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TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED

謝瑞麟珠寶(國際)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 417)

ANNOUNCEMENT OF INTERIM RESULTS FOR 2012/2013

FINANCIAL HIGHLIGHTS	Six months ended		
	31 August		
	2012	2011	Change
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	
Turnover	1,658,936	1,563,219	+6.1%
Profit from operations	63,471	127,747	-50.3%
Profit attributable to owners of the Company	30,675	88,455	-65.3%
Basic earnings per share	15 HK cents	42 HK cents	-65.3%
Interim dividend	1 HK cent	2.7 HK cents	-63.0%
Total equity attributable to owners of the Company	938,964	938,247*	+0.1%
Equity attributable to per ordinary share of the Company	HK\$4.46	HK\$4.46	-

** figure as at 29 February 2012*

** For identification purpose only*

BUSINESS HIGHLIGHTS

- Consolidated sales turnover for the first half of the 2012/2013 financial year increased by 6.1% to HK\$1,659 million.
- Profit attributable to owners of the Company decreased by 65.3% to HK\$30.7 million. Earnings per share was 15 HK cents.
- The decline in profit was mainly due to a combination of (i) a slightly lower gross profit margin; (ii) an increase in rental and staff costs; (iii) a conscious decision to continually improve and invest in the human resources and the infrastructure of the Group; and (iv) the slow down in economic growth in Mainland China and the volatility in the global macroeconomic environment in the first half of the financial year.
- The Group continues to develop and grow its brand through the brand positioning of “Trend-setting Craftsmanship 「非凡工藝 潮流演繹」”.

RESULTS

The board of directors (the “Board”) of Tse Sui Luen Jewellery (International) Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 31 August 2012. The interim results for the six months ended 31 August 2012 have been reviewed by the Company’s audit committee.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 AUGUST 2012**

	Note	Six months ended 31 August	
		2012 HK\$'000 (unaudited)	2011 HK\$'000 (unaudited)
Turnover	2	1,658,936	1,563,219
Cost of goods sold		(872,866)	(791,941)
Gross profit		786,070	771,278
Other income		4,517	4,341
Selling expenses		(657,420)	(580,287)
Administrative expenses		(69,696)	(67,585)
Profit from operations		63,471	127,747
Finance costs		(20,416)	(4,337)
Profit before taxation	3	43,055	123,410
Taxation	4	(12,380)	(26,370)
Profit for the period		30,675	97,040
Other comprehensive income			
Exchange difference arising on translation of financial statements of foreign subsidiaries		(12,266)	18,627
Other comprehensive income, net of tax		(12,266)	18,627
Total comprehensive income for the period		18,409	115,667
Profit attributable to :			
Owners of the Company		30,675	88,455
Non-controlling interests		-	8,585
		30,675	97,040
Total comprehensive income attributable to:			
Owners of the Company		18,409	103,707
Non-controlling interests		-	11,960
		18,409	115,667
Earnings per share	6		
Basic		15 cents	42 cents
Diluted		N/A	N/A

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 AUGUST 2012**

		At 31 August 2012 HK\$'000 (unaudited)	At 29 February 2012 HK\$'000 (audited)
	Note		
Non-current assets			
Property, plant and equipment		137,540	137,932
Other asset		500	500
Deposits	7	30,012	23,126
Deferred tax assets		29,479	21,036
		<u>197,531</u>	<u>182,594</u>
Current assets			
Inventories		1,675,280	1,593,216
Trade and other receivables	7	194,108	215,533
Current tax assets		1,618	1,237
Cash at bank and in hand		119,017	102,512
		<u>1,990,023</u>	<u>1,912,498</u>
Current liabilities			
Trade and other payables	8	(521,131)	(632,803)
Bank overdrafts – secured		(44,874)	(44,063)
Bank loans		(263,311)	(269,246)
Convertible bonds	11	(12,842)	-
Interest bearing payable		(90,000)	(120,000)
Obligations under finance leases		(6,962)	(4,179)
Current tax liabilities		(23,373)	(39,895)
		<u>(962,493)</u>	<u>(1,110,186)</u>
Net current assets		<u>1,027,530</u>	<u>802,312</u>
Total assets less current liabilities		<u>1,225,061</u>	<u>984,906</u>
Non-current liabilities			
Obligations under finance leases		(4,381)	(2,552)
Employee benefit obligations		(19,727)	(19,727)
Convertible bonds	11	(238,203)	-
Deferred tax liabilities		(23,786)	(24,380)
		<u>(286,097)</u>	<u>(46,659)</u>
NET ASSETS		<u>938,964</u>	<u>938,247</u>
CAPITAL AND RESERVES			
Share capital		52,584	52,584
Reserves		886,380	885,663
Total equity attributable to owners of the Company		938,964	938,247
Non-controlling interests		-	-
TOTAL EQUITY		<u>938,964</u>	<u>938,247</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”) and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the Group’s financial statements for the year ended 29 February 2012. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations).

The condensed financial statements have been prepared under historical cost convention.

This condensed financial statements have been prepared in accordance with the same accounting policies adopted in the Group’s financial statements for the year ended 29 February 2012, except for the adoption of the following amendments which become effective for accounting periods beginning on or after 1 March 2012:

HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 (Amendment)	Disclosures – Transfer of Financial Assets
HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Asset

The adoption of the above amendments has had no material impact on the Group’s results of operations and financial position.

1. Basis of preparation (cont'd)

The Group has not adopted earlier or applied the following amendments, new and revised HKFRSs that have been issued but are not yet effective, in this interim financial report.

		Effective for accounting periods beginning on or after
HKFRS 1 (Amendment)	Government Loans	1 January 2013
HKFRS 7 (Amendment)	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
HKFRS 9	Financial Instruments	1 January 2015
HKFRS 10	Consolidated Financial Statements	1 January 2013
HKFRS 11	Joint Arrangements	1 January 2013
HKFRS 12	Disclosure of Interests in Other Entities	1 January 2013
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendment)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
HKFRS 13	Fair Value Measurement	1 January 2013
HKAS 1 (Amendment)	Presentation of Items of Other Comprehensive Income	1 July 2012
HKAS 19 (2011)	Employee Benefits	1 January 2013
HKAS 27 (2011)	Separate Financial Statements	1 January 2013
HKAS 28 (2011)	Investments in Associates and Joint Ventures	1 January 2013
HKAS 32 (Amendment)	Offsetting Financial Assets and Financial Liabilities	1 January 2014
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements Project	Annual Improvements 2009-2011 Cycle	1 January 2013

The Group has already commenced an assessment of the impact of these amendments, new and revised HKFRSs but is not yet in a position to state whether these amendments, new and revised HKFRSs would have a material impact on its results of operations and financial position.

The preparation of an interim financial report requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The financial information relating to the financial year ended 29 February 2012 included in the interim financial report does not constitute the Group's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 29 February 2012 are available from the Company's principal office.

2. Segment reporting

The principal activities of the Group are the manufacture, sale and marketing of jewellery products. Turnover represents the sales value of jewellery products sold to customers, net of value added tax and discount.

The following table represents the revenue and results for the Group's reportable segments for the periods ended 31 August 2012 and 2011, respectively.

	PRC (including Hong Kong and Macau)		Others		Inter-segment elimination		Consolidated	
	2012	2011	2012	2011	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue from external customers	1,642,799	1,546,354	16,137	16,865	-	-	1,658,936	1,563,219
Inter-segment revenue	15,802	16,093	-	-	(15,802)	(16,093)	-	-
Other revenue	4,539	4,322	(22)	19	-	-	4,517	4,341
Reportable segment revenue	<u>1,663,140</u>	<u>1,566,769</u>	<u>16,115</u>	<u>16,884</u>	<u>(15,802)</u>	<u>(16,093)</u>	<u>1,663,453</u>	<u>1,567,560</u>
Segment results	64,397	127,489	(926)	258			63,471	127,747
Finance costs							(20,416)	(4,337)
Taxation							(12,380)	(26,370)
Profit for the period							<u>30,675</u>	<u>97,040</u>
Depreciation for the period	<u>27,285</u>	<u>20,400</u>	<u>705</u>	<u>560</u>	<u>-</u>	<u>-</u>	<u>27,990</u>	<u>20,960</u>

3. Profit before taxation

Profit before taxation is arrived at after charging:

	Six months ended 31 August	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on borrowings		
- Bank loan	5,231	4,259
- Convertible bonds	12,218	-
- Other loan	2,967	78
	20,416	4,337
Depreciation	27,990	20,960
Staff Costs		
- Retirement costs	3,825	3,487
- Salaries, wages and other benefits	229,356	193,098
	233,181	196,585
Operating lease charges		
- Land and buildings situated in Hong Kong	67,451	52,597
- Land and buildings situated other than in Hong Kong	17,656	14,039
	85,107	66,636
Provision for inventory	1,849	4,572

4. Taxation

Taxation recognised in profit or loss in the consolidated statement of comprehensive income represents:

	Six months ended 31 August	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax – Hong Kong Profits Tax		
Provision for the period	4,502	6,507
	4,502	6,507
Current tax - Overseas		
Provision for the period	15,787	17,784
	15,787	17,784
Deferred tax		
Origination and reversal of temporary differences	(7,909)	2,079
	(7,909)	2,079
	12,380	26,370

4. Taxation (cont'd)

The provision for Hong Kong profits tax has been calculated by applying the applicable tax rate of 16.5% (2011: 16.5%) to the estimated assessable profits which were earned in or derived from Hong Kong during the period.

Tax on the assessable profits of subsidiary companies operating overseas is calculated at the rates prevailing in the respective jurisdictions in which they operate, based on existing legislation, practices and interpretations thereof.

5. Dividends

(a) Dividends attributable to the periods

	Six months ended 31 August	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interim dividend, declared after period end, of HK\$0.01 (2011: HK\$0.027) per ordinary share	<u>2,103</u>	<u>5,679</u>

At the board meeting held on 30 October 2012, the directors declared an interim dividend of HK\$0.01 per share. These dividends have not been recognized as a liability as at 31 August 2012.

(b) Dividends attributable to the previous financial year, approved during the period

	Six months ended 31 August	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Final dividend attributable to the previous financial year, approved during the period, of HK\$0.125 (2011: HK\$0.12) per ordinary share	<u>26,292</u>	<u>25,240</u>

6. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the period attributable to owners of the Company in the amount of HK\$30,675,000 (2011: HK\$88,455,000) and on the weighted average number of ordinary shares of 210,336,221 (2011: 210,336,221 ordinary shares) in issue during the period.

6. Earnings per share (cont'd)

(b) Diluted earnings per share

Diluted earnings per share is not shown for the period ended 31 August 2012 as all the potential ordinary shares during the period ended 31 August 2012 are anti-dilutive.

No adjustment has been made to the basic earnings per share amount presented for the period ended 31 August 2011 in respect of dilution as the Group had no potential dilutive ordinary shares issue during the period ended 31 August 2011.

7. Trade and other receivables

Included in trade and other receivables are trade receivables (net of allowance for bad and doubtful debts) with the following ageing analysis, based on the invoice date:

	At 31 August 2012 HK\$'000 (unaudited)	At 29 February 2012 HK\$'000 (audited)
0 to 30 days	110,927	137,863
31 to 60 days	7,814	12,300
61 to 90 days	2,343	2,177
Over 90 days	10,001	7,795
Total trade receivables	131,085	160,135
Other receivables, deposits and prepayments	93,035	78,524
	224,120	238,659
Long-term rental deposits classified as non-current assets	(30,012)	(23,126)
	194,108	215,533

Apart from retail customers, the Group allows an average credit period from 30 to 90 days to other customers.

8. Trade and other payables

Included in trade and other payables are trade payables with the following ageing analysis, based on the date of receipt of goods:

	At 31 August 2012 HK\$'000 (unaudited)	At 29 February 2012 HK\$'000 (audited)
0 to 30 days	61,856	42,851
31 to 60 days	59,690	49,666
61 to 90 days	50,666	48,887
Over 90 days	143,643	245,964
Total trade payables	315,855	387,368
Other payables and accruals	205,276	245,435
	521,131	632,803

9. Pledge of assets

- (a) As at 31 August 2012, debentures have been executed by the Group in favour of its banker charging, by way of fixed and floating charges, all of the undertakings, properties and assets of the Company and of its 11 subsidiaries as security for, inter alia, all obligations and liabilities, actual or contingent, from time to time owing by the Group to the banker. Rental revenue of the Group is also charged in favour of the Group's banker.
- (b) As at 31 August 2012, the Company and its 6 subsidiaries (the "Subsidiaries") have executed a second floating charge and the Company made a guarantee to the Subsidiaries and there was a cross guarantee among the Subsidiaries in favour of Rosy Blue Hong Kong Limited ("Rosy Blue HK") to pledge all of the Subsidiaries' respective rights to and title and interest from time to time in their inventories or stock-in-trade and their receivables from their overseas fellow subsidiaries in connection with the sales and supply of any inventory or stock-in-trade to such overseas fellow subsidiaries as a continuing security for the debts arising from the supply of polished diamonds and precious stones by Rosy Blue HK to the Subsidiaries (the "Debts") from time to time. As at 31 August 2012, the Debts amounted to HK\$150,760,000 (at 29 February 2012: HK\$170,692,000).

10. Commitments

There were no capital commitments outstanding at 31 August 2012 and 29 February 2012 not provided for in the consolidated financial statement.

11. Convertible Bonds

On 20 April 2012, the Company has issued to CDH King Limited (“CDH”) a principal amount of HK\$250,000,000 five-year term convertible bonds under which CDH can convert it into ordinary shares of the Company (the “Shares”) with an initial conversion price at HK\$6.40 per Share (the “Convertible Bonds”). The Convertible Bonds may be converted into the Shares at any time during the conversion period, on or after the Convertible Bonds’ issuance date up to its maturity date, subject to anti-dilutive adjustments. The Convertible Bonds are unsecured and subordinated to all present and future indebtednesses of the Company, excluding equity-linked debt securities which is any present or future indebtedness in the form of, or represented by, bonds, debentures, notes, loan stock, redeemable shares or other debt securities, without the prior approval of CDH by ordinary resolution.

Each Convertible Bonds bear interest at the rate of 5% per annum which are due every year, and the Convertible Bonds mature on the date falling on the fifth anniversary of the issue date of the Convertible Bonds.

As at 31 August 2012, a total of 39,062,500 ordinary shares would be allotted and issued upon the conversions in full of the Convertible Bonds.

The Company shall redeem the outstanding principal of the Convertible Bonds at the redemption amount representing an internal rate of return of 12% per annum on the fifth anniversary of the issue date of the Convertible Bonds.

Upon issue of the Convertible Bonds, amounts of HK\$238,827,000 and HK\$8,600,000 were recognised as liability and equity embedded in Convertible Bonds respectively.

Imputed interest expense of approximately HK\$12,218,000 have been recognised in profit or loss for the period ended 31 August 2012 and are calculated using the effective interest rate method by applying the effective interest rate of 14.04% per annum to the liability component of the Convertible Bonds.

At 31 August 2012, the Convertible Bonds with a carrying amount of HK\$251,045,000 remained outstanding.

INTERIM DIVIDEND

The Board resolved to declare an interim dividend of 1 HK cent per ordinary share of the Company for the six months ended 31 August 2012 (2011: 2.7 HK cents per ordinary share) to shareholders whose names appear on the Register of Members of the Company on Friday, 23 November 2012. The interim dividend will be paid on Wednesday, 9 January 2013.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 21 November 2012 to Friday, 23 November 2012, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar, Tricor Secretaries Limited of 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong no later than 4:30 p.m. (Hong Kong Time) on Tuesday, 20 November 2012.

BUSINESS REVIEW AND PROSPECTS

Financial results

For the first half of the 2012/2013 financial year, the Group achieved an overall increase in sales of 6.1% as compared to an increase of 45% achieved during the same period last year. Following the extraordinary growth that occurred in the overall retail market last year, the market subsequently stabilized during the period under review with a return to more modest growth. Consolidated sales turnover increased from HK\$1,563 million to HK\$1,659 million during the period under review, however, due to higher operating expenses and a slightly lower gross profit margin, profit attributable to owners of the Company decreased from HK\$88.5 million to HK\$30.7 million. The earnings per share was 15 HK cents (2011: 42 HK cents per share).

Review and prospects

While retail sales in Hong Kong, Macau and Mainland China grew during the period under review the benefits of this growth was offset by a number of factors including a change in customer buying preferences, gold and diamond price adjustments and increased operating costs (particularly rental and staff costs) resulting from the previous years buoyant retail conditions.

In Hong Kong and Macau the sales of 24-karat gold grew by 15% whereas the sales of jewellery products grew by only 5.3% with the result that the percentage of sales of 24-karat gold products to jewellery products increased leading to an overall lower gross profit margin for the period. In Mainland China, where sales turnover grew by 2.8% from the same period last year as the demand for jewellery products was also weak during the period under review. Moreover, the overall gross profit margin of the Group declined from 49.3% last year to 47.4% this year because of the higher diamond and gold prices the existed prior to the slowdown in the markets growth which caused the cost of sales to be higher as this higher inventory cost was realised during the period.

In the second half of last year, the Group opened two new stores one in Mong Kok and the other in Tsim Sha Tsui to better serve its local customers in Hong Kong and tourists from Mainland China. The Group has also continued to invest in the strengthening of its senior and middle management to increase its capability for future business improvement and development. On 20 April 2012 the Group successfully completed the issue of HK\$250 million in convertible bonds to CDH King Limited (a member of CDH Investments) to broaden its capital base and to raise the funds required for the further development of its core jewellery business. This investment in the Group by an established institutional investors reflects the confidence of the investors in the Group. The Group also expects to benefit from the extensive business networks of CDH Investments. While some initiatives undertaken by the Group during the period under review have resulted in an initial increase in costs, the Group believes that these initiatives will provide ongoing benefits to it in the longer term.

The Group's collaboration with international fashion designer, "Vivienne Tam for TSL Fine Jewellery Collection" was successfully launched at the New York Fashion Week in September 2012. The Group has also recently completed the acquisition of a lifestyle jewellery brand in Japan and is looking forward to introducing this new brand to our customers in mid 2013 to further strengthen our products portfolio.

Looking ahead, we expect that the economic uncertainties and the current slowdown in economic growth in Mainland China caused by (i) the sovereign debt crisis in Europe; and (ii) the continuing sluggish US economy will remain into the near future and will continue to cause a drag on consumer confidence in the short to medium term therefore limiting growth to the more modest levels experienced by the Group in the period under review. On the other hand, the Group believes that the growth of home consumption in Mainland China will continue in the medium to longer term eventually offsetting the above external factors. The Group will continue to invest cautiously in inventory, its store network, human resources and its brand in order to further develop its "Trend-setting Craftsmanship 「非凡工藝 潮流演繹」" position to capitalize on future market growth as and when such opportunities arise.

Finance

Capital expenditure totaling to approximately HK\$28 million during the period under review was mainly in respect to store renovations and expansion. This was funded largely by internal resources and borrowings.

As at 31 August 2012, the Group's total borrowings increased to HK\$660.6 million from HK\$440 million as at 29 February 2012 following the completion of the issue of HK\$250 million in convertible bonds to CDH King Limited in April 2012. The Group's cash and bank balance as of 31 August 2012 was HK\$119 million, while undrawn banking facilities was HK\$27 million. Our debt-to-equity ratio (ratio of total borrowings to total equity) increased from 47% to 70%.

Employees

As of 31 August 2012, the total number of employees of the Group was approximately 3,540 (29 February 2012: 3,800). The decrease was mainly in sales operations and production departments through natural attrition.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 August 2012.

Notwithstanding the foregoing, human resources policies, capital structure, financial policies, exposure to foreign exchange rates, capital expenditure planning, contingent liabilities and charges on Group's assets did not differ materially during the period under review from the information presented in the last annual report.

REVIEW OF UNAUDITED FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed the unaudited consolidated financial statements of the Group for the six months ended 31 August 2012.

CORPORATE GOVERNANCE

Compliance with the Corporate Governance Code of the Listing Rules

The Stock Exchange of Hong Kong Limited made various amendments to the Code on Corporate Governance Practices (the “Former Code”) contained in Appendix 14 to the Listing Rules and renamed it the Corporate Governance Code (the “CG Code”). The CG Code took effect on 1 April 2012.

The Company has applied the principles and complied with all of the code provisions and some recommended best practices of the Former Code during the period from 1 March 2012 to 31 March 2012, save for code provision A.2.1 of the Former Code. It has also fully complied with the CG Code during the period from 1 April 2012 to 31 August 2012, other than code provisions A.2.1 of the CG Code the reason for deviation of which is explained below:

Code provision A.2.1 of the Former Code and the CG Code

Code provision A.2.1 of the Former Code and the CG Code stipulates that the roles of chairman and chief executive officer should be separated and clearly established and set out in writing. During the period ended 31 August 2012, the roles of the Chairman and the Chief Executive Officer of the Company were performed by Ms. Yau On Yee, Annie. The Board of Directors considered that the current management structure had operated efficiently. According to the Company’s practice, all major strategic decisions are taken by the Board, or relevant committee of the Board, as duly constituted.

Audit Committee

The Audit Committee comprises of three Independent Non-executive Directors of the Company, namely, Mr. Chui Chi Yun, Robert, Mr. Heng Ching Kuen, Franklin and Mr. Chan Yue Kwong, Michael. Its terms of reference are in compliance with the provisions set out in the CG Code.

The Audit Committee has reviewed the Company’s unaudited consolidated financial statements and interim report for the six months ended 31 August 2012, including the accounting principles and practices adopted by the Group, and discussed with management regarding auditing, internal control and financial reporting matters.

Model Code for Securities Transactions By Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Specific enquiry has been made with all Directors and the Directors have confirmed compliance with the required standard set out in the Model Code during the six months ended 31 August 2012.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the six months ended 31 August 2012.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND 2012/2013 INTERIM REPORT

The interim results announcement will be published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.tslj.com. The 2012/2013 Interim Report will be despatched to the shareholders and published on the above websites.

By order of the Board
Tse Sui Luen Jewellery (International) Limited
YAU On Yee, Annie
Chairman

Hong Kong, 30 October 2012

At the date of this announcement, the Board comprises:

Executive Directors:

Ms. YAU On Yee, Annie
Mr. Erwin Steve HUANG
Mr. LAI Tsz Mo, Lawrence

Non-executive Director:

Mr. WANG Guosheng

Independent Non-executive Directors:

Mr. CHUI Chi Yun, Robert
Mr. HENG Ching Kuen, Franklin
Mr. CHAN Yue Kwong, Michael