

T S L | 謝瑞麟

Tse Sui Luen Jewellery (International) Limited Announces 2020/21 Annual Results

Embarking on a Well Planned Journey

Financial Highlights

For the year ended 31 March	2021 HK\$ Mil	2020 HK\$ Mil	Change
Turnover	2,648.6	2,913.8	-9.1%
Gross profit	959.7	1,148.4	-16.4%
Gross profit margin (%)	36.2	39.4	-3.2pts
Loss attributable to owners of the Company	(44.0)	(89.7)	-51.0%
Basic loss per share (HK cents)	(17.6)	(36.0)	-51.1%

(23 June 2021, 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 2021 (the “**Year**”).

The Group’s turnover for the Year was approximately HK\$2,648.6 million, representing a decrease of 9.1% when compared to the year ended 31 March 2020 (the “**FY2019/20**”). Loss attributable to owners of the Company reduced by 51.0% from HK\$89.7 million in FY2019/20 to HK\$44.0 million. The loss per share for the Year was 17.6 HK cents.

“The ever-evolving COVID-19 pandemic continued to bring international travel to a standstill since the beginning of 2020. Travel restrictions and social distancing measures have dampened the consumer sentiment, plunging the retail industry into a slump, with the jewellery and luxury retailers particularly hard hit. The Group has encountered unprecedented challenges in all operating regions. With the COVID-19 outbreak under effective control in Mainland China, from mid-2020, China’s economy has rebounded quickly. Besides, under the stimulus of the easing of border restrictions that brought visitors back to Macau, our business in Macau was on a track of recovery since September 2020. Such a rebound offers us glimpses of hope that the Group’s businesses in Mainland China and Macau have gradually recovered to pre-pandemic level, whereas the recurring COVID-19 has put the sales in other operating regions under pressure, particularly Hong Kong,” said **Mrs. Annie Tse, Chairman and Chief Executive Officer of the Group**.

Both Hong Kong's and Macau's retail sectors rely heavily on tourist footfall and spending. The absence of tourists due to COVID-19, coupled with the year-long containment measures and postponement or cancellation of weddings, have led to weak consumer sentiment and domestic demand for fine jewellery, which in turn caused the Group's sales in Hong Kong and Macau to plummet. The demand for gold jewellery was also affected by gold price fluctuations, which surged in the first half of 2020 but then slowly fell with a solid support. Discount-based promotions have improved the Group's sales slump since September 2020 with a slight increase of 4.5% in the average amount per invoice. During the Year, the turnover of the Group's Hong Kong and Macau retail businesses decreased by 50.2% with negative same-store sales growth of 39.0%. In response to the lackluster market, the Group has adhered to a prudent approach and stringent cost management through minimizing rental expenses, reviewing and adjusting the store portfolio based on each store's performance as well as to achieve a balanced mix of store locations.

On the bright side, China's economy is recovering with good progress. The Group's sales performance in Mainland China has returned to almost pre-pandemic level since summer 2020 and has gradually regained growth momentum. A year-on-year increase of 3.9% in the turnover of the Group's self-operated stores with same store sales growth of 13.3% in Mainland China were recorded, such encouraging sales rebound partly offset the Group's loss during the Year. The Group will grasp the opportunity arising from the increasing spending power of the younger generation and rejuvenate the Group's business presence among first-tier and second-tier cities in China.

Consumer behavior altered by COVID-19 is likely to be permanent, accelerating e-commerce prevalence and digital transformation. Building on the change, the Group has successfully launched its Hong Kong eShop and the Group's e-business has experienced a remarkable increase in turnover of 31.7% during the Year. The Hong Kong eShop will complement the Group's China eShop and cooperation with various e-commerce platforms in Hong Kong and Mainland China. Riding on the strong momentum of e-commerce, the Group will put more focus on e-commerce development through eShop upgrade and collaboration with more renowned e-commerce platforms to further expand its digital presence and achieve online-offline integration.

Looking ahead, the path to a sustainable recovery is long as mass vaccination takes time and travel restrictions will remain in place to a certain extent in the near future. The economic stability, consumer sentiment and tourism recovery are still facing strong headwinds from the COVID-19 variants. "Leveraging on our well established brand image, the Group is embarking on a rejuvenation journey that elevate our brand to a new level, which will pave our way to market penetration for a larger clientele across different generations. We will devote more efforts and resources to offer customers a seamless shopping experience across all channels so that our customers can shop whenever and wherever they like, in order to drive sales and strengthen customer retention and consequently thrive in the post-pandemic era." **Mrs. Tse** added.

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 480 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: <http://www.tslj.com> or email to ir@tslj.com