

T S L | 謝瑞麟

Tse Sui Luen Jewellery (International) Limited Announces 2018/19 Annual Results

Stay Pragmatic, Sustainable, and Innovative

Financial Highlights

	2019* HK\$ Mil	2018** HK\$ Mil	Change
Turnover	4,064.9	4,137.2	-1.7%
Gross profit	1,619.4	1,631.5	-0.7%
Gross profit margin (%)	39.8	39.4	+0.4pts
Profit attributable to owners of the Company	54.2	49.4	+9.6%
Basic earnings per share (HK cents)	21.9	20.0	+9.5%
Total dividend per share (HK cents)	10.4	9.4	+10.6%
- Final/second interim dividend per share (HK cents)	5.6	7.3	-23.3%
- Interim dividend per share (HK cents)	4.8	2.1	+128.6%
- Dividend payout ratio (%)	47.5	47.0	+0.5pts

*for the 12 months ended 31 March 2019

**for the 13 months ended 31 March 2018

(19 June 2019, 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 annual results for the 12 months ended 31 March 2019 (the “**Year**”).

The Group’s turnover for the Year was approximately HK\$4,065 million, representing a slight decrease of 1.7% when compared with HK\$4,137 million for the 13 months ended 31 March 2018 (“**Financial Period 2017/18**”), but it showed an increase of 6.6% when compared with the Group’s turnover reported in its second interim results which also covered 12 months ended 28 February 2018 (“**Second Interim 2017/18**”). Despite the Year being one month shorter than Financial Period 2017/18, the profit attributable to owners of the Company for the Year recorded an impressive growth of 9.6% to HK\$54.2 million while an even more significant increment at 16.3% was recorded if compared with Second Interim 2017/18. Together with the interim dividend of 4.8 HK cents per share, total dividend per share for the Year amounted to 10.4 HK cents, which is equivalent to a dividend payout ratio of 47.5% on a full-year basis.

“Continuing the upturn in the local retail industry in Hong Kong seen during Financial Period 2017/18, the result for the Year was assisted by the improvement in consumer sentiment throughout the first half of the Year. However, towards the end of the Year, the Group conversely started to feel the trickle down effects of the trade dispute between the United States and China, which has adversely affected the market sentiment and consumer confidence, resulting in the depreciation in the Renminbi and leading to a slowdown in the global economy and in the local retail sales performance,” stated **Mrs. Tse, Chairman and Chief Executive Officer of the Group**. She added that the Group has always been cautious about market changes and adjusted its business strategy in a timely manner. Moreover, the Group continued to implement efficient cost control measures to sustain a sound financial structure and diversified its promotions to cater for different consumption patterns. With unique signature products and reinforcement of its market position as “Wedding Expert”, the Group is well equipped to face all the challenges and offset the negative effects that have arisen.

“Benefited from the abovementioned measures, the Group’s inventory turnover days shortened greatly from 223 days to 183 days during the Year; the average amount per invoice has also risen steadily by 5.0%, with the average amount per invoice in Mainland China and in Hong Kong and Macau increased by 8.5% and 5.6%, respectively,” she said.

Retail rental rates in Hong Kong maintained a downtrend during the Year. The Group seized the chance and enlarged the shop areas of two existing retail stores located at Times Square in Causeway Bay and Plaza Hollywood in Diamond Hill. To further expand its retail store network, the Group has also recently opened a new store in MCP Central (Phase II) in Tseung Kwan O, which is a popular shopping mall in a developed district with various large-scale residential property developments. In Mainland China, the Group’s self-operated stores continued to be a key driver of the Group’s business growth and its future development, accounting for 36.6% of the Group’s turnover during the Year. As of today, the number of self-operated and franchised stores in Mainland China reached 200 and 235, respectively, amounting to a total of 435 in over 130 cities.

The Group has also been taking note of the prevalence of e-commerce in Mainland China and has accordingly enhanced its online strategy to capitalise on this boom. In June 2018, the Group successfully launched the official website for mobile users in China, which has significantly expanded its online-to-offline and offline-to-online business opportunities. In particular, the official website gives the Group greater access to the youth market, which possesses considerable spending power, in order to capture younger customers’ growing demand for jewellery. In addition to the official website, the Group has also used different channels to improve its traffic and sales, which resulted in the considerable success during the Year.

Looking ahead, **Mrs. Tse** anticipated that the upcoming financial year will be a challenging one for retailers as consumer sentiment is sensitive to political undercurrents and the retail market in the Group's major operating regions is vulnerable to the depreciation pressure on the Renminbi. The Group will persist in pursuing its store-for-store strategy and identifying favourable locations with guaranteed footfall for additional stores to improve its profitability and performance. Furthermore, the Group will redouble its efforts to fulfil customers' demands with efficient collection and utilisation of market data and reinforce the Group's core positioning of Trendsetting designs and state-of-the-art Craftsmanship through product mix refinement.

"By adjusting our business strategies in a timely and forward-looking manner, further refining our workflow and organisational structure and strengthening our talent pool, we are confident that the Group will continue to thrive despite volatile market conditions and deliver better returns to our shareholders in the future," **Mrs. Tse** concluded.

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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.