

LAOPU GOLD (6181.HK)

Unfazed by gold price fluctuations, both performance and luxury status are doubly validated

China | Gold |

09 Apr 2026

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 2025, the company's average annualized sales per shopping mall approached nearly RMB 1 billion. According to Frost & Sullivan data, among global luxury groups operating in mainland China in 2025, the company ranked first in both sales per shopping mall and sales per unit area.

Strong performance growth was achieved in both the full year of 2025 and the first quarter of 2026

In 2025, the company's revenue reached RMB 27.30 billion, + 221% YOY. Among this, revenue from mainland China was RMB 23.36 billion, + 205.4% YOY, accounting for 85.6% of total revenue; overseas revenue was RMB 3.94 billion, + 361% YOY, accounting for 14.4% of total revenue with an increase of 4.3 pct. Laopu Gold's first overseas store officially opened in June 2025 at Marina Bay Sands Shopping Mall in Singapore, located in a high-end luxury area. In addition, Laopu Gold has three stores in Hong Kong, including a flagship store at IFC. The company plans to further expand by opening 6–9 overseas stores in 2026 and 2027, entering markets such as Japan, North America, Australia, and the Middle East, in order to further expand its international footprint. We expect the overseas revenue share to continue climbing, contributing more significantly. Gross profit was RMB 10.27 billion, + 193.4% YOY; net profit attributable to the parent company was RMB 4.87 billion, + 230.45% YOY; EPS was RMB 28.35, + 299.4% YOY. In 2025, the company paid an interim dividend of RMB 9.59 per share and a final dividend of RMB 11.95 per share, resulting in a full-year dividend payout ratio of 76%. The above growth was mainly driven by brand advantages, product update, and store expansion (10 new stores added and 9 optimized in 2025). For the first quarter of 2026, the company expects to achieve sales (revenue including tax) of approximately RMB 19.0–20.0 billion, revenue of approximately RMB 16.5–17.5 billion, and net profit of approximately RMB 3.6–3.8 billion.

As of the end of 2025, the company's total assets reached RMB 21.25 billion, + 235.4% YOY; total liabilities were RMB 10.16 billion; the asset-liability ratio stood at 47.8% with an increase of 9.5 pct YOY, mainly due to continuous store expansion and increased demand for gold raw material procurement, which drove up the scale of borrowings. Shareholders' equity was RMB 11.10 billion, + 183% YOY, reflecting a significant increase in owners' equity and further strengthening of the company's capital base. Cash and bank balances amounted to RMB 2.07 billion, + 252.3% YOY, indicating a substantial enhancement in cash reserves. Inventory was RMB 16.04 billion, covering raw materials, work in progress, and finished goods, + 292.5% YOY, primarily due to stockpiling in preparation for expected sales growth during the peak Spring Festival season. As a result, inventory turnover days extended from 195 days in the same period last year to 216 days. Accounts payable, other payables, and accrued expenses + 178.7% and 581.2% YOY respectively, reflecting the company's strong ability to occupy funds from upstream suppliers and downstream customers, highlighting its advantage in trade credit utilization, which helps free up its own funds for operating activities such as R&D investment and store expansion.

Buy (upgraded)

CMP HK\$657.5

(Closing price as of 08 Apr)

Target 815.96 HKD (+24.1%)

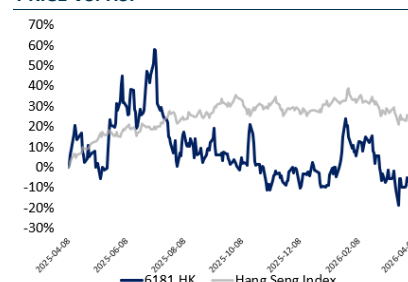
COMPANY DATA

O/S SHARES (MN) :	177
MARKET CAP (HKD bn) :	116.21
52 - WK HI/LO (HKD):	1097.48/540

SHARE HOLDING PATTERN, %

Beijing Hongqiao Jinji Consulting Co., Ltd	29.33%
Gaoming Xu, Dongbo Xu	26.78%

PRICE VS. HSI



Source: Phillip Securities (HK) Research

KEY FINANCIALS

RMB mn	FY25	FY26E	FY27E	FY28E
Revenue	27303	45073	58622	69191
Net profit	4868	9077	11955	13801
Diluted EPS (RMB)	28.35	47.87	57.10	64.05
P/E ratio, x	20.4	12.1	10.1	9.0
Dividend Yield, %	3.7%	6.3%	7.5%	8.4%

Source: Company reports, Phillip Securities Est.

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Unfazed by gold price fluctuations, Laopu’s luxury status has been further consolidated

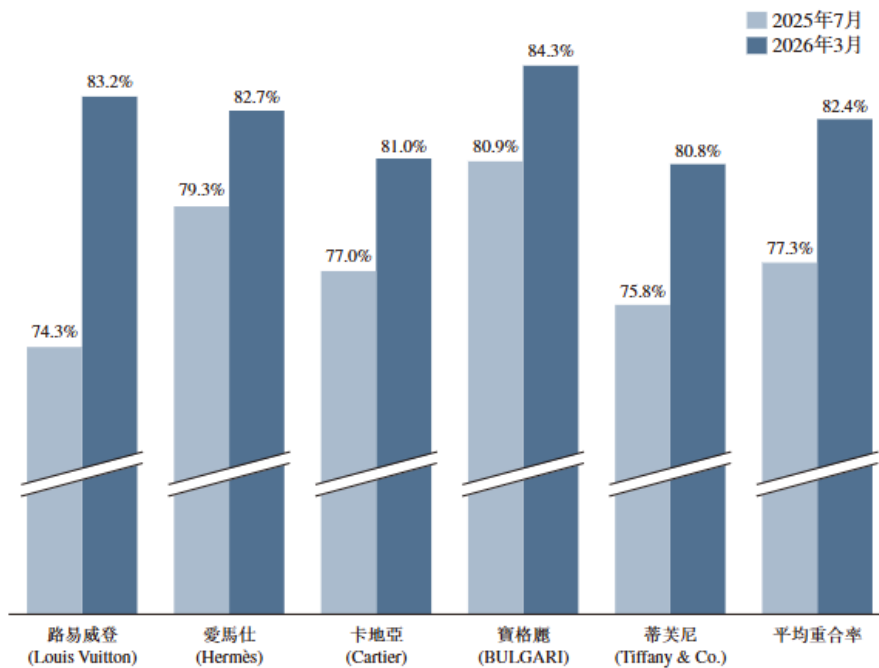
Since the beginning of 2026, intensifying geopolitical conflicts and a tightening global security situation have led to sharp fluctuations in gold price, which once fell from USD 5,500 per ounce to USD 4,500 per ounce. Against this backdrop, the company’s performance in Q1 2026 rose against the trend, with net profit for the quarter exceeding 70% of its full-year 2025 net profit, demonstrating strong operational resilience. The company has been listed on the Hurun Best of the Best for four consecutive years from 2023 to 2026, and in 2026 ranked among the top three jewelry brands most favored by China’s high-net-worth individuals, being the only Chinese brand on the list. According to Frost & Sullivan, in 2025 the company ranked second among global luxury brands in mainland China by revenue and was the only Chinese brand among the top five. The overlap rate of its consumers with five major international luxury brands such as LV and Hermès increased from 77.3% (July 2025) to 82.4% (March 2026), continuously validating its high-end positioning. A Rothschild report noted that Laopu Gold, with its unique positioning of “integrating ancient craftsmanship with luxury fashion,” has become an industry disruptor, achieving breakthroughs that other brands have not. The institution believes that the company surpassed the China jewelry business of Richemont Group in the second half of 2025. Richemont is one of the world’s three largest luxury goods groups, with its jewelry business including Cartier, Van Cleef & Arpels, and Buccellati. Laopu Gold has approximately 610,000 loyal members, a net increase of 260,000 (or 74.3%) from the end of 2024, with its consumer base continuing to expand. While gold’s high value-retention attribute certainly enhances the products, Laopu Gold’s core competitiveness that distinguishes it from traditional gold jewelry retailers lies in its ancient method gold craftsmanship, brand influence, and strong luxury attributes.

Figure 1: Gold price



Resources : Wind · PSHK

Figure 2: High-end brand overlap rate



Resources : Annual Report · PSHK

Investment Thesis

We believe that gold price in 2026 will show a “decline first, then rise” trend: in the first half, price will fluctuate within the range of USD 4,300–5,000 per ounce, digesting geopolitical premiums; in the second half, supported by a recovery in expectations of Fed rate cuts and continued central bank gold purchases, price will rebound to the target range of USD 5,200–5,500 per ounce. Core drivers include the evolution of the Middle East situation, the Fed’s policy path, and the continued trend of central bank gold buying. Laopu Gold has carved out an independent path as an Eastern luxury brand, with low sensitivity to gold price fluctuations. In fact, higher gold price will be beneficial to its brand premium and earnings resilience.

Laopu Gold’s core advantage lies in its unique “cultural gold” positioning and high-growth model. Its prospects mainly depend on whether it can balance financial health and brand value amid rapid expansion. The company has built a moat in the traditional gold retail market through differentiated product positioning (Eastern aesthetics + ancient method gold) and has opened up new growth space through store upgrades and overseas expansion. We are optimistic about the company’s medium-to-long-term development prospects and believe it can achieve sustainable growth while maintaining its premium brand positioning. We forecast the company’s revenue for 2026–2028 to be RMB 45.07 billion, RMB 58.62 billion, and RMB 69.19 billion respectively. EPS is projected at RMB 47.87 / 57.1 / 64.05, corresponding to P/E ratios of 12.1x / 10.1x / 9.0x. Based on a target P/E of 15x for 2026, we set a target price of HKD 815.96 and upgrade the rating to “Buy”. (Current price as of April 8)

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	FY24	FY25	FY26E	FY27E	FY28E
Total Revenue	8506	27303	45073	58622	69191
Cost of sales	-5004	-17030	-27494	-36162	-43156
Gross profit	3501	10274	17578	22461	26035
Operating expenses	-1528	-3724	-5445	-6535	-7713
Finance costs	-30	-139	-229	-298	-352
Profit before tax	1947	6384	11904	15627	17970
Income tax expense	-473	-1516	-2827	-3672	-4169
Profit for the year	1473	4868	9077	11955	13801
Profit for the year attributable to					
– Owners of the Company	1473	4868	9077	11955	13801
EPS(RMB)	9.47	28.35	47.87	57.10	64.05
DPS(RMB)	6.35	21.54	36.38	43.40	48.68
Dividend payout ratio	0%	68%	76%	76%	76%
Weighted shares outstanding	137	156	190	209	215

Key Financial Data

Dec Y/E	FY24	FY25	FY26E	FY27E	FY28E
Valuation Ratio					
P/E ratio	61.1	20.4	12.1	10.1	9.0
Dividend Yield, %	1.1%	3.7%	6.3%	7.5%	8.4%
Per share data(RMB)					
EPS	9.47	28.35	47.87	57.10	64.05
DPS(RMB)	6.35	21.54	36.38	43.40	48.68
Growth & Margin					
Growth					
Revenue Growth	167.5%	221.0%	65.1%	30.1%	18.0%
Gross Profit Growth	162.9%	193.4%	71.1%	27.8%	15.9%
Net Profit Growth	253.9%	230.4%	86.5%	31.7%	15.4%
Margin					
Gross Profit Margin	41.2%	37.6%	39.0%	38.3%	37.6%
Net Profit Margin	17.3%	17.8%	20.1%	20.4%	19.9%
Key Ratios					
ROE	27.5%	37.6%	76.2%	60.4%	53.2%
ROA	19.3%	23.3%	27.5%	27.9%	27.3%

Current Price as of: 08 Apr

Exchange rate: HKD/CNY = 0.88

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

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