)		EPS Growth	PEG (x)	Dividend Yield		ROE	
						2027E	2028E	2027E	2028E	2026-28E	2026-28E	2027E	2028E	2027E	2028E
Domestic															
Chow Tai Fook 周大福	Chow Tai Fook 周大福	1929 HK	OW	10.8	13,620	9.7	8.9	1.0	1.0	11.1%	0.9	7.5%	8.0%	29.8%	29.3%
Laopu Gold 老铺黄金	Laopu 老铺黄金	6181 HK	N	283.6	6,389	6.0	5.3	1.2	1.1	144.5%	0.0	0.1	13.2%	43.2%	42.0%
Shanghai Yuyuan 豫园股份	Lao Miao 老庙	600655 CH	NC	4.4	2,580	28.1	18.9	0.4	0.4	na	na	0.9%	1.4%	2.0%	2.8%
Lao Feng Xiang 老凤祥	Lao Feng Xiang 老凤祥	600612 CH	UW	32.6	2,046	10.8	10.2	0.3	0.3	na	na	3.6%	3.6%	10.5%	10.6%
Liliang Diamond 力量钻石	na	301071 CH	NC	49.5	1,889	na	na	na	na	na	na	na	na	na	na
China National Gold 中国黄金	China National Gold 中国黄金	600916 CH	NC	7.0	1,767	16.5	14.9	0.1	0.1	na	na	3.9%	4.2%	9.1%	9.5%
Chow Tai Seng 周大生	Chow Tai Seng 周大生	002867 CH	NC	10.5	1,701	9.1	8.2	1.3	1.2	8.2%	1.3	8.7%	9.6%	18.1%	19.2%
Beijing Caibai 北京菜百	Caibai 菜百	605599 CH	NC	12.8	1,491	8.9	8.0	0.2	0.2	7.4%	1.4	6.0%	6.4%	20.9%	21.1%
Luk Fook 六福	Luk Fook 六福	590 HK	NC	20.0	1,500	5.0	4.6	0.5	0.5	14.7%	0.4	8.5%	9.1%	13.5%	13.6%
DR Corp 迪阿股份	DR	301177 CH	NC	21.5	1,292	41.3	33.6	4.9	4.3	21.1%	2.7	1.9%	3.2%	3.4%	4.3%
Chow Sang Sang 周生生	Chow Sang Sang 周生生	116 HK	NC	12.2	1,048	2.6	2.3	0.3	0.3	31.3%	0.1	14.5%	na	17.5%	17.0%
CHJ Jewellery 潮宏基	CHJ 潮宏基	002345 CH	NC	7.6	1,016	7.5	6.4	0.6	0.5	30.6%	0.3	9.5%	10.2%	20.4%	21.9%
Mclon Jewelry 曼卡龙	Mclon 曼卡龙	300945 CH	NC	10.1	397	15.1	13.1	1.1	1.0	15.8%	1.1	2.5%	2.8%	8.9%	9.6%
Emperor 英皇珠宝	Emperor 英皇	887 HK	NC	0.3	245	2.8	2.6	0.2	0.2	na	na	na	na	10.0%	10.6%
Average					**2,641**	**12.6**	**10.5**	**0.9**	**0.8**	**31.6%**	**0.9**	**6.6%**	**6.5%**	**15.9%**	**16.3%**
Mkt-cap average						**10.8**	**9.3**	**0.9**	**0.9**	**33.0%**	**0.5**	**7.0%**	**7.2%**	**23.1%**	**23.0%**
International															
LVMH 路威酩轩	Tiffany 蒂芙尼, Chaumet 尚美	MC FP	N	383.6	211,189	15.8	14.4	2.3	2.1	7.3%	2.4	3.6%	3.8%	15.8%	16.0%
Hermes 爱马仕	Hermes 爱马仕	RMS FP	N	1,264.0	148,518	26.3	24.2	7.5	7.0	7.2%	4.0	1.6%	1.8%	21.6%	20.6%
Richemont 历峰集团	Cartier 卡地亚, Van Cleef & Arpels 梵克雅宝	CFR SW	OW	164.1	116,943	20.8	18.5	3.9	3.6	16.2%	1.5	2.6%	2.9%	18.4%	18.9%
Titan Corp	Titan	TTAN IN	OW	4,434.0	41,380	50.2	41.9	3.4	2.9	22.2%	2.7	0.5%	0.6%	32.5%	30.7%
Kering 开云集团	Pomellate 宝曼兰朵, Qeelin 麒麟	KER FP	UW	176.8	24,294	19.6	14.8	1.4	1.3	26.1%	1.1	2.8%	3.6%	7.2%	9.1%
Swatch 斯沃琪	Harry Winston 海瑞温斯顿	UHR SW	UW	175.3	10,890	24.3	18.0	1.3	1.2	71.6%	0.6	3.0%	3.2%	3.3%	4.4%
Pandora 潘多拉	Pandora 潘多拉	PNDORA DC	N	818.0	9,137	17.3	12.4	1.7	1.7	-1.2%	-10.7	2.4%	2.7%	38.3%	45.4%
Signet Jewelers 西格内特	Signet 西格内特	SIG US	NC	115.2	4,415	8.5	7.9	0.6	0.6	15.2%	0.6	1.3%	1.5%	22.4%	20.6%
Vivara	Vivara	VIVA3 BZ	OW	17.6	776	5.7	5.0	1.1	1.0	8.3%	0.8	5.5%	7.4%	20.2%	20.6%
SK Jewellery 金光珠宝	SK 金光	SK SP	NC	na	na	na	na	na	na	na	na	na	na	na	na
Average					**63,060**	**20.9**	**17.4**	**2.6**	**2.4**	**19.2%**	**0.3**	**2.6%**	**3.1%**	**20.0%**	**20.7%**
Mkt-cap average						**22.4**	**19.8**	**4.0**	**3.7**	**12.2%**	**2.3**	**2.6%**	**2.8%**	**18.9%**	**18.9%**

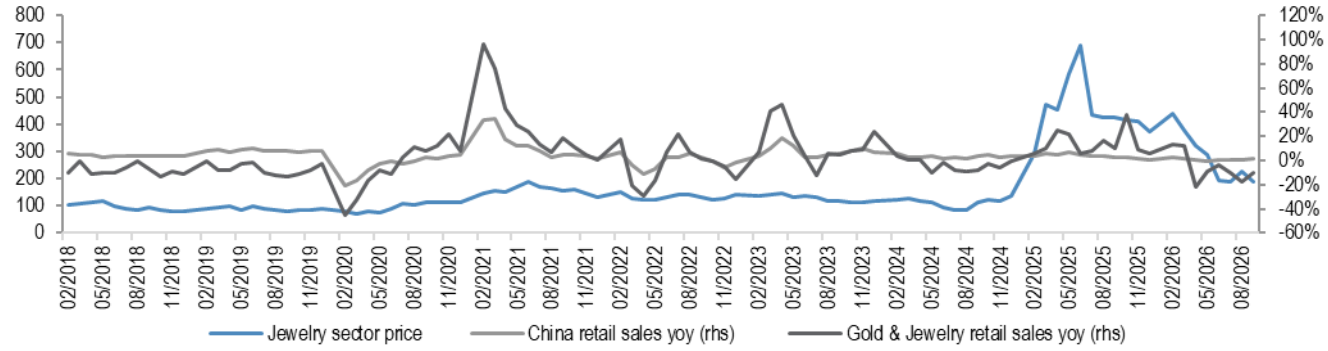
Source: Bloomberg Finance L.P., as of 28 Oct 2026; J.P. Morgan estimates.

Figure 4: China Jewelry sector price index



Note: Base = 100 on 1/1/2018. Source: Bloomberg Finance L.P., as of 29 Oct 2026.

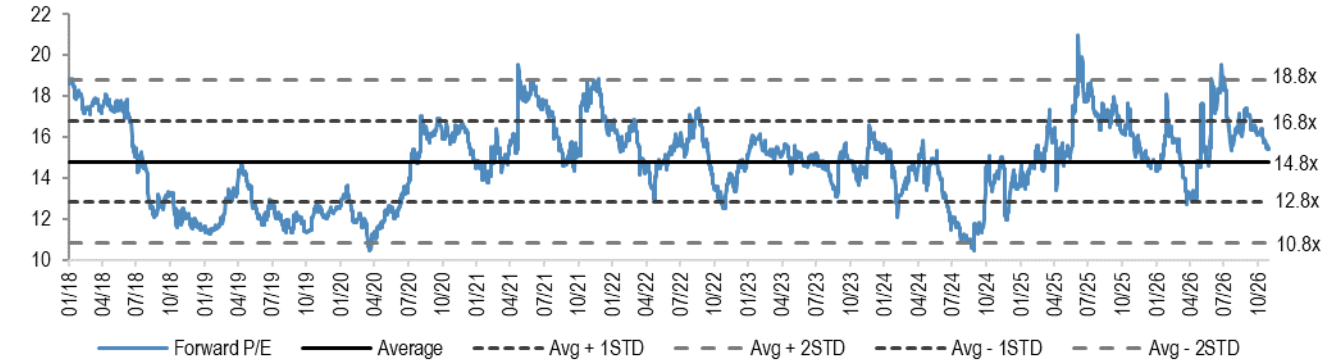
Figure 5: China Jewelry price chart, vs. China retail sales and gold & jewelry YoY



Note: jewelry sector price's base = 100 on 1/1/2018. Source: NBS, Bloomberg Finance L.P., as of 23 Oct 2026.

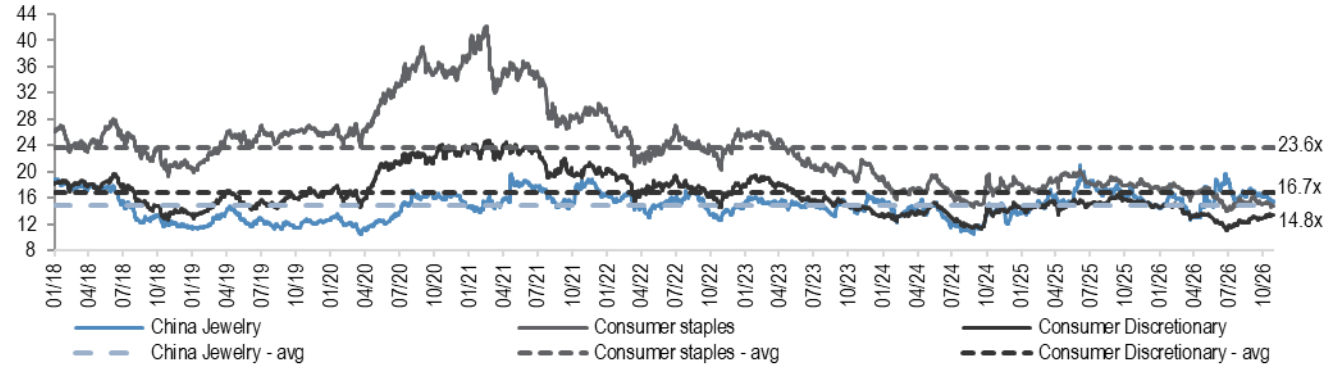
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Figure 6: China Jewelry – 1-yr forward P/E chart



Source: Bloomberg Finance L.P., as of 29 Oct 2026.

Figure 7: China Jewelry vs. consumer staples/discretionary – 1-yr forward P/E chart



Source: Bloomberg Finance L.P., as of 29 Oct 2026.

