



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 2023 Annual Results

Consolidated turnover from continuing operations for the Year increased by

22% to HK\$25,013 million

Net profit increased by 124% to HK\$1,013 million

[22 March 2024, 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 2023 (“the Year”).

Following the end of epidemic-related restrictions in Mainland China, Hong Kong and Macau, total jewellery and watch sales of the Group in the first half of 2023 rebounded significantly by 31% year-on-year. In the second half of the year, the pace slackened, especially in Mainland China, to 15% year-on-year. The growth was fueled by the robust demand for gold by consumers which continued unabated despite the rising gold price.

The Group’s consolidated turnover from continuing operations increased by 22% to HK\$25,013 million in 2023. Profit attributable to owners of the Company increased by 124% to HK\$1,013 million. Profit attributable to owners of the Company from continuing operations increased by 118% to HK\$1,060 million.

The Board has recommended a final dividend of HK40.0 cents per ordinary share for the Year. Together with the interim dividend of HK20.0 cents per ordinary share paid by the Company, the total dividend per ordinary share for the Year will be HK60.0 cents.

Retail of Jewellery and Watches

The result of the Group’s retail of jewellery and watches segment improved 72% year-on-year to HK\$1,498 million, benefitting from overall positive SSSG in all our key markets.

The Group’s total jewellery and watch sales in 2023 grew by 23% year-on-year to HK\$24,274 million. Turnover growth in Mainland China, Hong Kong and Macau are driven by strong demand for gold. Sales in Taiwan achieved steady growth at 22% year-on-year.

On the product front, strong demand for gold jewellery and products drove SSSG in Mainland China to grow 21%, and in Hong Kong and Macau 47%, year-on-year. Diamond jewellery sales,

particularly those at higher price bands, were on a downward trend in Mainland China, resulting in -23% SSSG for gem-set jewellery. However, jewellery sales in Hong Kong and Macau managed to record +21% SSSG.

Store Network

Total store number reached 1,032 as at 31 December 2023 with a net addition of 55 stores. During the year, 101 new Chow Sang Sang stores were opened in Mainland China.

In Hong Kong, we added 3 Chow Sang Sang stores, one each in Tsim Sha Tsui, Kai Tak and Tin Shui Wai and 1 PROMESSA store in Tuen Mun in 2023.

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 remained strong even after the lifting of epidemic-related restrictions, bringing in 31% (2022: 34%) of total sales in Mainland China.

The online sales in Mainland China maintained its growth momentum and increased 12% year-on-year. We have continued to invest in live-streaming using home-grown and external talents in over 22,000 (2022: 19,000) hours of shows.

Product and Marketing

Demand for gold jewellery and products was strong. "Cultural Blessings" collection of gold ornaments were popular with customers. The stylish new collections "Mirror Gold" and "gin" also continued to grow rapidly in 2023. Gem-set jewellery under the "PROMESSA" brand, comprising affordable luxury and daily wear styles, recorded strong rebound in Hong Kong and Macau as compared to 2022.

Chow Sang Sang marks its 90th anniversary in 2024. We will make use of this milestone to strengthen our brand image. A series of marketing events is being planned, kicking off with an exhibition in March, showcasing our "Infini Love Diamond", in Chengdu.

Outlook

Stepping into 2024, turnover in Hong Kong and Macau continued its uptrend, supported both by tourists from the Mainland and local customers. In Mainland China, despite strong sales over the Chinese New Year holidays, for January and February of 2024 together there was a slight decline against the high base in 2023.

In Hong Kong and Macau, the opening up of more individual travel from the Mainland is encouraging. But the other side of the coin is the worries that store rental is on the rise in unrealistic

anticipation, and the influx of potential customers will exacerbate the problem of staffing shortage. The challenge for us is to be able to raise operating efficiency and enhancing customer experience at the same time. Later in the year, new stores are slated to open at THE SOUTHSIDE in Wong Chuk Hang, MOSTown in Ma On Shan and 11 SKIES in Chek Lap Kok.

In Mainland China, the downtrend in gem-set jewellery sales seems to indicate that consumer sentiments have turned cautious, and that fewer people are spending on wedding jewellery. Both phenomena are symptomatic of economic uncertainties and changing demographics. We are continuing our expansion strategy, setting a guideline of 50 new stores located chiefly in second-tier cities and above.

Omni-channel retailing and online sales are cost-effective yet capable of fulfilling customer expectations. A well-honed regime of inventory and logistics is imperative to keeping our profit margin. We shall follow these lane-markers into our 90th year.

**For identification purpose only*

Remarks: For more details, please refer to the results announcement published on 22 March 2024. Unless the context requires otherwise, capitalised terms used in this press release shall have the same meanings as those defined in the results announcement.

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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 1,000 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.