

T S L | 謝瑞麟

Tse Sui Luen Jewellery (International) Limited Announces 2017/18 Final Results

Net Profit More Than Doubled with Enhanced Financial Position

The True Treasure

Financial Highlights

	2018* HK\$ Mil	2017** HK\$ Mil	Change
Turnover	4,137.2	3,410.9	+21.3%
Gross profit	1,631.5	1,526.7	+6.9%
Gross profit margin (%)	39.4	44.8	-5.4pts
Profit attributable to owners of the Company	49.4	23.2	+113.2%
Basic earnings per share (HK cents)	20.0	9.4 [^]	+112.8%
Financial cost	44.3	64.3	-31.0%
Effective tax rate (%)	44.9	55.3	-10.4pts
Total dividend per share (HK cents)	9.4	5.25	+79.0%
- Second interim / final dividend per share (HK cents)	7.3	3.75	+94.7%
- First interim dividend per share (HK cents)	2.1	1.5	+40.0%
- Dividend payout ratio (%)	47.0	47.7	-0.7pts

*for the 13 months ended 31 March 2018

**for the 12 months ended 28 February 2017

[^]adjusted for bonus issue effected in the current period

(21 June 2018, Hong Kong) **Tse Sui Luen Jewellery (International) Limited** (“**TSL Jewellery**” or the “**Company**”, together with its subsidiaries the “**Group**”, HKSE stock code: 417), one of the largest jewellers in Asia, today announced its final results for the 13 months ended 31 March 2018 (the “**Period**”).

The Group’s consolidated sales turnover for the Period was HK\$4,137 million, representing an increase of 21.3% when compared with HK\$3,411 million for the 12 months ended 28 February 2017 (“**Year 2016/17**”). The profit attributable to owners of the Company for the Period grew by 113.2% to HK\$49.4 million from HK\$23.2 million in Year 2016/17. Earnings per share for the Period was 20.0 HK cents. Together with the first interim dividend of 2.1 HK cents per share and a second interim dividend of 7.3 HK cents per share, total dividend per share for the Period amounted to 9.4 HK cents, which is equivalent to a dividend payout ratio of 47.0% on a 13-month basis.

“In the second half of the Period, we started to witness some meaningful signs of recovery in the retail markets in which we operate which, in turn, resulted in the Group announcing a positive profit alert earlier this year. With a steady momentum observed from the retail market in recent months, the Group can now move on to capitalise on the benefits of its improvement programmes and market repositioning undertaken over the last three to four years,” said **Mrs. Annie Tse, Chairman and Chief Executive Officer of the Group**. “Coupled with our strategy of more strategic deployment of our resources and the implementation of cost saving measures, we are pleased to report an improvement in the group’s net profit margin, inventory turnover days and its effective tax rate for the Period as compared to that in Year 2016/17.”

Driven by an improved market environment since September 2017 and the increased number of tourists visiting Hong Kong and Macau from Mainland China, the retail market in both Hong Kong and Macau have performed better than that in Year 2016/17. During the Period, the sales turnover of the retail businesses in Hong Kong and Macau increased by 19.5% and the same-store sales growth of retail chain stores in the region, other than those at Headquarters, was 19.0%. As a result of the gold products promotion and enrichment of product assortments, the average amount per invoice increased promisingly by 20.3%. To seize the opportunities arising in Hong Kong from both increased tourist traffic and local customers in residential precincts, the Group opened two more stores during the Period, one in New Town Plaza in Sha Tin and the other in YOHO Mall in Yuen Long. The store in Times Square, Causeway Bay is also undertaking some upgrades and it is expected to re-open next month with a larger space.

The Group’s self-operated stores in Mainland China continue to play a significant role as the Group’s growth engine since the rising demand for daily jewellery products and the continuing emergence of the middle class creates an on-going opportunity to develop its business in the region. Due to a shift of the consumers shopping pattern away from department stores to shopping malls, the Group is undergoing a transition in terms of the repositioning of its retail network to focus more on shopping malls and less on department stores. Encouragingly, during this transition, the Group achieved a 10.4% same-store sales growth, including a 13-month effect. As of today, the number of self-operated and franchised shops in Mainland China reached 195 and 192 respectively, amounting to a total of 387 shops, covering 130 cities, while future openings are expected to remain its pace in many cities including some major ones. The e-business arm of the region’s operation also posted a revenue growth at 33.8%.

Looking ahead, **Mrs. Tse** anticipated that domestic consumption and spending from visitors will keep the momentum of the steady growth of the jewellery retail market in Mainland China whereas it will continue to progress in an L-shape recovery with positive outlook in Hong Kong. “To grasp the opportunity arising under these current market conditions, we will introduce more product promotion, such as, limited-time offers, and continue to enrich our product assortments and the customer experience in our retail stores,” she said.

“With a view to re-molding our brand as a pioneer in the jewellery industry and to enable our customers to enjoy styling solution we provide for different occasions, we are working towards this direction by keeping on evolving the concept of our retail stores and the customer experience. Via the augmentation of the Snoopy series and the launch of The KUHASHI Collection during the Period, we realised that this appealed to and caught the attention of younger generation customers, who were attracted by these lines of elegant and lovely products. We will continue to invest in developing the younger generation market by bringing more distinguished and dynamic products to the market going forward,” said **Mrs. Tse**, adding the Group will continue to review its tenancies as they expire to achieve a more reasonable market rental rate, as well as to invest in and enhance its brand awareness, inventory, store network and human resources, to ensure that it can keep delivering higher returns to customers and shareholders in the future.

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About TSL Jewellery (HKSE stock code: 417)

Tse Sui Luen Jewellery (International) Limited (“**TSL Jewellery**”, incorporated in Bermuda with limited liability) is one of the largest jewellers in Asia, that is principally engaged in jewellery design, manufacturing, trading, retailing, and wholesaling. TSL Group was founded by Mr. Tse Sui Luen, a legend in the Hong Kong jewellery industry, in 1960. Tse Sui Luen Jewellery Company Limited was then incorporated in 1971 and TSL Jewellery was listed on The Stock Exchange of Hong Kong Limited in 1987. With the headquarters established in Hong Kong, TSL Jewellery currently operates over 400 jewellery boutiques spanning over 130 cities in Asia besides Hong Kong, including but not limited to Beijing, Shanghai, Chengdu, Guangzhou, Shenzhen, Macau and Kuala Lumpur.

For more information on TSL Jewellery, please visit: www.tslj.com or email to ir@tslj.com.