



TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED
Announces 2011/12 Interim Results

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Turnover increased by 45% to HK\$1,563 million
 Profit attributable to equity holders surged 1.5 times to HK\$88.5 million

Financial Highlights

<i>For the 6 months ended 31 August</i>	2011 HK\$ Mil	2010 HK\$ Mil	Change
Turnover	1,563	1,080	+44.7%
Gross profit	771	552	+ 39.7%
Profit attributable to equity holders	88.5	81.5	+8.6%
▪ Excluding the write back of over-provision of HK\$46.6 million in 1H 2010/11	88.5	34.9	+153.6%
Basic earnings per share (HK cents)	42.05	38.73	+8.6%
Interim dividend per share (HK cents)	2.7	2.7	-

(31 October 2011 – Hong Kong) – Tse Sui Luen Jewellery (International) Limited (“TSL Jewellery” or the “Group”, HKSE stock code: 417), one of the largest scale jewellery chains in Asia, today announces its interim results for the six months ended 31 August 2011.

During the period under review, the Group’s turnover increased by approximately 45% from HK\$1,080 million to HK\$1,563 million. Profit attributable to equity holders increased by 8.6% to HK\$88.5 million, while excluding the write-back of over-provision for tax disputes of last financial year, profit attributable to equity holders grew over 150%. Earnings per share amounted to HK42 cents, up from HK39 cents in the corresponding period last financial year. The improvement in the Group’s results was mainly attributable to the strong retail market in Hong Kong, synergy created from new stores in Hong Kong and Macau, as well as the continuous improvement in operational efficiency. The Board of Directors proposed to declare HK2.7 cents as the interim dividend for the period under review.

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Commenting on the interim results of the financial year 2011/12, Mrs. Annie Yau Tse, Chairman and Chief Executive Officer of the Group, said, "During the period under review, we continued to see robust sales momentum in our retail markets contributing to our strong store performances. Coupled with our innovative marketing campaigns, product strategy and the addition of new stores which complements our existing store portfolio to achieve economies of scale, we successfully delivered another set of solid results."

Benefiting from the strong purchasing power of Mainland China inbound tourists and reinforced consumer sentiment from rising gold prices, Hong Kong and Macau markets posted a stellar 60% growth in turnover as compared with the six months ended 31 August 2010. Turnover in the Mainland China market grew by 25% from the same period in the last financial year.

With such encouraging results, the Group's expansion plan was well underway. The Group opened a new store in Sino Centre in Mong Kok of Hong Kong, bringing the total number of stores in Hong Kong and Macau to 24 as of today. In the Mainland China market, a total of 19 stores were opened including a street store in Nanjing Xi Lu, a premier shopping area in Shanghai. In recent years, many luxury retailer businesses have placed their development focus on Mainland China, causing competition to be even more acute. However in view of the market's growth potential, the Group has continued to commit resources to strengthening its foothold in the market.

The Group's efforts in strengthening its brand are evident to its ongoing investment in launching new products. During the period under review, exhibitions in Hong Kong and Shanghai with the participation of world-renowned micro-sculptor Mr. Willard Wigan were well-received by the market and widely covered by the media, and embodied the Group's focus on "Trend-setting Craftsmanship". TSL Jewellery has also placed emphasis on expanding product category and gaining exposure through impressive brand-building events and digital marketing. The Group's dedication in building brand awareness will further enhance its competitiveness and solidify its market position.

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The Group has kept up its service culture and has received wide recognition in the industry. During the period under review, the Group was awarded with the Customer Service Excellency Award of 2011 from the Federation of Asia-Pacific Retailers Associations. The Group will continue to strive to create enjoyable shopping experiences for its customers.

Mrs. Annie Yau Tse concluded, "Despite the lingering global economic uncertainty amidst the recent stock market volatility and unsettled national debt crisis in Europe and United States, the demand for luxury and jewellery products remains robust, particularly from Mainland China tourists. In light of this market opportunity, we will continue to implement our expansion plan across our markets.

"Looking ahead, we remain cautiously optimistic as we continue to invest resources in expanding our market share in our core Hong Kong market and the rapidly growing Mainland China market. The Group will monitor and expand the store portfolio to further improve the coverage and efficiency of our network. On the brand level, we will persist in rolling out new products that are fit to market tastes and exemplify our strength in high-quality and "Trend-setting Craftsmanship". We will also expand our product category on an ongoing basis to capture the opportunities presented by rising gold prices. Together with our innovative business strategies and customer-centric approach, the Group is confident of being defensive against the unfavourable market conditions and delivering sustainable returns to our shareholders."

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