



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 Interim Results

Consolidated turnover from continuing operations for the first half of 2023 increased by 29% to HK\$13,000 million

Net profit increased by 75% to HK\$827 million

[29 August 2023, Hong Kong] Chow Sang Sang Holdings International Limited (the “Company”, together with its subsidiaries, the “Group”) is pleased to announce its unaudited interim results for the six months ended 30 June 2023 (“the Period”).

Following the end of epidemic-related restrictions in Mainland China, Hong Kong and Macau, the Group’s total jewellery and watch sales in the first half of 2023 increased 31% year-on-year. Turnover for Hong Kong and Macau was up 59%, and turnover in Mainland China grew 22%. Strong demand for gold jewellery was the main driver in both cases.

The Group’s consolidated turnover from continuing operations for the first half of 2023 increased by 29% to HK\$13,000 million. Profit attributable to owners of the Company increased by 75% to HK\$827 million. Profit attributable to owners of the Company from continuing operations increased by 72% to HK\$829 million.

The Board has declared an interim dividend of HK20.0 cents per ordinary share for the Period.

Retail of Jewellery and Watches

For Mainland China, there was strong rebound of gold jewellery and products with SSSG of +26%. Diamond jewellery sales, particularly sales of diamond jewellery at higher price ranges, was on a downward trend. Sales of Rolex and Tudor watches recorded SSSG of +37% over the low base in 2022 which was the result of disrupted supplies during the pandemic period.

With all travel restrictions lifted, turnover in Hong Kong and Macau increased 59% year-on-year, and segment results jumped 156%. Overall, SSSG was +93% in the first quarter of 2023 as compared to the same period of 2022 which was battered by covid lockdowns, and SSSG of +33% was recorded in the second quarter. SSSG of gold jewellery and products rebounded with increase of 78%. SSSG of gem-set jewellery recorded increase of 34% with “Infini Love Diamond” collection continued to contribute to SSSG. Watch sales recorded steady growth of SSSG of +16% as compared to the first half of 2022.

Store Network

Total store number reached 1,016 as at 30 June 2023 with a net addition of 39 stores during the Period.

During the Period, 53 new Chow Sang Sang stores of which 6 being 生生·活字 (Oasis by Chow Sang Sang) stores were opened in Mainland China and a total of 21 stores were closed. In Hong Kong and Macau, we added 1 PROMESSA store in Tuen Mun, Hong Kong and 1 點睛品 store in Macau. We added 1 點睛品 store and 1 PROMESSA store in Taiwan as part of our steady retail network expansion to capture higher market share.

Chow Sang Sang Omni-Channel Retailing

The online sales in Mainland China maintained its growth momentum at 14%. Online sales in Hong Kong, Taiwan and other regions continued to grow at a fast pace at 42% in 2023. Continual growth has been achieved by channel expansion and to other overseas markets through third-party e-commerce platforms and joint promotion with local partners.

Product and Marketing

Our ever-popular collections of gold ornaments, “Cultural Blessings” and “Charme”, bolstered by the new ones “gin” and “Mirror Gold”, achieved good results.

We have resumed efforts to engage customers and enhance shopping experience through various Chinoiserie (國潮) pop-up stores, display points, wedding expos and online campaigns.

Outlook

Although in the first half of 2023 our performance has been very encouraging, the same could prove to be a tough target to reach in the second half. The weak trend of the Renminbi, credit crunch in many sectors and other economic concerns could slow down the recovery in China. Nevertheless, thanks to the popular notion that gold is a safe haven for value, demand for gold remains buoyant even as consumer spending takes a cautionary turn.

With our store count now past the 1,000 mark, we are becoming more selective and prudent in new store openings. Our priority is on improving operating efficiency rather than expanding geographical coverage.

We continue with our multi-brand strategy. Our e-commerce sales now being a significant contributor to the Group’s revenue, we will explore tactics for the tighter coupling of online and physical sales. Such coupling will enhance customer experience and help to make better use of inventory and other resources.

**For identification purpose only*

Remarks: For more details, please refer to the results announcement published on 29 August 2023. Unless the context requires otherwise, capitalised terms used in this press release shall have the same meanings as those defined in the results announcement.

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.