

T S L | 謝瑞麟

Tse Sui Luen Jewellery (International) Limited Announces 2019/20 Annual Results

Overcome challenges against global headwinds

Financial Highlights

For the year ended 31 March	2020 HK\$ Mil	2019 HK\$ Mil	Change
Turnover	2,913.8	4,064.9	-28.3%
Gross profit	1,148.4	1,619.4	-29.1%
Gross profit margin (%)	39.4	39.8	-0.4pts
(Loss) / profit attributable to owners of the Company	(89.7)	54.2	-265.6%
Basic (loss) / earnings per share (HK cents)	(36.0)	21.9	-264.4%

(23 June 2020, 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, announced today its results for the year ended 31 March 2020 (the “**Year**”).

The Group’s turnover for the Year was approximately HK\$2,913.8 million, representing a decrease of 28.3% from HK\$4,064.9 million for the year ended 31 March 2019 (the “**FY2018/19**”). The Group recorded a loss attributable to owners of the Company for the Year of HK\$89.7 million as compared to a profit attributable to owners of the Company of HK\$54.2 million for FY2018/19. The loss per share for the Year was 36.0 HK cents.

“Clouded by external challenges including the aggravated tensions between the US and China, socio-political unrest in Hong Kong, the worldwide COVID-19 outbreak and a general downturn in consumer sentiment, the Group’s results of the Year have been negatively and significantly impacted”, said **Mrs. Annie Tse, Chairman and Chief Executive Officer of the Group**.

During the Year, the Group’s Hong Kong business faced unprecedented severe challenges. The Group also saw a deterioration in the sales performance of Macau stores during the first quarter of 2020 amid the coronavirus outbreak. The turnover of the Hong Kong and Macau retail businesses decreased by 44.6% as compared to FY2018/19 with minus 41.6% same store sales growth. As gold price soared, the average amount per invoice recorded a 3.4% growth. In response to the turbulent retail market, the Group acted swiftly and adopted various cost saving measures including ongoing negotiations with landlords for rental relief or reduction, minimization of operating costs and store network streamlining.

The decline in the Group's retail sales in Mainland China was mainly due to the escalating US-China trade tension, which had caused a slowdown in China's economy dating back to the beginning of the Year, as well as the sudden outbreak of COVID-19, which sent sales plummeting as the country locked down in response. The Group recorded a year-on-year decrease of 20.8% in the turnover of its self-operated stores in Mainland China, with same store sales growth being minus 21.3%.

The Group believes that e-business will become a significant and sustainable source of sales revenue. In recent years, its e-business has been steadily growing and achieved a 17.2% year-on-year increase in turnover for the Year. Apart from its own official website, which registered booming sales, the Group has also cooperated with popular e-commerce platforms, such as JD.com, Tmall, Taobao and HKTVmall, to further expand its online presence. The Group will continue to capitalize on the prevalence of e-commerce in Mainland China and strengthen O2O effects.

Looking ahead, many uncertainties continue to blight the prospect, **Mrs. Tse** expected that caution would still be required. The worldwide economy in the upcoming financial year is likely to stay under the shadow of further trade negotiations between the US and China. "In this challenging time, the Group will continue to adopt a prudent approach and reinforce cost control measures to weather such tough business environment, which may potentially impede our performance for an extended period of time. Nevertheless, we will strengthen our solid base in Hong Kong while sustaining brand presence to capture emerging growth opportunities within the Greater Bay Area", **she** said.

"We are clearly at a critical juncture, but we will continue to provide customers with exquisite products and personalized services, adhering to the Group's brand positioning of "Trendsetting Craftsmanship". To embrace the new retail era is to create a seamless shopping experience for customers to shop anytime and anywhere", stated **Mrs. Tse**, adding that the Group will attach greater importance to e-business development and seek to elevate customer experience in an online environment, which will help attract consumers and strengthen brand equity, contributing to the future success of the Group.

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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 450 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.