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## CHOW SANG SANG HOLDINGS INTERNATIONAL LIMITED

周生生集團國際有限公司\*

(Incorporated in Bermuda with limited liability)

Stock code: 116

### INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

The Board announces the unaudited interim results of the Group for the six months ended 30 June 2025. The interim results have been reviewed by the Audit Committee of the Board.

FINANCIAL HIGHLIGHTS			
	Unaudited Six months ended 30 June		
	2025	2024	
	HK\$'000	HK\$'000	Change
CONTINUING OPERATIONS			
Turnover			
Retail	10,762,505	11,049,022	-3%
Other businesses	273,034	263,722	+4%
	<u>11,035,539</u>	<u>11,312,744</u>	-2%
Profit/(loss) for the period attributable to owners of the Company			
Continuing operations	909,789	501,810	+81%
Discontinued operation	(8,054)	24,180	-133%
	<u>901,735</u>	<u>525,990</u>	+71%
Earnings per share - Basic and diluted			
For profit for the period	134.2 cents	77.6 cents	+73%
For profit from continuing operations	135.4 cents	74.1 cents	+83%
Interim dividend per share	21.0 cents	15.0 cents	
Dividend payout ratio	16%	19%	
Equity attributable to owners of the Company	13,765,707	12,430,469 <sup>^</sup>	+11%
Equity per share	\$20.5	\$18.5 <sup>^</sup>	+11%

<sup>^</sup> Audited as at 31 December 2024

\* For identification purpose only

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the six months ended 30 June 2025

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
	<b>Note</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>CONTINUING OPERATIONS</b>			
<b>Turnover</b>	<b>3</b>		
Retail		<b>10,762,505</b>	11,049,022
Other businesses		<b>273,034</b>	263,722
		<b>11,035,539</b>	11,312,744
Cost of sales		<b>(7,336,530)</b>	(8,114,675)
Gross profit		<b>3,699,009</b>	3,198,069
Other losses, net	<b>5</b>	<b>(127,128)</b>	(4,542)
Selling and distribution costs		<b>(1,912,960)</b>	(2,044,137)
Administrative expenses		<b>(452,546)</b>	(445,932)
Foreign exchange differences, net		<b>37,520</b>	(22,816)
Finance income		<b>12,526</b>	15,151
Finance costs		<b>(61,572)</b>	(70,267)
<b>Profit before tax from continuing operations</b>	<b>6</b>	<b>1,194,849</b>	625,526
Income tax	<b>7</b>	<b>(287,766)</b>	(129,928)
<b>Profit for the period from continuing operations</b>		<b>907,083</b>	495,598
<b>DISCONTINUED OPERATION</b>			
Profit/(loss) for the period from discontinued operation	<b>8</b>	<b>(8,054)</b>	24,180
<b>Profit for the period</b>		<b>899,029</b>	519,778
<b>Profit/(loss) for the period attributable to:</b>			
Owners of the Company		<b>901,735</b>	525,990
Non-controlling interests		<b>(2,706)</b>	(6,212)
		<b>899,029</b>	519,778
<b>Profit/(loss) for the period attributable to owners of the Company:</b>			
Continuing operations		<b>909,789</b>	501,810
Discontinued operation		<b>(8,054)</b>	24,180
		<b>901,735</b>	525,990

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## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

		<b>Unaudited</b>	
		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
	Note		
<b>Earnings per share attributable to owners of the Company</b>	10		
Basic and diluted			
- For profit for the period		<u><b>134.2 cents</b></u>	<u>77.6 cents</u>
- For profit from continuing operations		<u><b>135.4 cents</b></u>	<u>74.1 cents</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the six months ended 30 June 2025

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>PROFIT FOR THE PERIOD</b>	<b>899,029</b>	<b>519,778</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>		
<b>Item that may be reclassified subsequently to profit or loss:</b>		
Exchange differences on translation	268,703	(194,719)
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
Changes in fair value of financial assets designated at fair value through other comprehensive income	412,523	(59,218)
Revaluation upon transfer of a building to an investment property	670	2,368
Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss	413,193	(56,850)
<b>Other comprehensive income/(loss) for the period</b>	<b>681,896</b>	<b>(251,569)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,580,925</b>	<b>268,209</b>
<b>Total comprehensive income/(loss) for the period attributable to:</b>		
Owners of the Company	1,583,603	274,497
Non-controlling interests	(2,678)	(6,288)
	<b>1,580,925</b>	<b>268,209</b>
<b>Total comprehensive income/(loss) for the period attributable to owners of the Company:</b>		
Continuing operations	1,591,657	250,317
Discontinued operation	(8,054)	24,180
	<b>1,583,603</b>	<b>274,497</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2025

		<b>Unaudited 30 June 2025 HK\$'000</b>	<b>Audited 31 December 2024 HK\$'000</b>
	<b>Note</b>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>933,339</b>	1,038,243
Investment properties		<b>429,397</b>	418,397
Right-of-use assets		<b>810,926</b>	905,431
Trading licences		<b>3,195</b>	3,195
Other assets		<b>207,983</b>	208,062
Financial assets designated at fair value through other comprehensive income		<b>1,422,450</b>	1,009,927
Deferred tax assets		<b>64,292</b>	61,007
Total non-current assets		<b>3,871,582</b>	3,644,262
<b>CURRENT ASSETS</b>			
Inventories		<b>14,318,935</b>	12,784,690
Accounts receivable	11	<b>649,708</b>	793,822
Receivables arising from securities and futures broking	12	<b>96,842</b>	106,112
Prepayments, other receivables and other assets		<b>1,060,614</b>	962,023
Financial assets at fair value through profit or loss		<b>15,000</b>	16,911
Derivative financial instruments		<b>3,134</b>	4,407
Tax recoverable		<b>739</b>	1,366
Cash held on behalf of clients		<b>332</b>	312
Cash and cash equivalents		<b>1,320,476</b>	1,335,827
Total current assets		<b>17,465,780</b>	16,005,470
<b>CURRENT LIABILITIES</b>			
Accounts payable	13	<b>168,546</b>	111,623
Payables arising from securities and futures broking	13	<b>332</b>	312
Other payables and accruals		<b>446,129</b>	572,746
Derivative financial instruments		<b>6,190</b>	8,093
Interest-bearing bank borrowings		<b>1,329,613</b>	1,318,230
Bullion loans		<b>3,562,337</b>	3,382,992
Lease liabilities		<b>423,794</b>	465,220
Tax payable		<b>402,124</b>	226,135
Total current liabilities		<b>6,339,065</b>	6,085,351
<b>NET CURRENT ASSETS</b>		<b>11,126,715</b>	9,920,119
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>14,998,297</b>	13,564,381

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2025

	<b>Unaudited 30 June 2025 HK\$'000</b>	<b>Audited 31 December 2024 HK\$'000</b>
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing bank borrowings	<b>455,707</b>	327,122
Lease liabilities	<b>415,223</b>	461,493
Deferred tax liabilities	<b>410,331</b>	391,290
Total non-current liabilities	<b><u>1,281,261</u></b>	<u>1,179,905</u>
<b>Net assets</b>	<b><u>13,717,036</u></b>	<u>12,384,476</u>
<b>EQUITY</b>		
Equity attributable to owners of the Company		
Issued capital	<b>167,928</b>	168,180
Reserves	<b>13,597,779</b>	12,262,289
	<b>13,765,707</b>	12,430,469
Non-controlling interests	<b><u>(48,671)</u></b>	<u>(45,993)</u>
<b>Total equity</b>	<b><u>13,717,036</u></b>	<u>12,384,476</u>

## NOTES:

### 1. Basis of preparation

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants and Appendix D2 of the Listing Rules.

The unaudited condensed consolidated interim financial statements should be read in conjunction with the Annual Report 2024.

The accounting policies and basis of preparation used in the condensed consolidated interim financial statements are the same as those used in the Group’s audited financial statements for the year ended 31 December 2024, except for the adoption of amended HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) for the first time for the current period’s consolidated interim financial statements as disclosed in note 2 below.

### 2. Changes in accounting policies and disclosures

The Group has adopted the following amended HKFRS Accounting Standard for the first time for the current period’s condensed consolidated interim financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The nature and impact of amended HKFRS Accounting Standard that are applicable to the Group are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the condensed consolidated interim financial statements.

### 3. Turnover

Revenue from the following activities has been included in turnover from continuing operations:

	Six months ended 30 June 2025 HK\$'000	2024 HK\$'000
<i>Revenue from contracts with customers</i>	<b>11,030,207</b>	11,307,639
<i>Revenue from other sources</i>		
Gross rental income from investment properties operating leases:		
Other lease payments, including fixed payments	<u>5,332</u>	<u>5,105</u>
	<b><u>11,035,539</u></b>	<b><u>11,312,744</u></b>

### 4. Operating segment information

For management purposes, the Group is organised into business units based on their products and services and the Group's reportable operating segments are as follows:

#### *Continuing operations*

- the retail of jewellery and watches segment produces and sells jewellery products and distributes watches for the Group's retail business and operates retail stores mainly in Mainland China, Hong Kong, Macau and Taiwan
- the wholesale of precious metals segment trades precious metals to wholesale customers
- the trading of laboratory-grown diamond and gemstones ("LGD") segment trades jewellery set with LGD
- the other businesses segment comprises, principally, the investment in properties for their rental income and capital appreciation potential, and other jewellery related businesses

#### *Discontinued operation*

- the securities and futures broking segment provides brokering and dealing services for securities and futures

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax from continuing operations. The adjusted profit before tax for reportable operating segments from continuing operations is measured consistently with the Group's profit before tax from continuing operations except that dividend income, fair value gain or loss on investment properties, fair value gain or loss on bullion loans designated as at fair value through profit or loss, fair value gain or loss on derivative financial instruments - transactions not qualifying as hedges, fair value gain or loss on financial assets at fair value through profit or loss, finance income, finance costs and foreign exchange differences, net are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.



#### 4. Operating segment information (continued)

	Continuing operations					Discontinued operation	
	Retail of jewellery and watches HK\$'000	Wholesale of precious metals HK\$'000	Trading of LGD HK\$'000	Other businesses HK\$'000	Total for continuing operations HK\$'000	Securities and futures broking HK\$'000	Total HK\$'000
<b>Six months ended 30 June 2025</b>							
<b>Segment revenue (note 3)</b>							
Sales to external customers	10,762,505	264,252	3,447	3	11,030,207	-	11,030,207
Intersegment sales	-	-	-	264	264	-	264
Other revenue	-	-	-	5,332	5,332	-	5,332
	<u>10,762,505</u>	<u>264,252</u>	<u>3,447</u>	<u>5,599</u>	<u>11,035,803</u>	<u>-</u>	<u>11,035,803</u>
<i>Reconciliation:</i>							
Elimination of intersegment sales					(264)		(264)
					<u>11,035,539</u>		<u>11,035,539</u>
<b>Segment results</b>	<b>1,397,441</b>	<b>2,735</b>	<b>(13,444)</b>	<b>2,631</b>	<b>1,389,363</b>	<b>(8,060)</b>	<b>1,381,303</b>
<i>Reconciliation:</i>							
Dividend income					16,927	-	16,927
Net fair value gain/(loss) on:							
Bullion loans designated as at fair value through profit or loss					(198,404)	-	(198,404)
Derivative financial instruments							
- transactions not qualifying as hedges					616	-	616
Financial assets at fair value through profit or loss					(2,127)	-	(2,127)
Finance income					12,526	6	12,532
Finance costs					(61,572)	-	(61,572)
Foreign exchange differences, net					<u>37,520</u>	<u>-</u>	<u>37,520</u>
Profit before tax					<u>1,194,849</u>	<u>(8,054)</u>	<u>1,186,795</u>

#### 4. Operating segment information (continued)

	Continuing operations					Discontinued operation	
	Retail of jewellery and watches HK\$'000	Wholesale of precious metals HK\$'000	Trading of LGD HK\$'000	Other businesses HK\$'000	Total for continuing operations HK\$'000	Securities and futures broking HK\$'000	Total HK\$'000
<b>Six months ended 30 June 2024</b>							
<b>Segment revenue (note 3)</b>							
Sales to external customers	11,049,022	247,897	4,269	6,451	11,307,639	-	11,307,639
Intersegment sales	-	-	-	264	264	-	264
Other revenue	-	-	-	5,105	5,105	-	5,105
	<u>11,049,022</u>	<u>247,897</u>	<u>4,269</u>	<u>11,820</u>	<u>11,313,008</u>	<u>-</u>	<u>11,313,008</u>
<i>Reconciliation:</i>							
Elimination of intersegment sales					(264)		(264)
					<u>11,312,744</u>		<u>11,312,744</u>
<b>Segment results</b>	762,119	1,793	(31,244)	582	733,250	24,158	757,408
<i>Reconciliation:</i>							
Dividend income					13,671	-	13,671
Net fair value loss on:							
Bullion loans designated as at fair value through profit or loss					(35,627)	-	(35,627)
Derivative financial instruments							
- transactions not qualifying as hedges					(7,106)	-	(7,106)
Financial assets at fair value through profit or loss					(730)	-	(730)
Finance income					15,151	22	15,173
Finance costs					(70,267)	-	(70,267)
Foreign exchange differences, net					(22,816)	-	(22,816)
Profit before tax					<u>625,526</u>	<u>24,180</u>	<u>649,706</u>

## 5. Other losses, net

An analysis of other losses, net from continuing operations is as follows:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Dividend income from listed investments	<b>16,595</b>	13,356
Dividend income from unlisted investments	<b>332</b>	315
Government grants*	<b>10,382</b>	3,282
Reversal of impairment/(impairment) of accounts receivable, net	<b>(1,751)</b>	2,212
Net fair value gain/(loss) on:		
Bullion loans designated as at fair value through profit or loss	<b>(198,404)</b>	(35,627)
Derivative financial instruments		
- transactions not qualifying as hedges	<b>616</b>	(7,106)
Financial assets at fair value through profit or loss	<b>(2,127)</b>	(730)
Net gain on disposal of derivative financial instruments:		
Foreign currency forward contracts	<b>22,827</b>	5,044
Cross currency swaps	<b>282</b>	-
Others	<b>24,120</b>	14,712
	<b><u>(127,128)</u></b>	<b><u>(4,542)</u></b>

\* Government grants mainly represent subsidies received from municipal governments in Mainland China. There are no unfulfilled conditions or contingencies relating to these subsidies.

## 6. Profit before tax from continuing operations

The Group's profit before tax from continuing operations is arrived at after charging:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Write-down of inventories to net realisable value <sup>1</sup>	9,109	2,182
Depreciation of property, plant and equipment	150,423	170,559
Depreciation of right-of-use assets	276,689	318,452
Lease payments not included in the measurement of lease liabilities	390,066	408,392
Net loss on bullion loans designated as at fair value through profit or loss <sup>2</sup>	682,619	429,469
Net loss on disposal of derivative financial instruments <sup>2</sup>	25,677	24,827
Net loss on disposal of items of property, plant and equipment	9,541	3,463

<sup>1</sup> This balance is included in "Cost of sales" on the face of the consolidated statement of profit or loss.

<sup>2</sup> The net loss on bullion loans designated as at fair value through profit or loss of HK\$682,619,000 (2024: HK\$429,469,000) and the net loss on disposal of derivative financial instruments included a net loss on bullion contracts of HK\$48,786,000 (2024: HK\$29,871,000), which are included in "Cost of sales" on the face of the consolidated statement of profit or loss. The purpose of the above bullion transactions entered into by the Group is to manage the Group's bullion price risk. Such loans and contracts did not meet the criteria for hedge accounting. The net loss on disposal of derivative financial instruments also included a net gain on foreign currency forward contracts of HK\$22,827,000 and a net gain on cross currency swaps of HK\$282,000 (2024: net gain on foreign currency forward contracts of HK\$5,044,000) (note 5).

## 7. Income tax

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

Under the Law of the People's Republic of China on Corporate Income Tax (the "CIT Law") and Implementation Regulation of the CIT Law, the tax rate of the Mainland China subsidiaries is 25% (2024: 25%). Taxes on profits assessable in other jurisdictions have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current - Hong Kong		
Charge for the period	<b>68,280</b>	45,883
Current - Mainland China		
Charge for the period	<b>191,118</b>	75,426
Underprovision in prior periods	<b>1,073</b>	636
Current - other jurisdictions		
Charge for the period	<b>10,754</b>	6,511
Deferred	<b>16,541</b>	1,472
Total tax charge for the period from continuing operations	<b>287,766</b>	129,928
Total tax charge for the period from the discontinued operation	<b>-</b>	-
	<b>287,766</b>	129,928

## 8. Discontinued operation

On 29 January 2021, the Board came to the decision to wind down the operation of the securities and futures broking business. The operation of the securities and futures broking business, which had ceased in May 2021, was classified as a discontinued operation.

The results of the discontinued operation for the period are presented below:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Other gains, net	<b>8</b>	13
Administrative expenses	<b>(220)</b>	(199)
Reversal of impairment/(impairment) of receivables arising from securities and futures broking	<b>(7,848)</b>	24,344
Finance income	<b>6</b>	22
Profit/(loss) for the period from the discontinued operation	<b>(8,054)</b>	24,180

## 8. Discontinued operation (continued)

The major classes of assets and liabilities associated with the discontinued operation at the end of the reporting period are as follows:

	<b>30 June 2025 HK\$'000</b>	<b>31 December 2024 HK\$'000</b>
<i>Assets</i>		
Receivables arising from securities and futures broking (note 12)	<b>96,842</b>	106,112
Prepayments, other receivables and other assets	<b>409</b>	409
Cash held on behalf of clients	<b>332</b>	312
Cash and cash equivalents	<b>9,402</b>	7,039
Assets associated with the discontinued operation	<b>106,985</b>	113,872
<i>Liabilities</i>		
Payables arising from securities and futures broking (note 13)	<b>332</b>	312
Other payables and accruals	<b>79</b>	105
Liabilities associated with the discontinued operation	<b>411</b>	417
Net assets directly associated with the discontinued operation	<b>106,574</b>	113,455

The net cash flows incurred by the discontinued operation are as follows:

	<b>Six months ended 30 June 2025 HK\$'000</b>	<b>2024 HK\$'000</b>
Net cash inflow from operating activities	<b>2,363</b>	1,297
Earnings/(loss) per share:		
Basic and diluted, from the discontinued operation	<b>(1.2) cents</b>	3.5 cents

The calculation of the basic earnings/(loss) per share amounts from the discontinued operation is based on the loss for the period attributable to owners of the Company from the discontinued operation of HK\$8,054,000 (2024: profit of HK\$24,180,000) and the weighted average number of ordinary shares outstanding, after taking into account the effect of shares repurchased, of 671,741,335 (2024: 677,434,000) during the period.

There were no potentially dilutive ordinary shares in issue during the current and prior periods.

## 9. Dividends

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
<b>Dividends recognised as distribution during the period:</b>		
Final dividend for 2024: HK36.0 cents (2023: HK40.0 cents) per ordinary share	<u>241,816</u>	<u>270,974</u>
<b>Dividends declared after the end of the reporting period:</b>		
Interim dividend declared for 2025: HK21.0 cents (2024: HK15.0 cents) per ordinary share	<u>141,060</u>	<u>101,615</u>

The interim dividend has not been recognised as a liability as at 30 June 2025 because it was declared after the end of the reporting period.

## 10. Earnings per share attributable to owners of the Company

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to owners of the Company and the weighted average number of ordinary shares outstanding, after taking into account the effect of shares repurchased, of 671,741,335 (2024: 677,434,000) during the period.

The Group had no potentially dilutive ordinary shares in issue during the current and prior periods.

The calculations of basic and diluted earnings per share are based on:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
<b>Earnings:</b>		
Profit/(loss) for the period attributable to owners of the Company, used in the basic and diluted earnings per share calculation		
From continuing operations	909,789	501,810
From the discontinued operation	(8,054)	24,180
	<u>901,735</u>	<u>525,990</u>

## 11. Accounts receivable

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Trade and credit card receivables	673,973	815,694
Impairment	(24,265)	(21,872)
Accounts receivable	<u>649,708</u>	<u>793,822</u>

The Group's trading terms with its retail and LGD trading customers are mainly on cash and credit card settlement while trading terms with corporate clients and wholesale customers are on credit with credit period generally up to 60 days. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

An ageing analysis of the accounts receivable at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Within 1 month	555,812	727,166
1 to 2 months	55,657	46,901
2 to 3 months	16,629	7,880
Over 3 months	21,610	11,875
	<u>649,708</u>	<u>793,822</u>

## 12. Receivables arising from securities and futures broking

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Receivables arising from securities and futures broking conducted in the ordinary course of business:		
Loans to margin clients <sup>#</sup>	729,694	731,116
Impairment	(632,852)	(625,004)
Receivables arising from securities and futures broking	<u>96,842</u>	<u>106,112</u>

<sup>#</sup> The loans to margin clients were secured by the underlying pledged securities, repayable on demand and bore interest at commercial rates. No ageing analysis was disclosed as, in the opinion of the Directors, an ageing analysis was not relevant in view of the nature of the business of securities margin financing. As at 30 June 2025, the total market value of securities pledged as collateral and securities held by guarantors in respect of the loans to margin clients was HK\$96,842,000 (31 December 2024: HK\$106,112,000).

Receivables from margin clients arising from the business of dealing in securities and futures broking are repayable on demand subsequent to settlement date.



### 13. Accounts payable/Payables arising from securities and futures broking

An ageing analysis of the accounts payable and payables arising from securities and futures broking at the end of the reporting period, based on the invoice date, is as follows:

	<b>30 June 2025 HK\$'000</b>	<b>31 December 2024 HK\$'000</b>
Within 1 month	<b>167,427</b>	109,886
1 to 2 months	<b>329</b>	1,337
Over 2 months	<b>790</b>	400
Accounts payable	<b>168,546</b>	111,623
Payables arising from securities and futures broking*	<b>332</b>	312
	<b>168,878</b>	111,935

The accounts payable are non-interest-bearing and are normally due for settlement on 30 days.

The payables arising from securities and futures broking are repayable on demand and bear interest at commercial rates.

\* No ageing analysis is disclosed as, in the opinion of the Directors, an ageing analysis is not meaningful in view of the nature of such business.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview

In the first half of 2025, the turnover of jewellery and watches in Mainland China declined by 2% from that of the same period of 2024. In Hong Kong and Macau, the decrease was 6%.

The Group's gross profit margin increased by 5.2 percentage points to 33.5%. During the period, sales of gold items garnered higher gross profit margins as the price of gold stayed on an uptrend. Reduction in costs realised from the rationalisation of the store network and other cost-control measures also contributed to the profit increase. Another contributor to the increased margin was the adjustment of our product assortment to favour higher margin items.

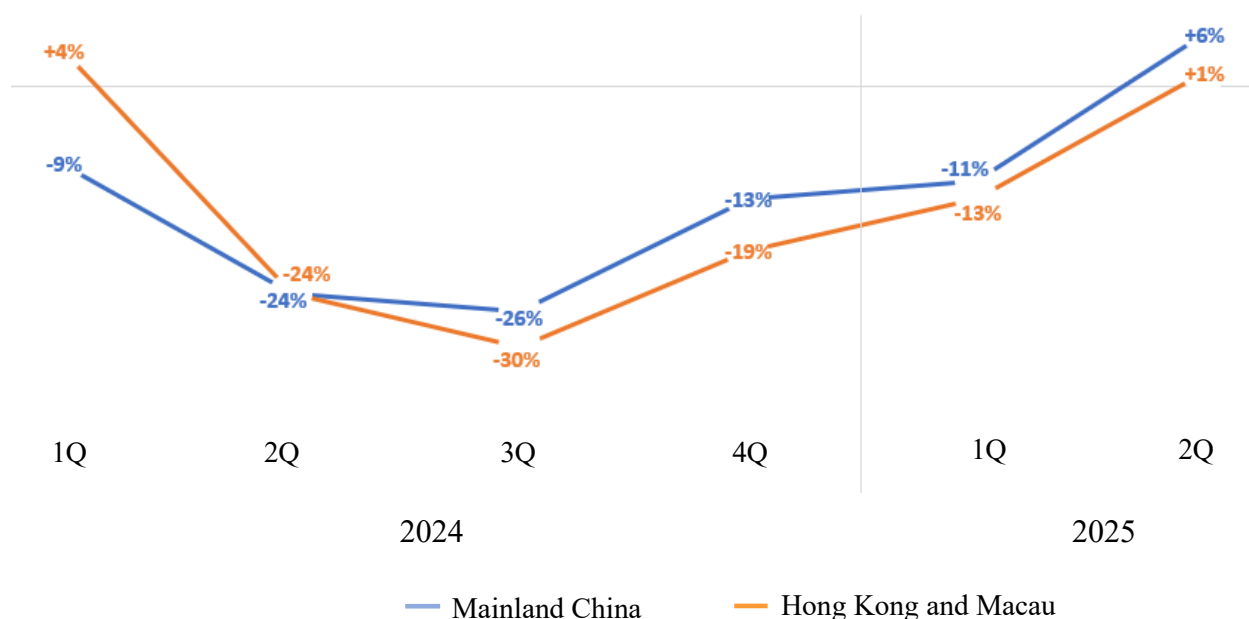
Profit attributable to owners of the Company increased by 71% to HK\$902 million, while profit attributable to owners of the Company from continuing operations rose by 81% to HK\$910 million.

### Retail of Jewellery and Watches

#### Revenue and Results

	Segment revenue			Segment results		
	2025 1H HK\$'000	2024 1H HK\$'000	Change	2025 1H HK\$'000	2024 1H HK\$'000	Change
Mainland China	7,248,500	7,394,790	-2%	869,059	429,319	+102%
Hong Kong and Macau	3,303,848	3,498,428	-6%	490,740	313,458	+57%
Taiwan	210,157	155,804	+35%	37,642	19,342	+95%
Total	10,762,505	11,049,022	-3%	1,397,441	762,119	+83%

- With higher gross margins resulting from the increase in gold price and savings from cost control and store network rationalisation, the Group's retail jewellery and watches segment results saw an overall improvement across all markets, despite a decline in segment revenue by 3% year-on-year.
- Notably, our operations in Taiwan continued their upward trend, achieving 35% revenue growth year-on-year and contributing positively to the overall segment results.

SSSG of key markets

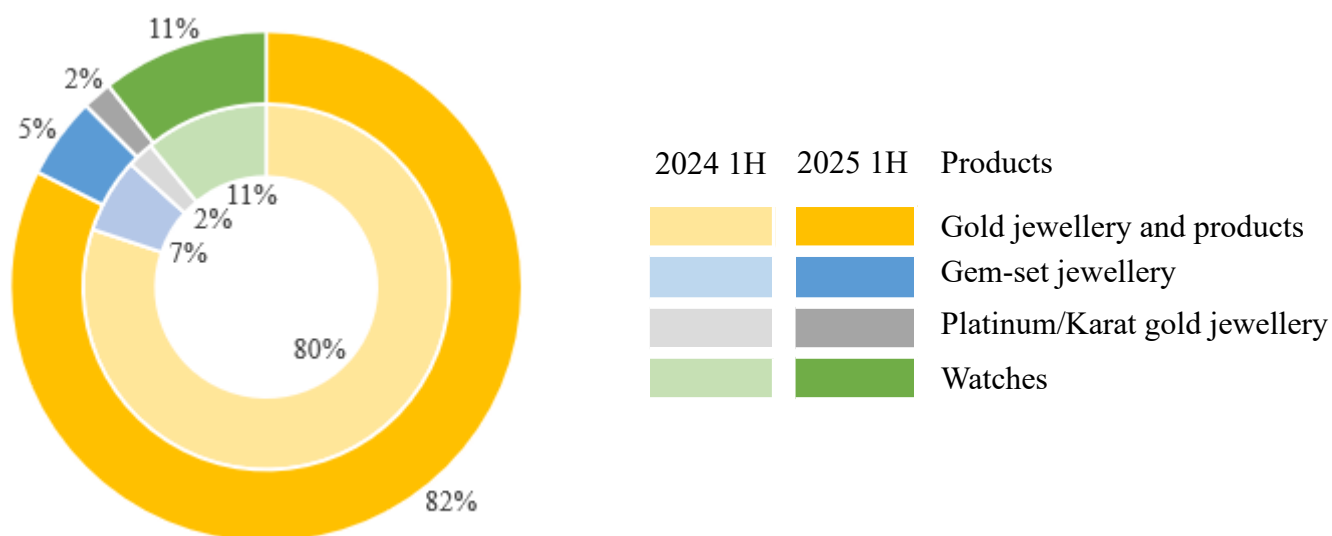
- In the first half of 2025, SSSG in our key markets maintained an improving trend. While gold price volatility dampened the sales of gold jewellery in general and of generic gold jewellery in particular, our branded collections of fixed-price designs afforded improvement on average selling price.

SSSG of products

SSSG	Mainland China			Hong Kong and Macau		
	2024 1H	2024 2H	2025 1H	2024 1H	2024 2H	2025 1H
Gold jewellery and products	-12%	-15%	-3%	-8%	-28%	-4%
Gem-set jewellery	-42%	-31%	-23%	-21%	-27%	-22%
Watches	-6%	+12%	-1%	-10%	-3%	-12%
Overall	-15%	-14%	-5%	-10%	-25%	-7%

- SSSG for gold jewellery and products in Mainland China, and Hong Kong and Macau declined by 3% and 4% respectively.
- Gem-set jewellery SSSG in Mainland China, and Hong Kong and Macau declined by 23% and 22% respectively, mostly due to drop in diamond sales.
- Watch sales declined in Mainland China and Hong Kong, recording SSSG at -1% and -12% respectively.

## Mainland China

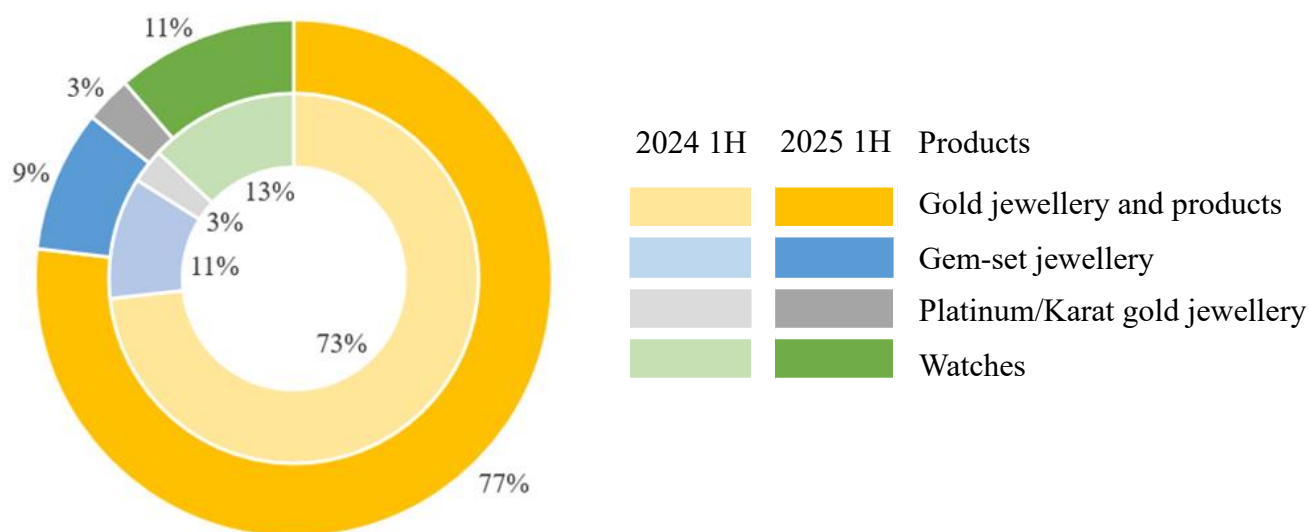


Sales Mix in Gold Jewellery and Products	Mainland China	
	2025 1H	2024 1H
Calculated-price gold jewellery	62%	66%
Fixed-price gold jewellery	34%	29%
Others	4%	5%

- Gold jewellery and products accounted for 82% of total sales in Mainland China. The popularity of “Charme”, “Cultural Blessings” and “YUYU” collections boosted the sales of fixed-price gold jewellery. The sales mix of fixed-price gold jewellery increased 5% to 34% within the gold jewellery and products.

Sales Mix (continued)

Hong Kong and Macau



Sales Mix in Gold Jewellery and Products	Hong Kong and Macau	
	2025 1H	2024 1H
Calculated-price gold jewellery	50%	62%
Fixed-price gold jewellery	20%	11%
Others	30%	27%

- Gold jewellery and products represented 77% of total sales in Hong Kong and Macau. The sales contribution of calculated-price gold jewellery declined while there was an upward trend in the sales of intellectual property (“IP”) products as well as gold jewellery set with diamonds. The proportion of fixed-price gold jewellery rose from 11% to 20% of the total sales of gold jewellery and products.

## Store Network

Store Network by Products		As at 31.12.2024	Opening	Closure	Net Change	As at 30.6.2025
<b>Retail of Jewellery</b>						
Mainland China	Chow Sang Sang	771	+10	-72	-62	709
	MINTYGREEN	49	0	-2	-2	47
	EMPHASIS	9	0	-4	-4	5
	PROMESSA	11	0	-6	-6	5
	MARCO BICEGO	2	+1	-1	0	2
Sub-total:		842	+11	-85	-74	768
Hong Kong	Chow Sang Sang	50	0	0	0	50
	EMPHASIS	3	0	0	0	3
	PROMESSA	1	0	-1	-1	0
Sub-total:		54	0	-1	-1	53
Macau	點睛品	8	0	-1	-1	7
Sub-total:		8	0	-1	-1	7
Taiwan	點睛品	31	+2	0	+2	33
	PROMESSA	4	+1	0	+1	5
Sub-total:		35	+3	0	+3	38
<b>Total for retail of jewellery:</b>		<b>939</b>	<b>+14</b>	<b>-87</b>	<b>-73</b>	<b>866</b>
<b>Retail of Watches</b>						
<b>Total for retail of watches:</b>		<b>19</b>	<b>+1</b>	<b>-3</b>	<b>-2</b>	<b>17</b>
<b>Total stores:</b>		<b>958</b>	<b>+15</b>	<b>-90</b>	<b>-75</b>	<b>883</b>

- During the period, the Group opened 11 and closed 85 jewellery stores in Mainland China.
- We closed one store each in Hong Kong and Macau.
- We added two 點睛品 stores and one PROMESSA store in Taiwan.

## *Chow Sang Sang Omni-Channel Retailing*

### Omni-Channel Sales

Omni-Channel Sales as a % of Total Retail Sales	2025 1H	2024 1H
Overall	25%	22%
Mainland China	33%	28%
Hong Kong and Macau, Taiwan and Others	7%	5%

- The Group continues to refine its Omni-channel strategy which allows for sales conducted online, remote sales concluded outside-of-store, and Star Concierge Service with remote inventory. The goals of such strategy are the maximisation of customer convenience and satisfaction without bloating the inventory.

### Online Sales

Online Sales by Market	2025 1H HK\$'M	2024 1H HK\$'M	Change
Mainland China	1,909	1,485	+29%
Hong Kong, Taiwan and Others	201	156	+29%

- The online sales in Mainland China increased by 29% year on year, mainly on key e-commerce platforms. Growth in sales of gold jewellery and products continued to outpace other categories. Live-streaming using home-grown and external talents with over 14,900 (2024 1H: 11,100) hours of shows provided impetus for sales.
- Online sales in Hong Kong, Taiwan and other regions continued to grow in the first half of 2025 particularly in Southeast Asian markets.

### *Product and Marketing*

- A comprehensive range of products is being offered to target specific segments.
- We embrace the elegance of Chinese culture with gold jewellery collection and gold ornaments that showcase exceptional artistry and sophisticated designs.
- By means of collaboration with an increasing number of IPs, we keep our signature collection, “Charme”, vibrant and appealing to existing fans and new converts alike.
- We have hosted thematic fine jewellery salons and private events to strengthen customer loyalty and elevate brand prestige. Through curated cultural experiences, we strengthen the connections with discerning clientele.

## **Wholesale of Precious Metals**

Turnover increased by 7% to HK\$264 million during the six months ended 30 June 2025. The continued decline in gold revenue was offset by increasing demand for platinum and other precious metals.

## **Trading of Laboratory-grown Diamond and Gemstones**

Our subsidiary, The Future Rocks Company Limited, specialises in the trading of laboratory-grown diamond and gemstones (“LGD”). It operates an e-commerce platform, with the business name “The Future Rocks”, for the sale of LGD-set jewellery designed in-house as well as those curated from around the world. It also maintains online stores on the portals of Tmall International and WeChat Mini Program in Mainland China and runs a popup store in Hong Kong, complementing with a series of online and offline promotion campaigns and marketing activities. In 2025, “The Future Rocks” was awarded the “Butterfly Mark” sustainability certification by Positive Luxury, affirming its commitment to sustainable practices and responsible business operations.

## **Securities and Futures Broking – the Discontinued Operation**

The securities and futures broking business has since early May 2021 ceased operation. We have been processing unclaimed assets. Complete shutdown will occur when all such assets are returned or placed into court custody. Since the commencement of legal actions against the customers who defaulted on the repayment of margin loans, the payment of commission fees and margin facility interests, and their respective guarantors in the Court of First Instance of the High Court of Hong Kong in February 2021, the Group has obtained judgments in certain actions and is now in the process of enforcing the judgments with bankruptcy orders granted on certain individuals based on the relevant judgement debts as appropriate. Total loans due from the customers in default, net of total credit loss allowance, amounted to HK\$97 million as at 30 June 2025.

## **Investments**

### *Investment Properties*

The Group holds various properties with a total carrying value of HK\$429 million for rental purpose as at 30 June 2025. During the period, rental income from investment properties amounted to HK\$5 million.

### *Shares in HKEC*

The Group’s investment in 3,326,800 shares or 0.26% of HKEC is of strategic nature and is the remaining part of the distribution received from the reorganisation of the then exchanges in the year 2000. Such investment was carried at fair value of HK\$1,393 million as at 30 June 2025, representing 7% of the Group’s total assets. During the period, the Group received dividends in the amount of HK\$16 million and recorded a gain of HK\$413 million recognised in other comprehensive income in respect of fair value change of the Group’s financial assets designated at fair value through other comprehensive income.



## Share Repurchase

During the period, the Company repurchased a total of 1,008,000 shares of the Company on the Stock Exchange with an aggregate consideration of approximately HK\$7 million (before expenses). All repurchased shares were subsequently cancelled.

## Capital Expenditure

The Group incurred capital expenditure of HK\$45 million of which HK\$37 million was spent on new openings and refitting of stores.

## Finance

### *Financial Position and Liquidity*

The Group generates strong recurring cashflow from its retailing business and continues to enjoy a solid cash position. As at 30 June 2025, the Group had cash and cash equivalents of HK\$1,320 million (31 December 2024: HK\$1,336 million). Cash is mostly held in Renminbi or Hong Kong dollar and deposited in leading banks with maturity dates falling within one year.

The Group was well supported by over HK\$12,082 million in banking facilities including bank borrowings and bullion loans, out of which HK\$924 million are committed facilities. As at 30 June 2025, the total unutilised banking facilities amounted to HK\$6,459 million (31 December 2024: HK\$6,183 million).

As at 30 June 2025, total bank borrowings and bullion loans amounted to HK\$1,785 million and HK\$3,562 million respectively, which were unsecured in accordance with the Group's policy. The weighted average tenure of bank borrowings is around three years. The net gearing ratio, expressing total bank borrowings and bullion loans, net of cash and cash equivalents, of HK\$4,027 million as a percentage of equity attributable to owners of the Company of HK\$13,766 million, was 29.3%. The current ratio was 2.8.

The Group manages risk of credit cost and availability by several means: cultivating relationship with a number of lending banks; diversifying the funding sources by engaging a number of local and overseas banks; putting some loans on a term basis; and fixing interest costs on loans as appropriate. The Group had 30% of its bank borrowings at fixed rates as at 30 June 2025, increased from 18% as at 31 December 2024.

As at 30 June 2025, outstanding derivatives on the books were mainly bullion contracts for hedging the bullion price exposure. Management monitors the hedging policy closely and the hedging level of the Group is approximately 40% of the total gold inventories.

### *Foreign Exchange Risk Management*

The Group's assets and liabilities, revenue and expenses are mostly denominated in Hong Kong dollar, Renminbi and US dollar. As such, the risk is easily manageable and slight. Simultaneously, the Group maintains an appropriate level of foreign currency borrowings for natural hedge, foreign currency forward contracts and cross currency swaps, to mitigate foreign exchange exposure. As at 30 June 2025, the bank borrowings denominated in US dollar, Renminbi and New Taiwan dollar amounted to US\$1 million, RMB134 million and NT\$130 million respectively.

## Finance (continued)

### *Charge on Assets, Lease Liabilities and Contingent Liabilities*

As at 30 June 2025 and 31 December 2024, there was no asset pledged to secure banking facilities granted to certain subsidiaries of the Company.

As at 30 June 2025, the Group had lease liabilities of HK\$839 million (31 December 2024: HK\$927 million) and had no material contingent liabilities.

## Human Resources

The Group maintains its long-established performance-based remuneration policies with a discretionary annual performance bonus. Training has been provided to support and enhance the competencies of all employees across levels or roles.

A share option scheme is in place to provide incentives or rewards to eligible participants for their contribution to the Group and enabling the Group to attract and retain valuable employees. So far no share option has been granted.

As at 30 June 2025, the total number of employees of the Group was 10,239, of whom 8,500 in Mainland China, 1,479 in Hong Kong and Macau, and 260 in Taiwan. During the six months ended 30 June 2025, total staff costs amounted to HK\$1,041 million.

## Outlook

The price of gold stayed on an upward trend throughout the first half of 2025, bringing gains in gross profit margin in the short term. Our SSSG continued to improve into the month of July. However, we expect that it will take more time for the sales of diamond jewellery to recover and in the meantime, we will need to ride the surge in demand for gold jewellery to make up for the shortfall left by diamond jewellery.

The luxury sector, especially in Mainland China, has drastically changed. Our store network on the Mainland is being repositioned to meet this challenge. More resources will be deployed to nurturing and cultivating stores catering to the high-end clientele, uplifting store ambience and polishing brand image. Stores with no strategic values will be considered for closure with the gap being filled by Omni-channel measures. We expect that by year-end, the store count will have decreased 10% from 2024.

To meet the heightened interest in gold products, we have set sight on gem-set gold jewellery as our growth area. Alongside “Charme”, we are building another category consisting of pure gold items set with diamond and gemstones, characterised by various design themes as well as advanced manufacturing techniques.

## Outlook (continued)

Our inventory of gold and gemstones in material form or finished products is the largest item in our list of assets. With heightened price volatility in recent years, we take great care in monitoring and controlling our inventory, not the least to dovetail with the restructuring of our store network. We strive to improve efficiency throughout our value chain by streamlining workflow, embracing the aid of artificial intelligence (“AI”) where appropriate. We develop our own AI-powered tools to facilitate store operations, and product quality assurance and stock allocation.

As we trade in precious metals and gemstones, operate stores in Mainland China, Hong Kong, Macau and Taiwan, and sell online to other territories, we need to pay particular attention to areas such as protection of data and personal information, safeguarding of networks, and not least vigilance against fraudulent and money-laundering transactions. We are exploring how AI can assist us in detection and prevention. Starting with the 2025 Annual Report, coverage of the Group’s ESG endeavours will be published in a standalone format.

## DIVIDEND

The Board has declared an interim dividend of HK21.0 cents (2024: HK15.0 cents) per ordinary share for the six months ended 30 June 2025 payable to shareholders whose names appear on the register of members of the Company on Monday, 15 September 2025. The dividend will be paid on Tuesday, 30 September 2025.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 11 September 2025 to Monday, 15 September 2025, both dates inclusive, during such period no transfer of shares will be registered. To establish the entitlement to the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 10 September 2025.

## PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company repurchased a total of 1,008,000 shares on the Stock Exchange during the period ended 30 June 2025, which were subsequently cancelled. The repurchase was effected in the interests of the Company and for enhancement of shareholder value in the long term. Details of which are as follows:

Month of repurchase	Number of shares repurchased	Price paid per share		Aggregate purchase price (before expenses) HK\$’000
		Highest HK\$	Lowest HK\$	
January	<u>1,008,000</u>	6.65	6.35	<u>6,512</u>

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the period.

## CORPORATE GOVERNANCE

The Company has complied throughout the period under review with the applicable code provisions as set out in Part 2 of the Code, except for the deviation from code provision C.2.1 of the Code which is explained below.

The code provision C.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Vincent CHOW Wing Shing holds both positions of the Chairman and the Group General Manager of the Company. The Board is of the opinion that the present board structure provides the Group with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. The composition of the Board, with a strong complement of Independent Non-executive Directors and Non-executive Director, already ensures checks and balances in decision-making.

## PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Company at [www.chowsangsang.com](http://www.chowsangsang.com) and HKEC at [www.hkexnews.hk](http://www.hkexnews.hk). The 2025 interim report of the Company will be published on the above websites and will be despatched to the shareholders of the Company, where applicable, in due course.

## BOARD OF DIRECTORS

As at the date of this announcement, the Executive Directors of the Company are Mr. Vincent CHOW Wing Shing, Dr. Gerald CHOW King Sing, Mr. Winston CHOW Wun Sing and Ms. Genevieve CHOW Karwing; the Non-executive Director is Mr. Stephen TING Leung Huel; and the Independent Non-executive Directors are Dr. CHAN Bing Fun, Mr. LEE Ka Lun, Dr. LO King Man, Mr. Stephen LAU Man Lung, Mr. HSU Rockson and Ms. PI Fang.

By order of the Board  
**Vincent CHOW Wing Shing**  
*Chairman*

Hong Kong, 27 August 2025

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

Board	the board of Directors
Code	Corporate Governance Code contained in Appendix C1 to the Listing Rules
Company	Chow Sang Sang Holdings International Limited
Director(s)	the director(s) of the Company
ESG	Environmental, Social and Governance
Group	the Company and its subsidiaries
HKEC	Hong Kong Exchanges and Clearing Limited
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Listing Rules	Rules Governing the Listing of Securities on the Stock Exchange
Macau	the Macao Special Administrative Region of the PRC
Mainland China or Mainland	PRC excluding, for the purpose of this announcement (unless otherwise indicated), Hong Kong, Macau and Taiwan
PRC	the People's Republic of China
SSSG	same store sales growth
Stock Exchange	The Stock Exchange of Hong Kong Limited
Taiwan	Taiwan region of the PRC
1H	the first half of a year, six months ended 30 June
2H	the second half of a year, six months ended 31 December
%	percent