



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

2024 Interim Results Presentation

August 2024

周生生 (Chow Sang Sang)

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Presentation Outline

- I. Financial Highlights**
- II. Financial Review**
- III. Strategies and Future Plans**
- IV. Q&A Session**
- V. Appendix**

I. Financial Highlights

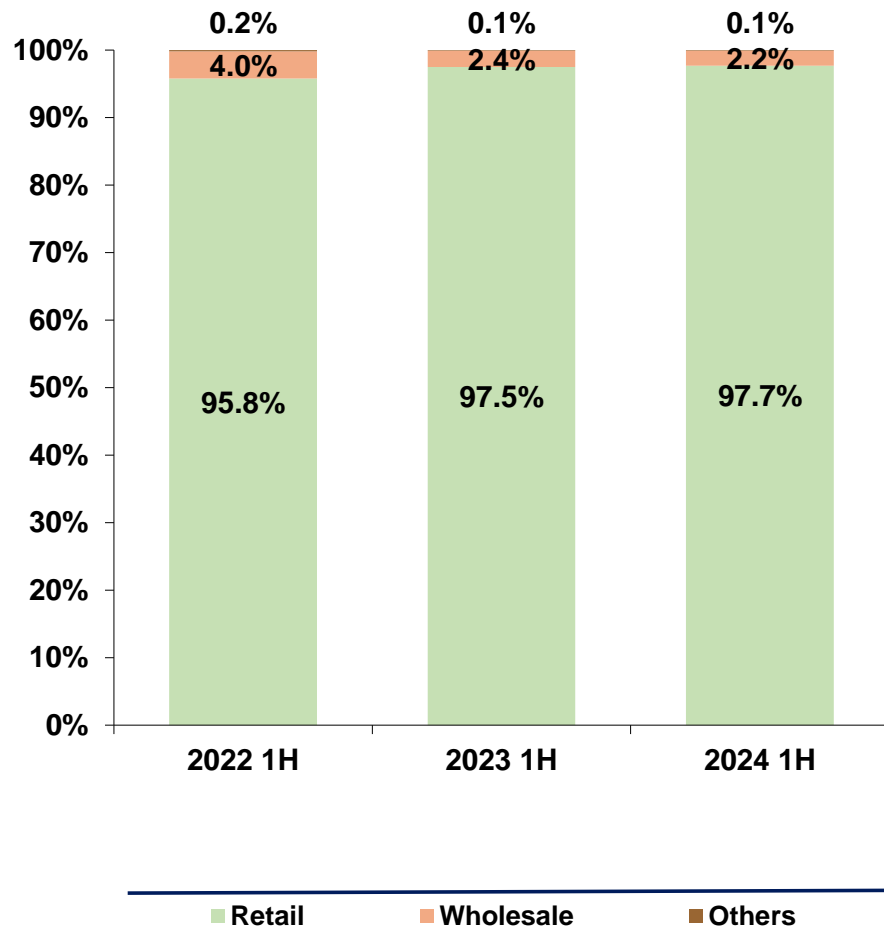
Financial Highlights

(HK\$'M)

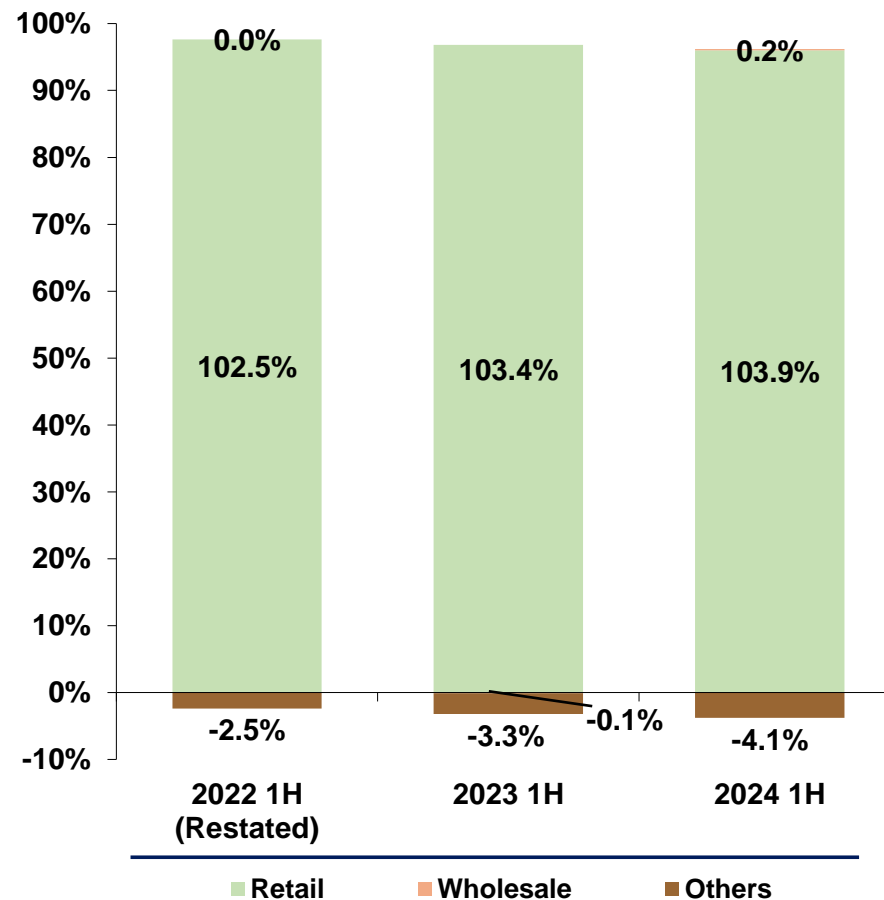
	Six months ended 30 June			Change
	2022	2023	2024	24 vs 23
Turnover - Continuing operations	10,092	13,000	11,313	-13%
<i>Retail of jewellery and watches</i>	9,669	12,672	11,049	-13%
<i>Wholesale of precious metals</i>	404	315	248	-21%
<i>Others</i>	19	13	16	+23%
Gross profit - Continuing operations	2,879	3,637	3,198	-12%
Gross profit margin - Continuing operations	28.5%	28.0%	28.3%	
Total segment results - Continuing operations	642	1,058	733	-31%
	(Restated)			
Profit before tax - Continuing operations	632	1,063	626	-41%
Profit attributable to owners	472	827	526	-36%
Basic EPS (HK cents)	69.6	122.1	77.6	-36%
Dividend per share (HK cents)	15.0	20.0	15.0	-25%

Group Operating Results by Segment

Turnover breakdown – Continuing operations



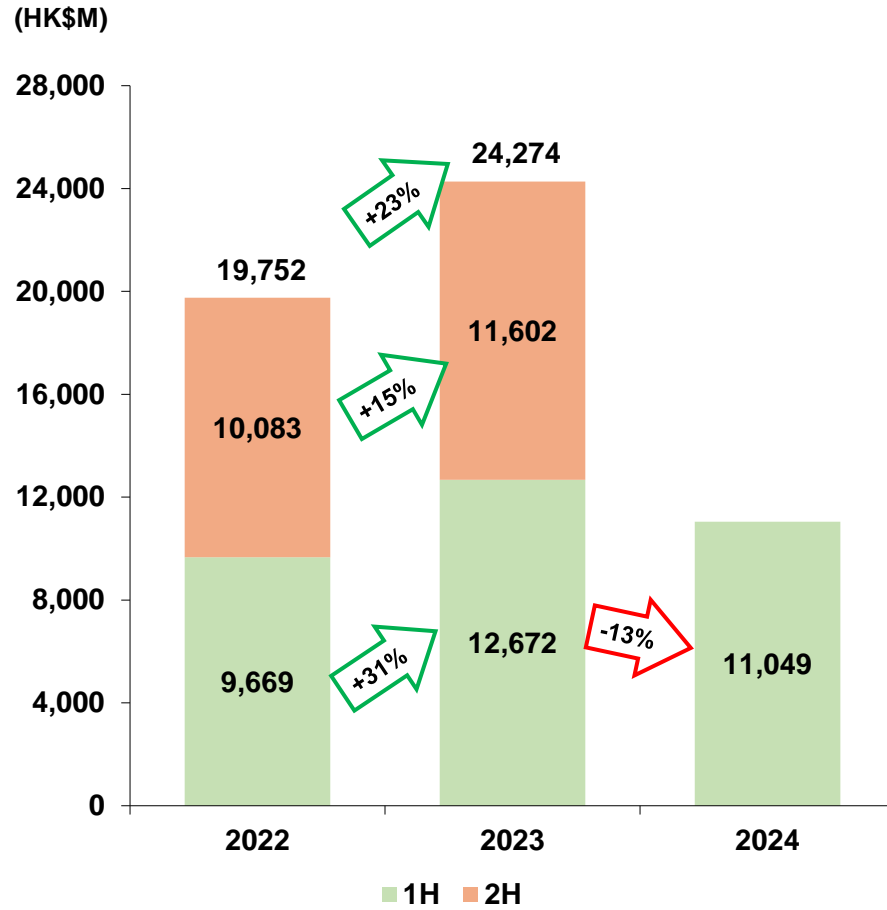
Results breakdown – Continuing operations



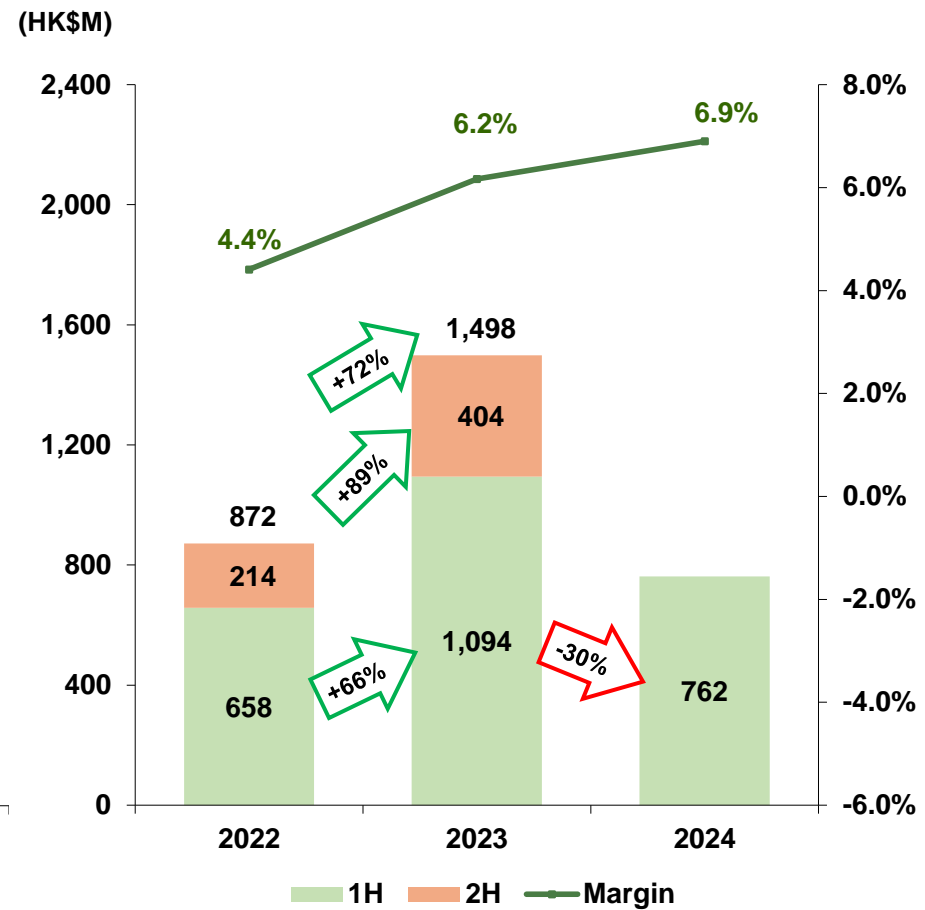
II. Financial Review

Retail Segment Performance

Turnover

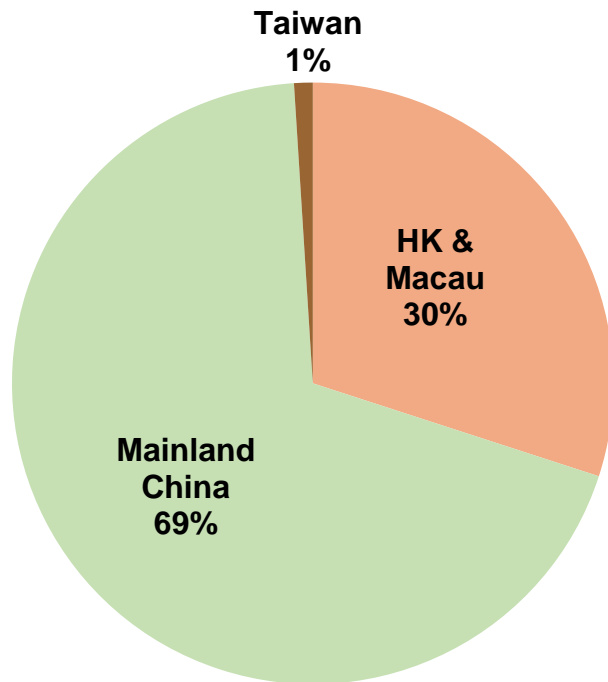


Segment results

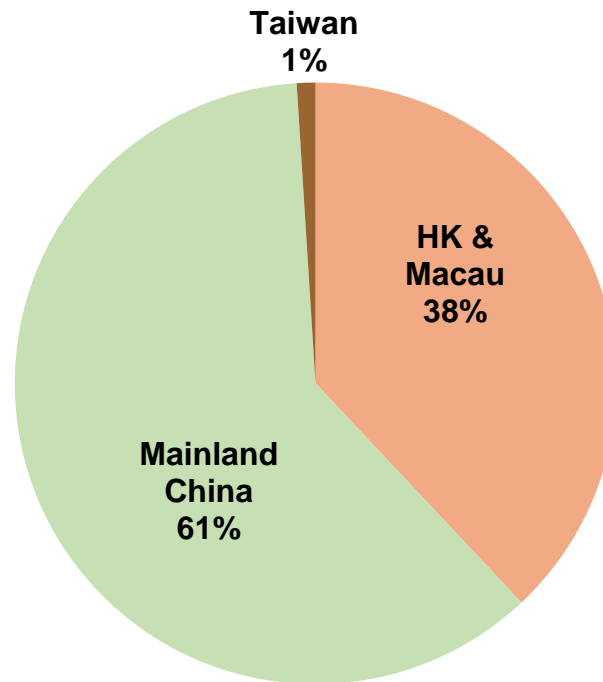


Retail Turnover by Geographical Area

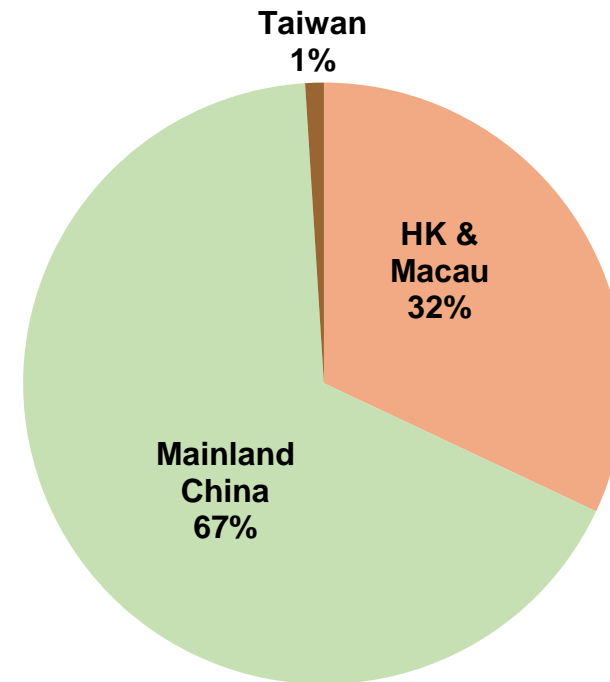
2023 1H



2023 2H

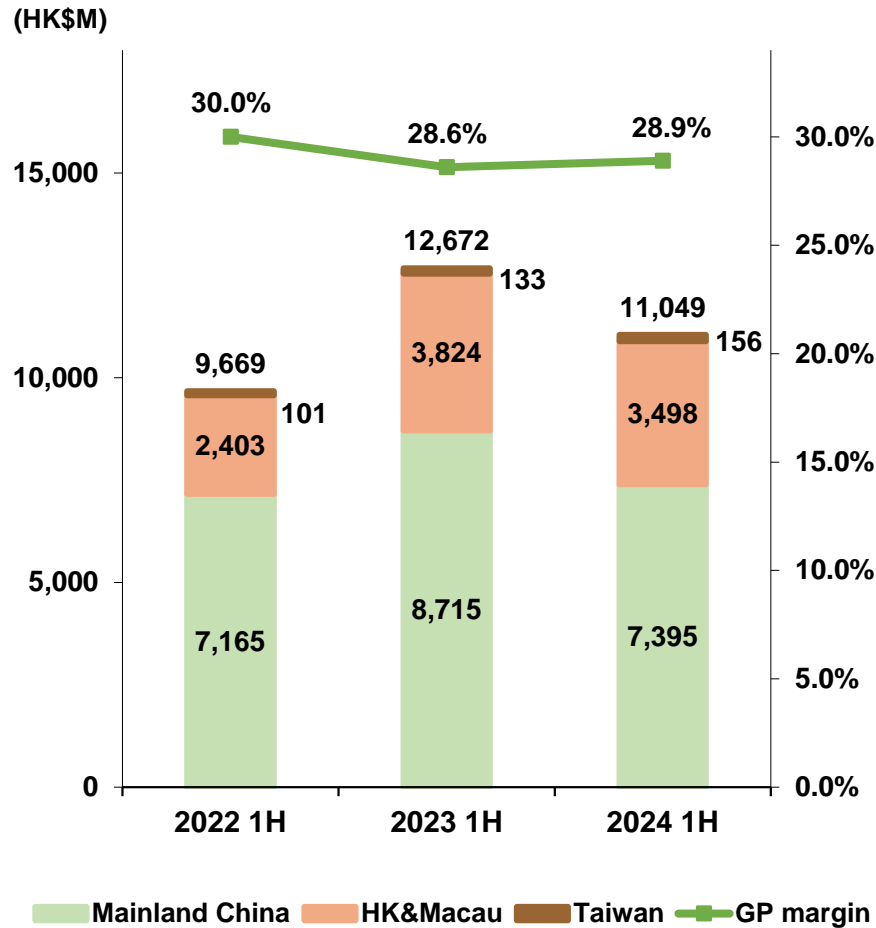


2024 1H

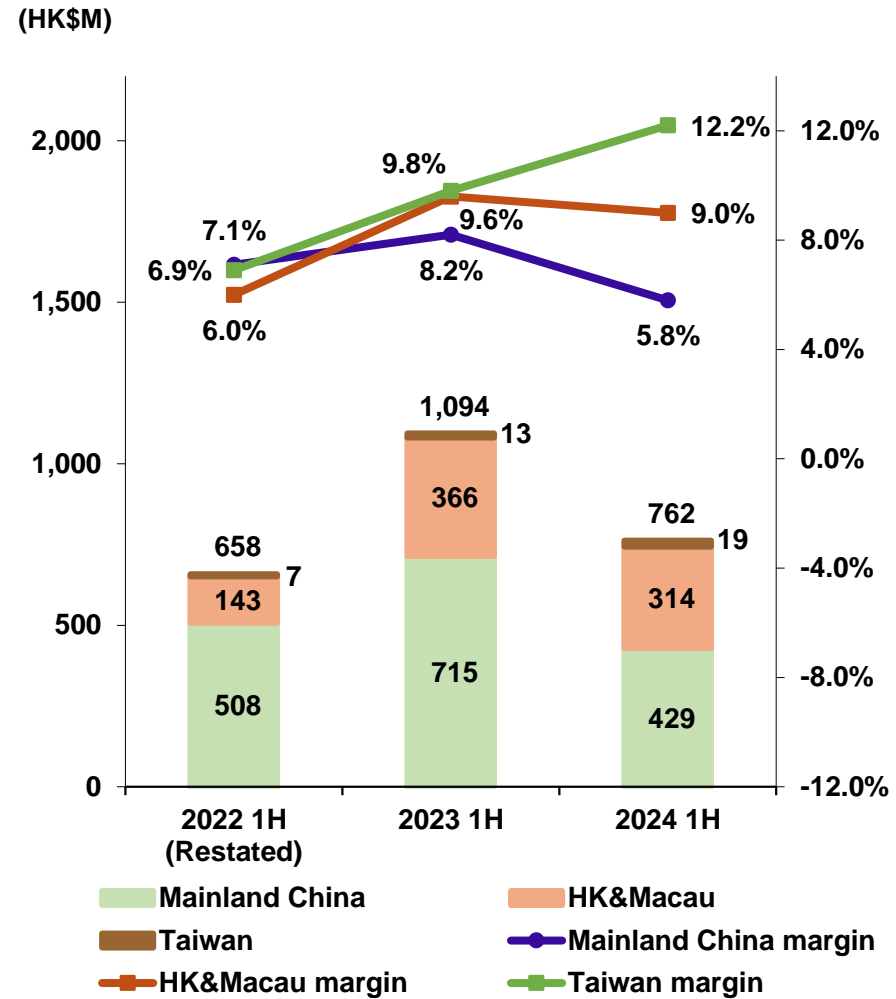


Retail Segment Performance by Geographical Area

Retail segment turnover and GP margin

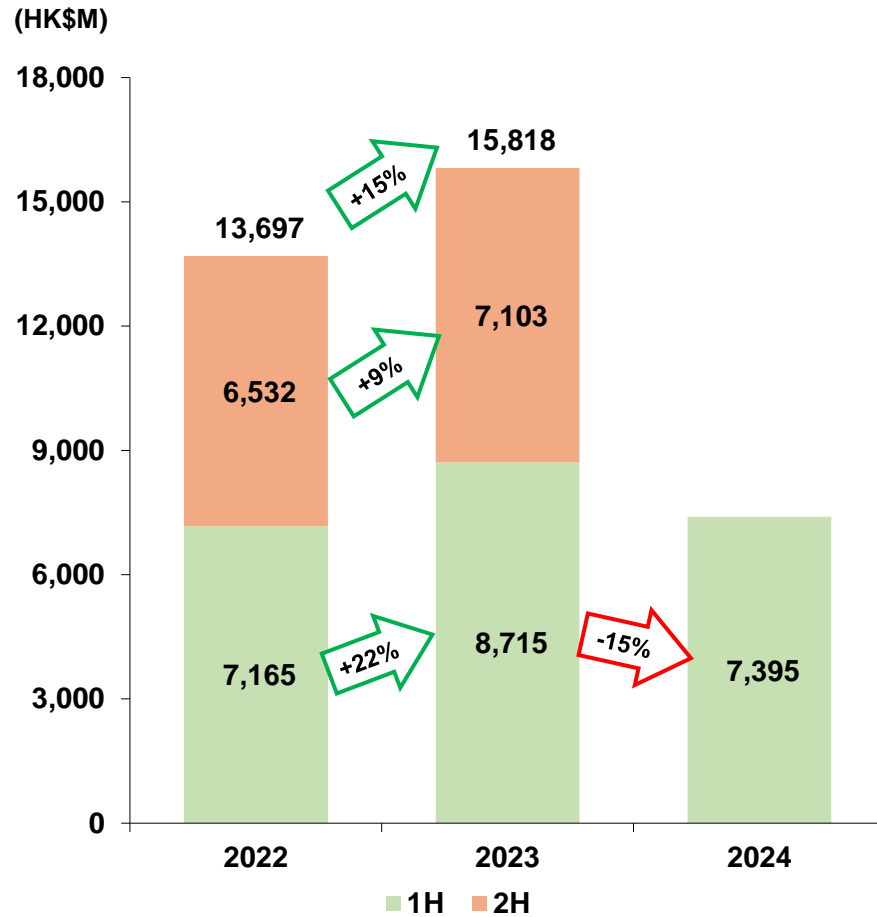


Retail segment results and margin



Mainland China Retail: Turnover & Average Selling Price

Mainland China retail turnover



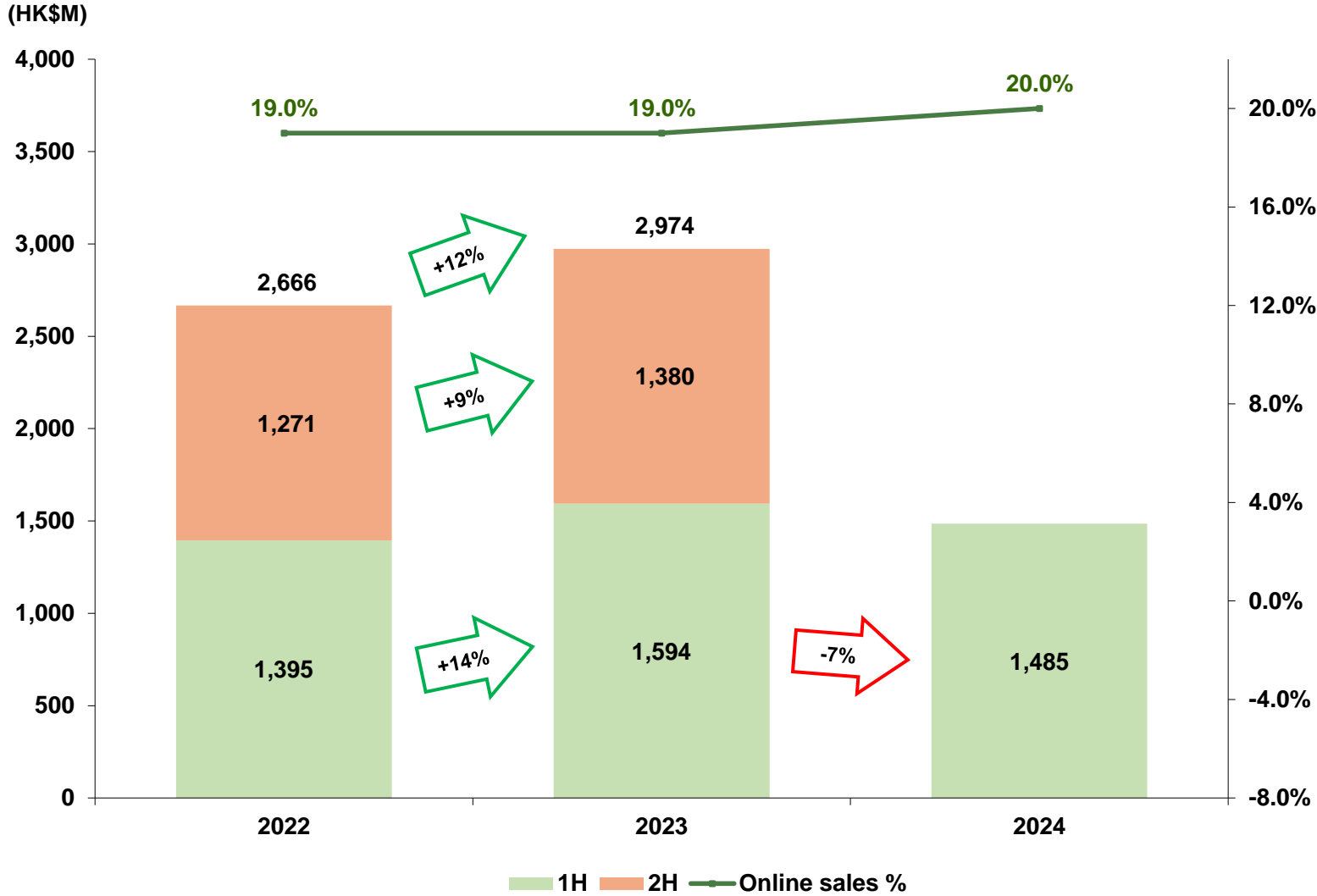
Retail sales mix by product type

	2023			2024
	1H	2H	Overall	1H
Gold jewellery and products	78%	80%	79%	80%
Gem-set jewellery	10%	8%	9%	7%
Platinum/Karat gold jewellery	3%	3%	3%	2%
Watches	9%	9%	9%	11%

Average selling price

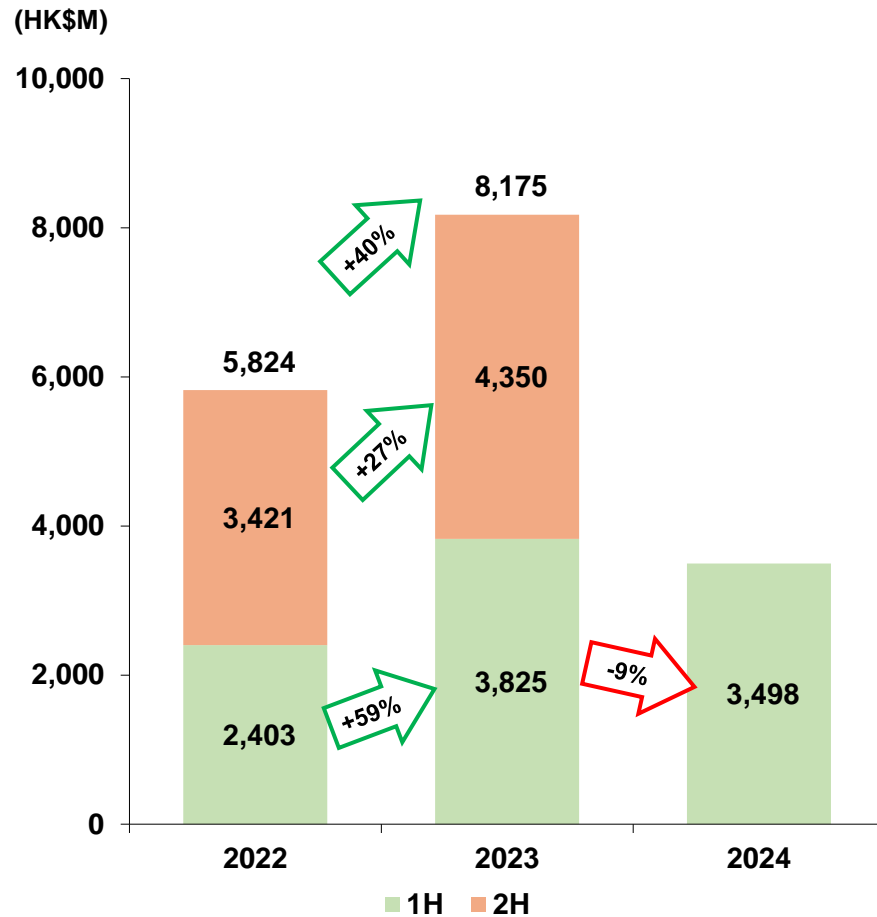
	2023		2024 1H	
	Online	Physical store	Online	Physical store
RMB				
Gold jewellery and products	1,800	3,500	2,100	3,500
Gem-set jewellery	3,100	7,700	3,200	7,700

Online Sales as a Percentage of Mainland China Sales



Hong Kong and Macau Retail: Turnover & Average Selling Price

Hong Kong and Macau retail turnover



Retail sales mix by product type

	2023			2024
	1H	2H	Overall	1H
Gold jewellery and products	70%	75%	73%	73%
Gem-set jewellery	12%	10%	11%	11%
Platinum/Karat gold jewellery	4%	3%	3%	3%
Watches	14%	12%	13%	13%

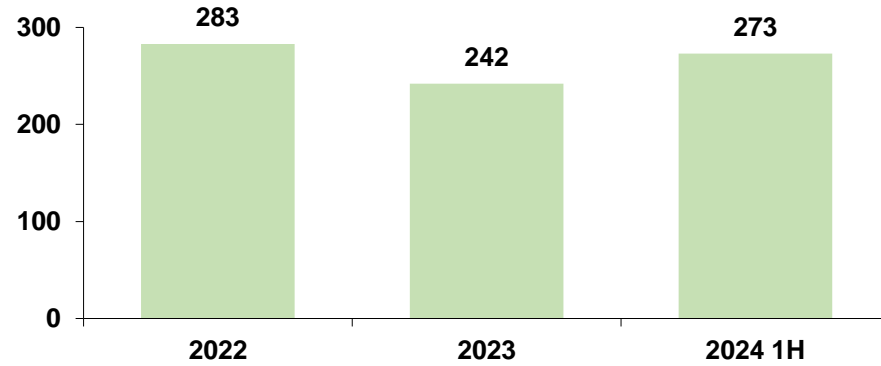
Average selling price

	2023	2024 1H
HK\$	Physical store	Physical store
Gold jewellery and products	7,300	7,200
Gem-set jewellery	10,300	10,300

Working Capital Trends

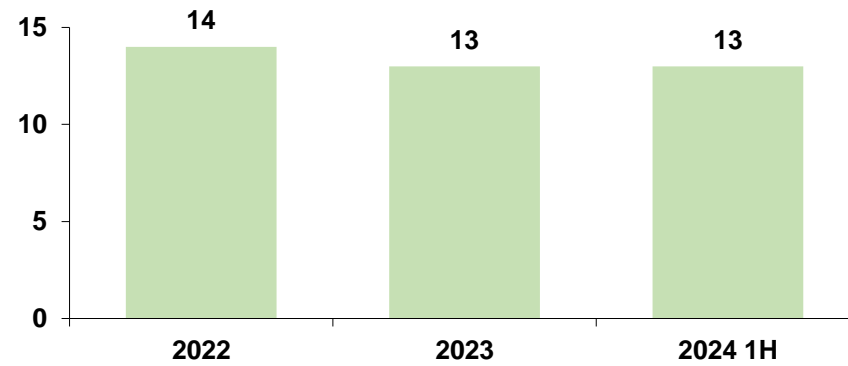
Average inventory turnover days

(No. of Days)



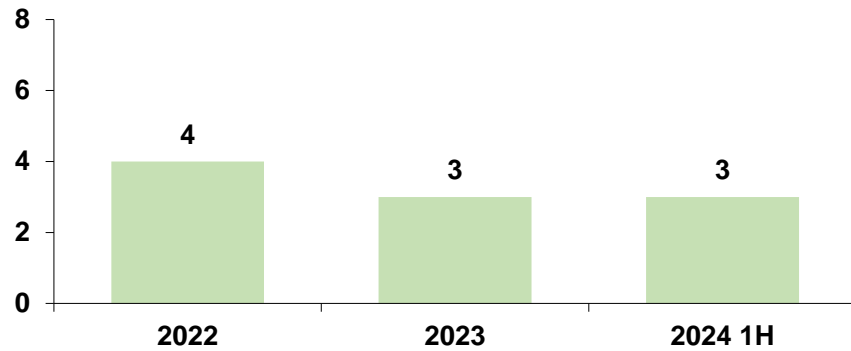
Average receivables turnover days

(No. of Days)



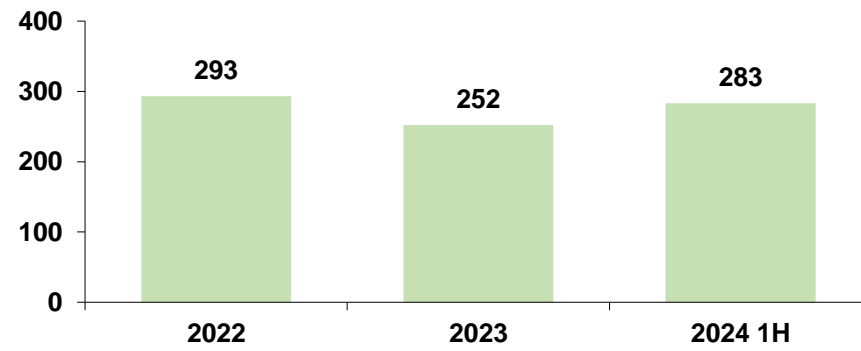
Average payables turnover days

(No. of Days)



Cash conversion cycle

(No. of Days)



Other Financial Information

(HK\$'M)	As at		
	31 Dec	31 Dec	30 Jun
	2022	2023	2024
Inventories	12,112	12,257	12,053
Cash and cash equivalents	749	1,096	1,399
Long term listed investments*	1,122	892	832
Equity attributable to owners	11,891	12,204	12,208
Gearing [#]	39.0%	37.4%	36.4%
Total banking facilities	8,772	10,910	11,440
Unused banking facilities	3,879	6,111	6,798
Capital expenditure (Six months ended 30 June)	148	296	100

* Long term listed investments represents HKEC shares which valued at quoted market prices

[#] Total borrowings to total equity attributable to owners of the Company. Total borrowings includes interest-bearing bank borrowings and bullion loans

III. Strategies and Future Plans

Jewellery and Watch Store Network

As at 30 Jun 2024



Mainland China			
Region	Number of stores	City tier	Number of stores
North	209	1	194
East	241	2	513
South	303	3	122
West	151	4	75
Total	904	Total	904

e-shop

- chowsangsang.com
- Tmall
- JD
- VIP
- Douyin
- Amazon US
- Lazada
- The Future Rocks
- other e-commerce platforms

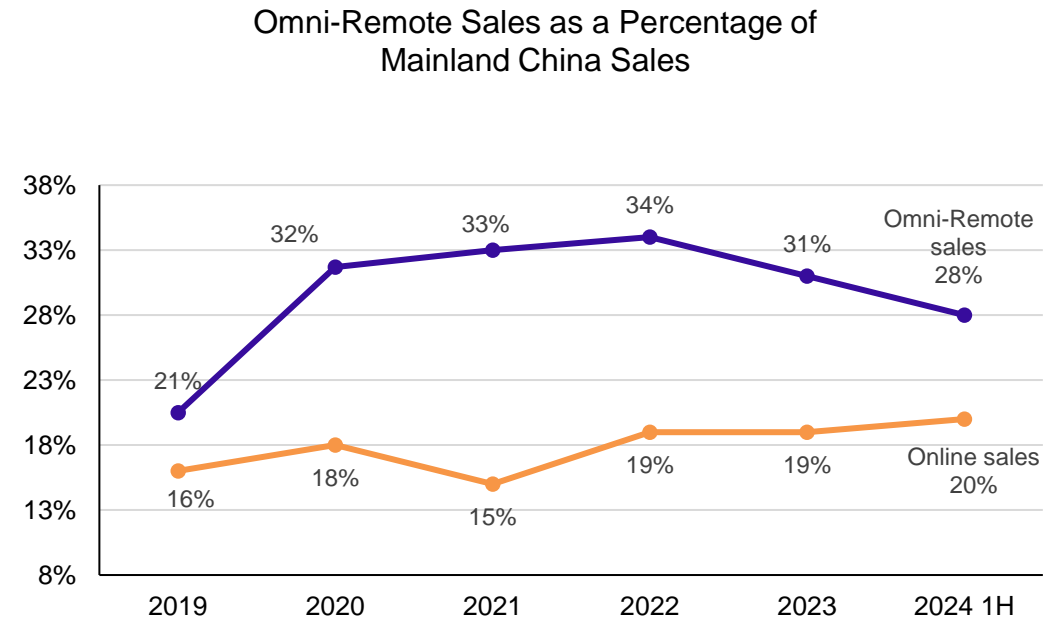
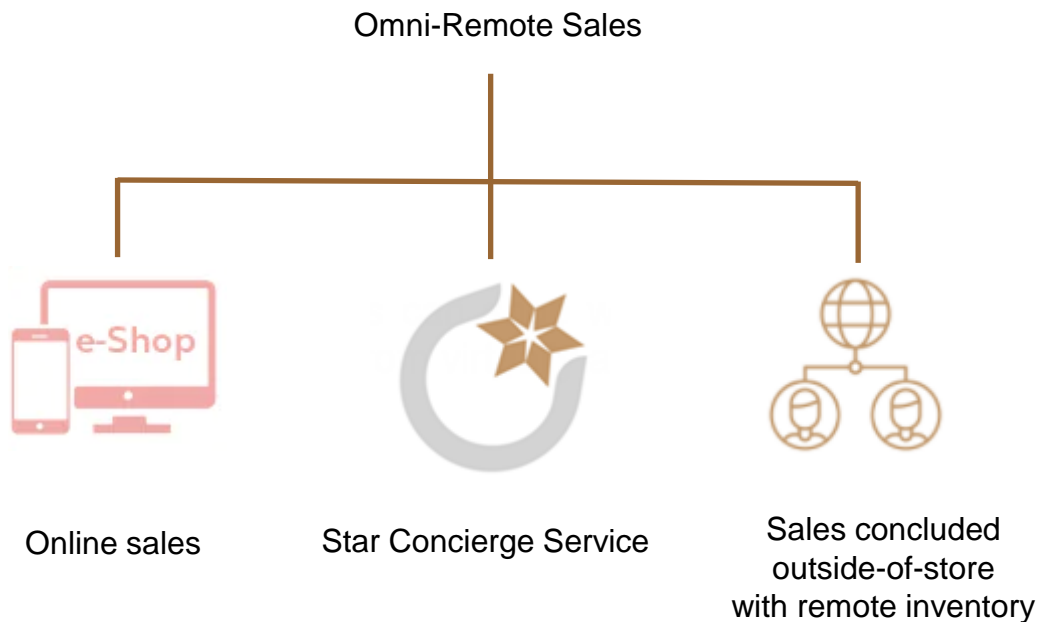
Jewellery and Watch Store Network (Continued)

- Selective opening of retail stores and major image uplift in strategic locations to refresh our brand image.



Chow Sang Sang Omni-Channel Retailing

- The Group's Omni-Remote Sales strategy encompasses online sales, Star Concierge Service and remote sales concluded outside-of-store with remote inventory. Omni-channel retailing brought in 28% (2023 1H: 30%) of the total sales in Mainland China.
- Our online sales in Mainland China slowed in 2024 1H, accounting for approximately 20% (2023 1H: 18%) of total Mainland China sales.
- Online sales in Hong Kong, Taiwan and other regions maintained steady growth in the first half of 2024.



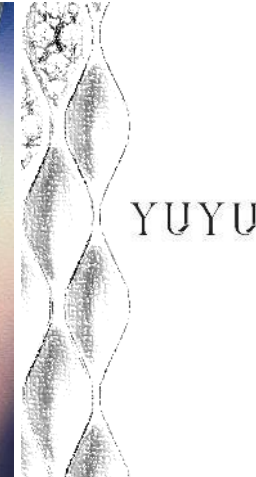
Product and Marketing

- Thematic workshops, VIP experience events and salons across our brands and retail portfolio.



Product and Marketing (Continued)

- New product launch for our Signature Collection “Diamond Charme”
- New branding motif and new collection to be launched to marks Chow Sang Sang 90th anniversary



YUYU

Product and Marketing (Continued)

- 90th Anniversary Exhibition in Kai Tak Airside – 90 captivating stories entwined with our customers, all narrated through the medium of jewellery.

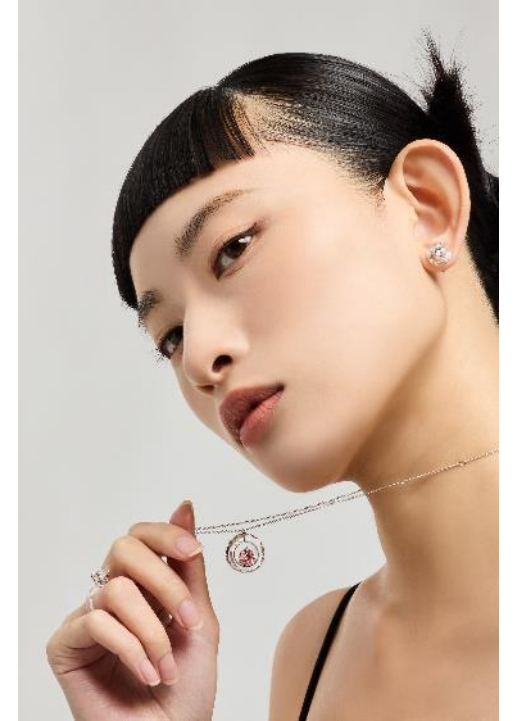


Trading of Laboratory-grown Diamond and Gemstones

- Our subsidiary, The Future Rocks Company Limited, was set up to specialise in the trading of laboratory-grown diamond and gemstones (“LGD”).
- It currently 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. Since 2022, it has also maintained online stores through portals in Mainland China. “The Future Rocks” launched its first pop-up store in Hong Kong in 2024, complementing with a series of online and offline promotion campaigns and marketing activities.
- In 2024, “The Future Rocks” has expanded its in-house collection by exploring the combination of laboratory-grown diamond and sapphire.



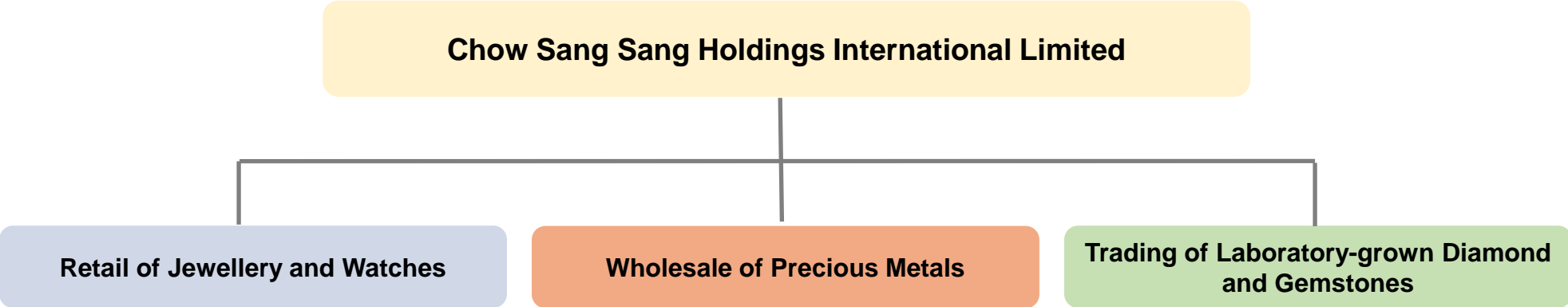
THE
FUTURE
ROCKS



IV. Q&A Session

V. Appendix

Business Segments



Retail Store Brand Category

周生生 (how Sang Sang)

- Our mainline store brand whose stores carrying all our lines of merchandise

點睛品

- Our mainline store brand name in Macau and Taiwan

PROMESSA

- Devoted to offer customers a personalised and ceremonial shopping experience with our signature collections of engagement rings, wedding bands, bridal accessories and daily wear gem-set jewellery

Retail Store Brand Category

EMPHASIS

- Aims to give a new definition to daily wear jewellery and offers a wide range of jewellery options to customers who love originality and creativity

MINTYGREEN

- An affordable daily-wear brand in the Mainland that caters to the younger generation

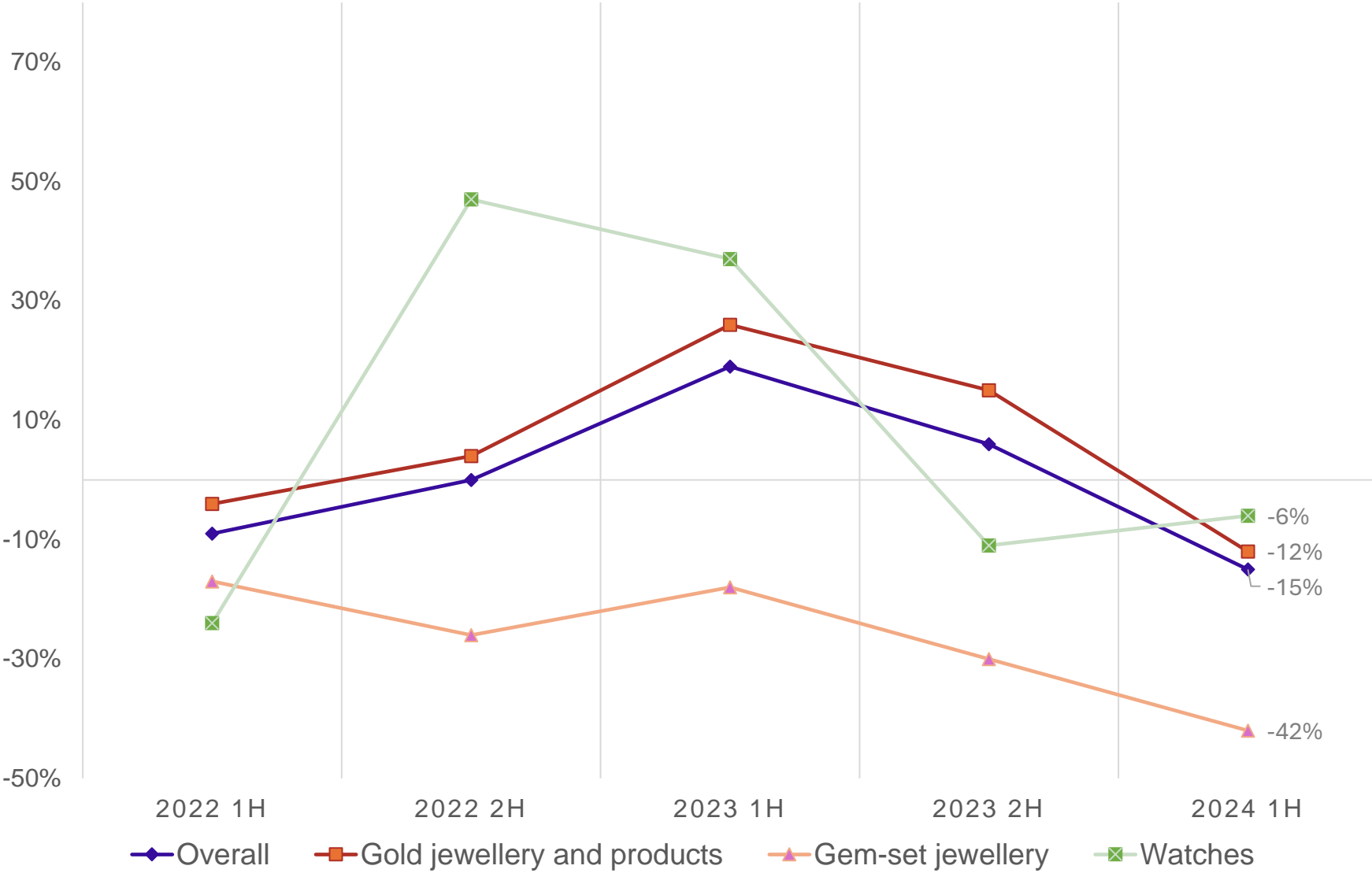
MARCO BICEGO

- An Italian jewellery brand featuring artisanal craftsmanship and contemporary designs

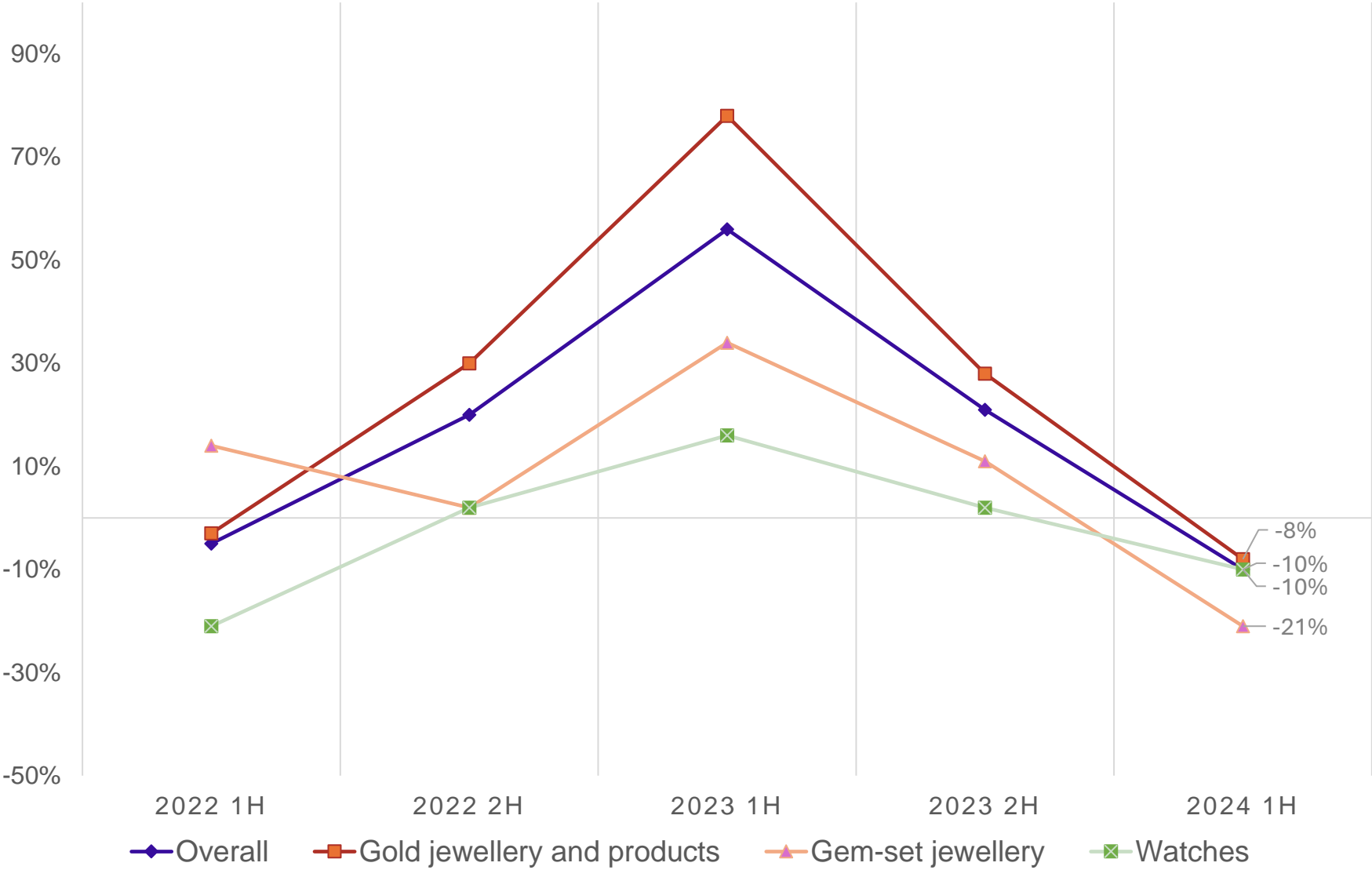
Store Count by Brand

Region		As at 31 Dec 2023	Opening	Closure	Net change	As at 30 Jun 2024
Mainland China	Chow Sang Sang	815	16	31	-15	800
	Rolex/Tudor	15	1	4	-3	12
	MINTYGREEN	56	4	2	+2	58
	EMPHASIS	16	0	2	-2	14
	PROMESSA	23	0	5	-5	18
	MARCO BICEGO	1	1	0	+1	2
Sub-total:		926	22	44	-22	904
Hong Kong	Chow Sang Sang	48	1	0	+1	49
	Rolex/Tudor	9	0	0	0	9
	EMPHASIS	3	0	0	0	3
	PROMESSA	3	0	1	-1	2
Sub-total:		63	1	1	0	63
Macau	點睛品	8	0	0	0	8
Sub-total:		8	0	0	0	8
Taiwan	點睛品	30	1	0	+1	31
	PROMESSA	5	1	2	-1	4
Sub-total:		35	2	2	0	35
Total:		1,032	25	47	-22	1,010

Mainland China Retail: SSSG

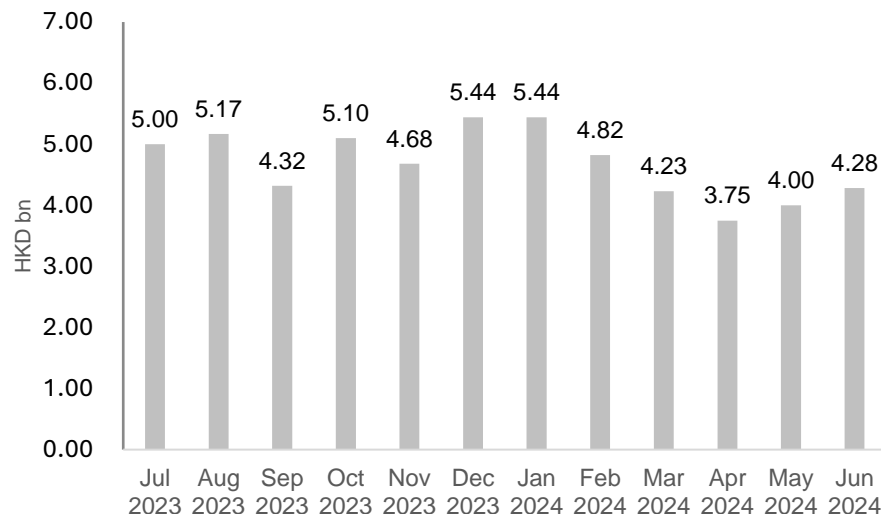


Hong Kong and Macau Retail: SSSG



Industry Analysis – Mainland China and Hong Kong

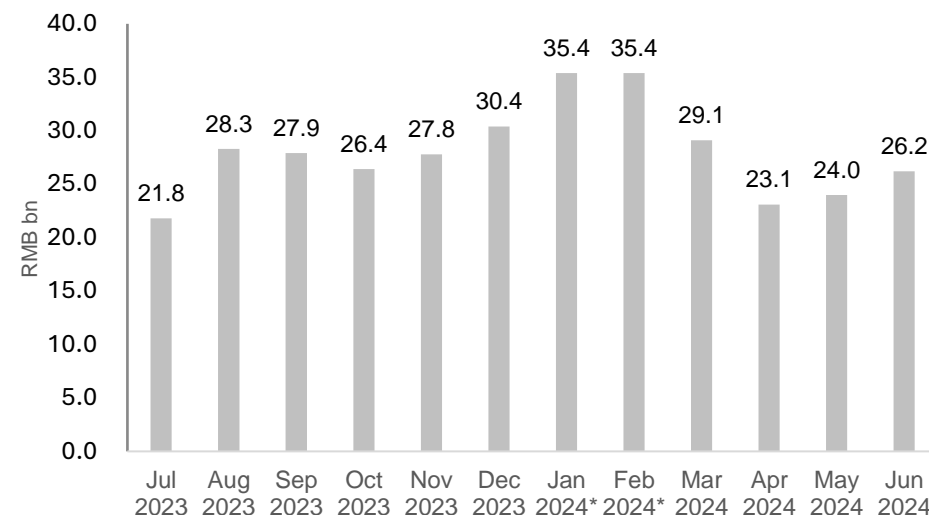
Value of retail sales of 2H FY2023-1H FY2024
Hong Kong Jewellery, Watches and Clocks, and Valuable Gifts



Source: HK Census & Statistics

The value of retail sales of jewellery, watches and clocks, and valuable gifts in 1H FY2024 was HKD26.52 billion, a decrease of 12.79% compared with HKD30.41 billion in 1H FY2023, according to HK Census and Statistics Department.

2H FY2023-1H FY2024
Mainland China Gold, Silver and Jewellery Sales



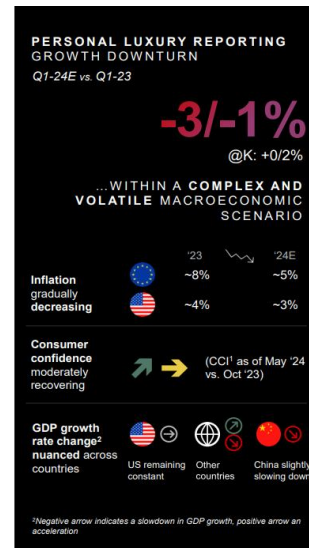
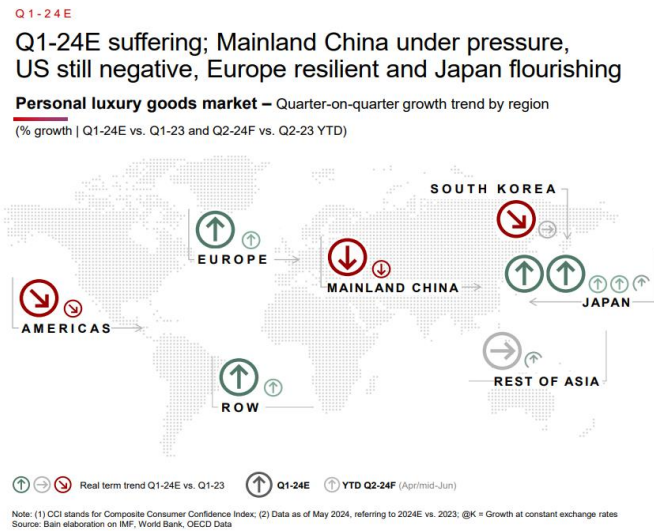
Source: National Bureau of Statistics of People's Republic of China

Retail sales for jewellery products in Mainland China were RMB172.5 billion in 1H FY2024, an increase of 2.13%, compared with RMB168.9 billion in 1H FY2023, according to the data from National Bureau of Statistics of People's Republic of China.

* In order to eliminate the impact of the different date of the "Chinese New Year" (CNY) each year, and enhance the comparability of data, in accordance with the national statistical system, the data in January and February 2024 were investigated and released together. Here the data is evenly divided as RMB35.4 billion.

Industry Analysis – Mainland China Luxury Market Overview

- In the first quarter of 2024, the global personal luxury goods market slightly contracted by 1% to 3%, with significant differences between and within regional markets. The Chinese market is facing dual pressures from the recovery of outbound tourism and a decline in domestic demand due to growing economic uncertainties.
- China's economy grew just 4.7% year over year in the second quarter of 2024, missing forecasts and slowing from the 5.3% growth reported by officials in the first quarter. This has hampered the confidence of middle-class consumers, leading to a phenomenon similar to the "luxury shame" experienced in the Americas during the 2008-2009 financial crisis.
- Currently, the Chinese personal luxury market is in a recovery phase, with a slow increase in its global market share. However, benefiting from factors such as massive intergenerational wealth transfer, new consumer exploration, new sub-segments booming, and encouraging policies, China is expected to become the top personal luxury market by 2030.



Source :

Bain & Company and Altagamma

• "Luxury Goods Worldwide Market Study"

https://altagamma.it/media/source/240618%20-%20Bain%20-%20Altagamma%20-%20Spring%20Update%20ONSCREEN_1.pdf

PwC

• "Mainland China and Hong Kong Luxury Market"

<https://www.pwccn.com/en/retail-and-consumer/mainland-china-hong-kong-luxury-market-apr2024.pdf>

Definitions

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

Company	Chow Sang Sang Holdings International Limited
Director(s)	the director(s) of the Company
FY	the full year, twelve months ended 31 December
Group	the Company and its subsidiaries
HKEC	Hong Kong Exchanges and Clearing Limited
Hong Kong	the Hong Kong Special Administrative Region of the PRC
Macau	the Macao Special Administrative Region of the PRC
Mainland China or Mainland PRC or China	PRC excluding, for the purpose of this presentation (unless otherwise indicated), Hong Kong, Macau and Taiwan
SSSG	same store sales growth
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

The background features a complex, abstract pattern of wavy lines and a dense field of small dots, creating a sense of depth and movement. The lines are more prominent on the right side, curving upwards, while the dots are more concentrated on the left side.

Thank You