



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

Chow Sang Sang announces 2021 Annual Results
Jewellery and watch sales recorded growth in all geographical areas
Net profit increased by 18% YOY to HK\$643 million

[22 March 2022, Hong Kong] Chow Sang Sang Holdings International Limited (the “Company”, together with its subsidiaries, the “Group”) is pleased to announce its consolidated results for the year ended 31 December 2021 (the “Year”).

Gold jewellery and watches continued to be the engines of sales growth. The Group’s consolidated turnover from continuing operations increased by 47% to HK\$21,988 million. Profit attributable to owners of the Company increased by 18% to HK\$643 million. Profit attributable to owners of the Company from continuing operations increased by 16% to HK\$744 million.

The Board of Directors has recommended a final dividend of HK28.0 cents per ordinary share for the Year. Together with the interim dividend of HK14.0 cents per ordinary share paid by the Company, the total dividend per ordinary share for the Year will be HK42.0 cents.

Retail of Jewellery and Watches

For Mainland China, revenue increased strongly by 94% for the first half due to pandemic-impacted low base as well as new store openings. With a moderate increase of 43% in the second half, full-year segment revenue grew 65%. Segment results declined 40% because overall gross margin decreased as a result of the increase in percentage of gold jewellery sales and the additional margin generated in 2020 by the surging gold price had disappeared. Overall Same Store Sale Growth (“SSSG”) grew 44%. Although Personalised Jewellery Service business remained strong and accounted for 42% of diamond jewellery sales, demand for gem-set jewellery was relatively weak. Local consumption for Rolex and Tudor remained strong.

In Hong Kong and Macau, revenue increased by 27% year-on-year. Under strict border control measures, Hong Kong and Macau business relied mainly on local customers. The easing of the pandemic in the second and third quarters, and the release of consumption vouchers in August and October, benefited domestic spending. The overall SSSG reached 30%.

**For identification purpose only*

Store Network

Total store number reached 872 as at 31 December 2021 with a net addition of 124 stores during the Year. Net changes in store number during the Year for Mainland China, Hong Kong, Macau and Taiwan region are +122, -4, +1 and +5 respectively.

In Mainland China, 周生生 生生 • 活字 (Oasis by Chow Sang Sang) has been a key driver in expanding the store network and enhancing our community coverage. Total number of stores increased by more than five-fold to 55 by the end of the Year. More and more of our Mainland China stores are being decked out with contemporary interpretations of traditional Chinese motifs.

In Hong Kong, the Group continues to rebalance its store network in tourist and local areas. The Group has joined hands with Victoria & Albert Museum in London to create the world's first V&A Chow Sang Sang jewellery concept stores: 1 in Hong Kong and 1 in Macau, in early 2022.

To strengthen the brand coverage and awareness of PROMESSA, the Group opened 16 new PROMESSA stores in Mainland China while 3 new ones were also added in Taiwan owing to the special favour of custom-built jewellery among Taiwan customers.

Product and Marketing

The sales of the Group's "Cultural Blessings" collection delivered prominent growth. The new "mini-Charme" products were also well received by customers, driving the overall sales of the signature "Charme" collection.

The Group kept on enhancing its Personalised Jewellery Service by launching new designs, new product categories and distinctive services. Total sales conducted through Personalised Jewellery Service grew by 71% to approximately HK\$1,183 million.

Securities and Futures Broking - the discontinued operation

The Securities and Futures Broking business has since early May 2021 ceased operation, save the processing assets yet-to-be reclaimed by customers. Complete shutdown will occur when all such assets are returned or placed into court custody.

Outlook

The Group would continue its multi-brand and omni-channel retailing strategies and expanding its store network, selectively and cautiously. Recently stringent anti-pandemic measures have affected our retailing businesses in both Mainland China and Hong Kong. We have had to suspend and restart operation of many of our stores. We have systematically launched different store brands and product types to cater to different customer segments, and at the same time, we have been enhancing related services and store ambiance for better customer experience. In Mainland China, we believe the economy is getting back on track for growth, despite the flaring up of covid-19, and with our omni-channel retail strategy we stand ready to take part in the rebound. In Hong Kong and Macau, substantive recovery will have to wait till the borders are reopened. The Group expects the number of net store additions to be around 100 in the year 2022.

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About Chow Sang Sang

Chow Sang Sang, as a well-known jewellery retailer, has gained reputation of providing warm and earnest customer service and its insistence on product quality. Today, Chow Sang Sang operates more than 880 jewellery and watch stores in Greater China. Also, with its own eshop, and official stores in various online marketplaces, customers from over 40 destinations worldwide can now shop at Chow Sang Sang.

For more information about Chow Sang Sang, please visit www.chowsangsang.com.