



**Tse Sui Luen Jewellery (International) Limited
Announces its 2014/2015 Interim Results**

Net Profit Amounted to HK\$25.8 million with Improved Gross Margin

Financial Highlights (Unaudited)

<i>For the six months ended 31 Aug</i>	2014 HK\$ Mil	2013 HK\$ Mil	Change
Turnover	1,818	2,129	-14.6%
Gross profit	842	917	-8.1%
Gross profit margin (%)	46.3	43.1	+3.2pt
Profit attributable to owners of the Company	25.8	47.6	-45.7%
Basic earnings per share (HK cents)	12.3	22.6	-45.7%
Interim dividend per share (HK cents)	1.2	2.2	-45.5%

(31 October 2014, 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 interim results for the six months ended 31 August 2014 (“period under review”).

The Group posted a 14.6% year-on-year decline in turnover to HK\$1,818 million, as a result of a year-on-year drop in 24-karat gold product sales in Hong Kong due to the absence of the “gold rush effect” which had substantially boosted the Group’s sales in the first half of last year, and a generally weaker demand for jewellery products by mainland tourists. Because of the reduction in the sales of 24-karat gold products and the cautious monitoring of gross margins by the Group, overall consolidated gross margin improved from 43.1% to 46.3%. Profit attributable to owners of the Company declined by 45.7% to HK\$25.8 million. Earnings per share was 12.3 HK cents. The Board of Directors resolved the payment of an interim dividend of 1.2 HK cents per share.

Commenting on the interim results 2014/15, **Mrs. Annie Yau Tse**, Chairman and Chief Executive Officer of the Group said, “Against a challenging operating environment, we have strengthened our store network in Hong Kong and Mainland China to enhance market presence. In particular, following the successful implementation of the franchising model last year, we have further expanded our franchise operations to increase our market penetration in Mainland China. We have also been exploring more business platforms such as e-business channel to complement our increasing investment in the brand.”

Sales in Hong Kong and Macau, which accounted for 61.8% turnover of the Group, decreased by 24% during the period under review. The decline was partly due to a high base of comparison caused by a spike in gold-related sales a year ago. In addition, while weakened consumption of jewellery products by mainland tourists was seen, the growth of sales for self-consumption has been gradually compensating the reduced demand for higher-priced gifting items. During the period under review, two new stores were opened in Mong Kok and Yuen Long, whilst two shops were closed upon the expiry of their respective leases. In the second half of the financial year, the Group will open two more new stores, one in the Grand Century Place under the new shopping mall name of “Moko” at Mong Kok East Rail Station and the other at Causeway Bay.

The Group’s sales in China rose by 6.7% year-on-year, accounting for 36.9% of the Group’s turnover during the period under review. The Group has focused on the development of products for the end-user market as well as the strengthening of middle management. As of today, 31 October 2014, the Group has 165 self-operated outlets and 17 franchised stores, following the addition of 13 new franchised stores. The Group will continue to look for local business partners to facilitate a more rapid growth of the Group’s sales network in Mainland China going forward.

To exemplify its brand positioning of “Trend-setting Craftsmanship”「非凡工藝 潮流演繹」, the Group collaborated with Malaysian artist Red Hong Yi to develop a series of contemporary installation art pieces which showcased our exquisite craftsmanship perfectly blended with her works. The collection was showcased at the 2014 New Jewellery Collection Preview (2014「光影 匠心」珠寶藝術展) held in Beijing in June 2014. Other new initiatives such as the Group’s new e-business platforms in T-Mall and JD.com were launched in June and August this year respectively; and the Group will be extending these platforms to include the television sales channel of HKTV Mall operated by Hong Kong Television Network later this year to expand its market presence and boost sales via diversified platforms.

Mrs. Tse concluded, “The ongoing slowdown of economic growth in China and other parts of the world, and the political reform debate in Hong Kong will continue to pose uncertainties for the business environment going forward. However, we believe that these are cyclical and transient fluctuations respectively and the demand for high quality jewellery is strongly supported by the growing affluence of Mainland China consumers. We will continue to take a prudent yet progressive approach to investing in and enhancing our brand, product offerings, store network and human resources in order to further strengthen our core competences to meet the challenges ahead and to reap the business opportunities as and when they arise.”

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About TSL Jewellery (HKSE stock code: 417)

TSL Jewellery is currently one of the largest jewellers in Asia, principally engaged in jewellery design, retailing, export and manufacturing. TSL Jewellery was established in 1971, and was listed on the Hong Kong Stock Exchange in 1987. The Company operates over 200 jewellery boutiques spanning major cities in Asia, including Beijing, Shanghai, Guangzhou, Hong Kong, Macau, Kuala Lumpur and Tokyo.

For more information on TSL Jewellery, please visit: <http://www.tslj.com>.