

LAOPU GOLD (6181.HK)

Beyond Gold Prices, Value Reigns Supreme: Ancient Craftsmanship Expected to Continue Driving Consumption Boom
China | Gold |

Overview

Laopu Gold (6181.HK) is the top heritage gold jewelry brand in China. Based on data of Frost & Sullivan, Laopu Gold was the first brand in the industry to introduce diamond-inlaid pure gold jewelry, leading trends for the industry. In the first half of 2025, among all jewelry brands (including both international and domestic jewelry brands), the company ranked first in Mainland China in terms of average revenue per shopping mall and revenue per available square meter.

"The Value King Amid the Gold Price Frenzy": Revenue and Profit Both Achieved Growth

In H1 2025, the company's revenue reached RMB 12.354 billion with a year-on-year increase of 251%. By sales channel, offline store revenue was RMB 10.736 billion, accounting for 86.9% of the total and up 243.2% year-on-year. Online platform revenue was RMB 1.618 billion, accounting for 13.1% of the total and surging 313.3% year-on-year. The company's sales are primarily driven by offline stores, with online platforms serving as a powerful supplement to enhance the customer shopping experience. By region, revenue from Mainland China was RMB 10.758 billion, up 232.8% year-on-year. Overseas revenue was RMB 1.597 billion, benefiting from continuous expansion in international channels and soaring 455.2% year-on-year. We believe that Laopu Gold's ancient craftsmanship, exceptional artisanship and cultural storytelling represent a unique differentiator in overseas markets, potentially positioning it as a distinctive "Oriental luxury brand." The growth in overseas revenue holds promising prospects for the future. The gross profit margin was 38.09%, down 3.24 percentage points year-on-year, primarily due to the misalignment between the company's price adjustments and the rising gold prices. However, thanks to the scale effects generated by the explosive growth in performance, the short-term fluctuations in the gross profit margin did not impact the company's earnings. Net profit attributable to shareholders was RMB 2.268 billion, up 285.76% year-on-year. EPS was RMB 13.38 with a year-on-year increase of 225.55%.

Rising of R&D Expense Ratio Strengthened Operational Capabilities

In H1 2025, the company's sales expense ratio was 11.85% with a year-on-year decrease of 3.27 percentage points. The R&D expense ratio was 0.2% with a year-on-year increase of 0.01 percentage points, reflecting the company's emphasis on product research, development, innovation, and upgrading. As of June 30, 2025, the company had created over 2,100 original designs, and held 273 domestic patents, 1,505 copyrights, and 246 international patents. The company's inventory turnover decreased significantly, from 195 days in FY 2024 to 150 days in the reporting period. The trade receivables turnover days were 12 days, shortened from 25 days in FY 2024. This improvement was primarily due to the promotion of the self-checkout model with more malls at the company's directly operated stores, indicating an overall improvement in the company's operational capabilities.

"Culture + Scenario" Diversified Product Portfolio Creates Elevated Differentiation

Laopu Gold's product coverage is extensive, extending beyond traditional jewelry to include cultural collectibles, daily necessities, and decorative pieces. This caters to diverse needs ranging from daily wear to collection, gifting, and home decor. While other brands compete on dimensions like "design," "craftsmanship," and "price," Laopu Gold has directly ascended to competing on the planes of "culture" and "lifestyle." We believe this approach has allowed Laopu Gold to carve out a blue ocean market with few direct competitors. This

17 Oct 2025

Accumulate

CMP HK\$756.5
(Closing price as of 15 Oct)
Target 829.13HKD (+9.6%)

COMPANY DATA

O/S SHARES (MN) :	173
MARKET CAP (HKD bn) :	130.6
52 - WK HI/LO (HKD):	1108/159.42

SHARE HOLDING PATTERN, %

Beijing Hongqiao Jinji Consulting Co., Ltd	32.49%
Gaoming Xu, Dongbo Xu	26.79%

PRICE VS. HSI



Source: Phillip Securities (HK) Research

KEY FINANCIALS

RMB mn	FY24	FY25E	FY26E	FY27E
Revenue	8506	26324	33793	40045
Net profit	1473	5112	6586	7832
Diluted EPS (RMB)	9.47	29.61	38.14	45.36
P/E ratio, x	73.5	23.5	18.2	15.3
Dividend Yield,%	0.9%	2.9%	3.7%	4.4%

Source: Company reports, Phillip Securities Est.

Analyst

Margaret Li (+852 2277 6535)
margaretli@phillip.com.hk

strategy has successfully enabled the company to break free from the price wars common in the industry, establishing strong brand premiums and high customer loyalty. Customers are not merely purchasing a gold product, but an item that fulfills deeper psychological needs.

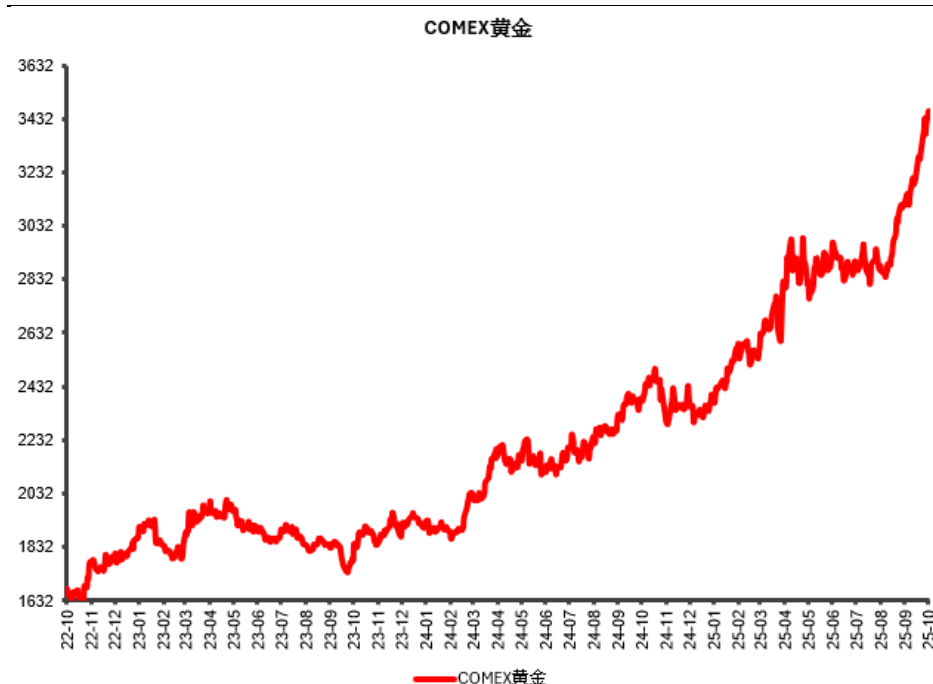
The Placing Strengthened Capital Reserves and Accelerated Stores Expansion

In May 2025, the company placed 4.31 million new H-shares at HKD 630 per share, raising net proceeds of HKD 2.698 billion. The funds will be primarily used for core business development (80%) and supplementing working capital (20%). With the proceeds from the placement, the company plans to further accelerate the expansion of its store network in Mainland China, targeting a broader consumer base across various high-end commercial centers in different cities. This initiative aims to support business operations following the expansion of existing store areas and fuel the rapid growth of same-store sales.

Investment Thesis

Recently, gold prices have continued to climb, with COMEX gold once breaking through \$4,000 per ounce. Gold has become the preferred safe-haven asset, and central banks are consistently increasing their gold reserves. The latest data from the People's Bank of China shows that in September 2025, China increased its gold reserves by 1.24 tons. As of the end of September 2025, China's gold reserves stood at 2,303.52 tons. Last week, the escalation of Sino-U.S. economic and trade conflicts further boosted gold prices due to safe-haven demand. In the long term, we believe the drivers for gold price appreciation persist, and gold prices are expected to continue strengthening. Data from the China Gold Association shows that in the first half of 2025, national gold consumption was 505.21 tons with a year-on-year decrease of 3.54%. Among above, gold jewelry consumption was 199.83 tons, down 26% year-on-year. Although high gold prices have suppressed gold jewelry consumption, lightweight, design-intensive, and high value-added jewelry products remain popular. These products have allowed merchants to maintain favorable profit margins. According to data from Frost & Sullivan, the market size is projected to reach approximately RMB 421.4 billion by 2028, with a compound annual growth rate of 21.8%, indicating significant growth potential for the ancient-style gold market.

Chart 1: Price of Comex Gold



Laopu Gold is a leading enterprise in the ancient-method gold segment. According to survey data from Frost & Sullivan, the average overlap rate between Laopu Gold consumers and those of five international luxury brands—Louis Vuitton, Hermès, Cartier, and Bulgari—reaches as high as 77.3%, reaffirming its premium brand positioning. Recently, Laopu Gold opened a new store at Hong Kong's IFC Mall in Central, which was crowded with customers inside and saw long queues outside. This indirectly reflects the high level of attention its products are receiving overseas. We believe that the gradual increase in the number of overseas stores in the future will contribute additional growth to the company's revenue. We forecast the company's operating revenue for 2025–2027 to be RMB 26.324 billion, RMB 33.793 billion, and RMB 40.045 billion respectively. EPS is projected to be RMB 29.61, RMB 38.14, and RMB 45.36, corresponding to a P/E ratio of 23.5x, 18.2x, and 15.3x. Based on a 2026 expected P/E of 20x, we have raised the target price to HKD 829.13 and maintain an "Accumulate" rating. (Current price as of October 15)

Risk factors

Gold price fluctuations, intensified industry competition, macroeconomic recovery is weaker than expected, and store expansion is weaker than expected.

Financial

Consolidated Statement of Profit or Loss

Dec Y/E, RMB mn	FY23	FY24	FY25E	FY26E	FY27E
Total Revenue	3180	8506	26324	33793	40045
Cost of sales	-1848	-5004	-15488	-19882	-23561
Gross profit	1332	3501	10836	13911	16484
Operating expenses	-758	-1528	-4008	-5145	-6097
Finance costs	-18	-30	-94	-121	-143
Profit before tax	554	1947	6755	8666	10265
Income tax expense	-137	-473	-1643	-2080	-2433
Profit for the year	416	1473	5112	6586	7832
Profit for the year attributable to					
– Owners of the Company	416	1473	5112	6586	7832
EPS(RMB)	3.03	9.47	29.61	38.14	45.36
DPS(RMB)	0.00	6.35	20.13	25.93	30.84
Dividend payout ratio	0%	68%	68%	68%	68%
Weighted shares outstanding	137	156	173	173	173

Key Financial Data

Dec Y/E	FY23	FY24	FY25E	FY26E	FY27E
Valuation Ratio					
P/E ratio	229.8	73.5	23.5	18.2	15.3
Dividend Yield, %	0.0%	0.9%	2.9%	3.7%	4.4%
Per share data(RMB)					
EPS	3.03	9.47	29.61	38.14	45.36
BVPS	11.0	25.2	46.0	64.0	83.4
DPS(RMB)	0.00	6.35	20.13	25.93	30.84
Growth & Margin					
Growth					
Revenue Growth	145.7%	167.5%	209.5%	28.4%	18.5%
Gross Profit Growth	145.7%	162.9%	209.5%	28.4%	18.5%
Net Profit Growth	340.5%	253.9%	247.0%	28.8%	18.9%
Margin					
Gross Profit Margin	41.9%	41.2%	41.2%	41.2%	41.2%
Net Profit Margin	13.1%	17.3%	19.4%	19.5%	19.6%
Key Ratios					
ROE	27.5%	37.6%	64.4%	59.6%	54.4%
ROA	19.3%	23.3%	41.4%	39.9%	37.7%

Consolidated Statement of Financial Position

Dec Y/E, RMB mn	FY23	FY24	FY25E	FY26E	FY27E
Current assets					
Inventories	1268	4088	8288	10639	11347
Accounts receivable	376	801	1731	2000	2133
Cash and cash equivalents	70	733	609	2434	4984
Others	62	212	602	773	915
Total current assets	1776	5833	11229	15845	19379
Non-current assets					
PPE	58	113	740	290	995
Others	325	391	391	391	391
Total current assets	383	503	1131	681	1385
Total Assets	2158	6337	12360	16526	20764
Current liabilities					
Accounts and bills payables	58	228	442	568	673
Short-term Bank and other loans	128	1374	2928	3758	4454
Others	289	647	886	987	1071
Total current liabilities	474	2249	4256	5313	6197
Non-current liabilities					
Long-term Bank& other loans	0	0	0	0	0
Others	169	168	168	168	168
Total non-current liabilities	169	168	168	168	168
Total liabilities	643	2416	4424	5481	6365
Equity attributable to equity holders of the Company	1515	3920	7936	11046	14399
Non-controlling interests	0	0	0	0	0
Total equity	1515	3920	7936	11046	14399
Total liabilities and equity	2158	6337	12360	16526	20765

Consolidated Statement of Cash Flow

Dec Y/E, RMB mn	FY23	FY24	FY25E	FY26E	FY27E
CFO	-29	-1229	381	5706	7796
Net profit before tax	554	1947	6755	8666	10265
Change in working capital	-832	-3603	-6709	-4645	-3227
Depreciation and Amortization	120	181	241	1564	615
Others	130	246	94	121	143
CFI	-59	-71	-868	-1114	-1319
Purchase of PP&E	-60	-71	-868	-1114	-1319
Short term and long term investment,net	0	0	0	0	0
CFF	99	1960	364	-2766	-3926
Cash payments for distribution of dividends, profits or	-6	-26	-1191	-3597	-4621
Cash received from financing	105	1986	1554	831	695
Net increase in cash and cash equivalents	10	663	-124	1825	2550
Cash and cash equivalents at 31 December	70	733	609	2434	4984

Current Price as of: 15 Oct 2025

Source : PSHK Est.

PHILLIP RESEARCH STOCK SELECTION SYSTEMS

Total Return	Recommendation	Rating	Remarks
>+20%	Buy	1	>20% upside from the current price
+5% to +20%	Accumulate	2	+5% to +20% upside from the current price
-5% to +5%	Neutral	3	Trade within $\pm$ 5% from the current price
-5% to -20%	Reduce	4	-5% to -20% downside from the current price
<-20%	Sell	5	>20% downside from the current price

We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation

GENERAL DISCLAIMER

This publication is prepared by Phillip Securities (Hong Kong) Ltd ("Phillip Securities"). By receiving or reading this publication, you agree to be bound by the terms and limitations set out below.

This publication shall not be reproduced in whole or in part, distributed or published by you for any purpose. Phillip Securities shall not be liable for any direct or consequential loss arising from any use of material contained in this publication.

The information contained in this publication has been obtained from public sources which Phillip Securities has no reason to believe are unreliable and any analysis, forecasts, projections, expectations and opinions (collectively the "Research") contained in this publication are based on such information and are expressions of belief only. Phillip Securities has not verified this information and no representation or warranty, express or implied, is made that such information or Research is accurate, complete or verified or should be relied upon as such. Any such information or Research contained in this publication is subject to change, and Phillip Securities shall not have any responsibility to maintain the information or Research made available or to supply any corrections, updates or releases in connection therewith. In no event will Phillip Securities be liable for any special, indirect, incidental or consequential damages which may be incurred from the use of the information or Research made available, even if it has been advised of the possibility of such damages.

Any opinions, forecasts, assumptions, estimates, valuations and prices contained in this material are as of the date indicated and are subject to change at any time without prior notice.

This material is intended for general circulation only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. The products mentioned in this material may not be suitable for all investors and a person receiving or reading this material should seek advice from a financial adviser regarding the suitability of such products, taking into account the specific investment objectives, financial situation or particular needs of that person, before making a commitment to invest in any of such products.

This publication should not be relied upon as authoritative without further being subject to the recipient's own independent verification and exercise of judgment. The fact that this publication has been made available constitutes neither a recommendation to enter into a particular transaction nor a representation that any product described in this material is suitable or appropriate for the recipient. Recipients should be aware that many of the products which may be described in this publication involve significant risks and may not be suitable for all investors, and that any decision to enter into transactions involving such products should not be made unless all such risks are understood and an independent determination has been made that such transactions would be appropriate. Any discussion of the risks contained herein with respect to any product should not be considered to be a disclosure of all risks or a complete discussion of such risks.

Nothing in this report shall be construed to be an offer or solicitation for the purchase or sale of a security. Any decision to purchase securities mentioned in this research should take into account existing public information, including any registered prospectus in respect of such security.

Disclosure of Interest

Analyst Disclosure: Neither the analyst(s) preparing this report nor his associate serves as an officer of the listed corporation covered in this report.

Firm's Disclosure: Phillip Securities does not have any investment banking relationship with the listed corporation covered in this report nor any financial interest of 1% or more of the market capitalization in the listed corporation. In addition, no executive staff of Phillip Securities serves as an officer of the listed corporation.

Availability

The information, tools and material presented herein are not directed, intended for distribution to or use by, any person or entity in any jurisdiction or country where such distribution, publication, availability or use would be contrary to the applicable law or regulation or which would subject Phillip Securities to any registration or licensing or other requirement, or penalty for contravention of such requirements within such jurisdiction.

Information contained herein is based on sources that Phillip Securities (Hong Kong) Limited ("PSHK") believed to be accurate. PSHK does not bear responsibility for any loss occasioned by reliance placed upon the contents hereof. PSHK (or its affiliates or employees) may have positions in relevant investment products. For details of different product's risks, please visit the Risk Disclosures Statement on <http://www.phillip.com.hk>.

© 2025 Phillip Securities (Hong Kong) Limited

Contact Information (Regional Member Companies)
SINGAPORE
Phillip Securities Pte Ltd

250 North Bridge Road, #06-00 Raffles City Tower,
Singapore 179101

Tel : (65) 6533 6001 Fax: (65) 6535 3834

www.phillip.com.sg

INDONESIA
PT Phillip Securities Indonesia

ANZ Tower Level 23B, Jl Jend Sudirman Kav 33A,
Jakarta 10220, Indonesia

Tel (62) 21 5790 0800 Fax: (62) 21 5790 0809

www.phillip.co.id

THAILAND
Phillip Securities (Thailand) Public Co. Ltd.

15th Floor, Vorawat Building, 849 Silom Road,
Silom, Bangrak, Bangkok 10500 Thailand

Tel (66) 2 2268 0999 Fax: (66) 2 2268 0921

www.phillip.co.th

UNITED STATES
Phillip Futures Inc.

141 W Jackson Blvd Ste 3050
The Chicago Board of Trade Building
Chicago, IL 60604 USA

Tel (1) 312 356 9000 Fax: (1) 312 356 9005

MALAYSIA
Phillip Capital Management Sdn Bhd

B-3-6 Block B Level 3, Megan Avenue II,
No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur

Tel (60) 3 2162 8841 Fax (60) 3 2166 5099

www.poems.com.my

CHINA
Phillip Financial Advisory (Shanghai) Co. Ltd.

No 436 Heng Feng Road, Green Tech Tower Unit 604
Shanghai 200 070

Tel (86) 21 5169 9400 Fax: (86) 21 6091 1155

www.phillip.com.cn

FRANCE
King & Shaxson Capital Ltd.

3rd Floor, 35 Rue de la Bienfaisance
75008 Paris France

Tel (33) 1 4563 3100 Fax : (33) 1 4563 6017

www.kingandshaxson.com

AUSTRALIA
PhillipCapital Australia

L Level 10, 330 Collins Street
Melbourne VIC 3000 Australia

Tel: (61) 3 9618 8238 Fax: (61) 3 9200 2277

www.phillipcapital.com.au

HONG KONG
Phillip Securities (HK) Ltd

11/F United Centre 95 Queensway Hong Kong

Tel (852) 2277 6600 Fax: (852) 2868 5307

www.phillip.com.hk

JAPAN
Phillip Securities Japan, Ltd

4-2 Nihonbashi Kabutocho, Chuo-ku
Tokyo 103-0026

Tel: (81) 3 3666 2101 Fax: (81) 3 3664 0141

www.phillip.co.jp

INDIA
PhillipCapital (India) Private Limited

No. 1, 18th Floor, Urmi Estate, 95 Ganpatrao Kadam Marg,
Lower Parel West, Mumbai 400013

Tel: (9122) 2300 2999 Fax: (9122) 6667 9955

www.phillipcapital.in

UNITED KINGDOM
King & Shaxson Ltd.

6th Floor, Candlewick House, 120 Cannon Street
London, EC4N 6AS

Tel (44) 20 7929 5300 Fax: (44) 20 7283 6835

www.kingandshaxson.com

SRI LANKA
Asha Phillip Securities Limited

Level 4, Millennium House, 46/58 Navam Mawatha,
Colombo 2, Sri Lanka

Tel: (94) 11 2429 100 Fax: (94) 11 2429 199

www.ashaphillip.net/home.htm