



**Tse Sui Luen Jewellery (International) Limited  
Announces 2015/16 Interim Results**

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*Recorded Net Profit of HK\$15.5 million  
Further Extended e-business Platform with Sales Surged By 61%*

**Financial Highlights (Unaudited)**

<i>For the six months ended 31 Aug</i>	<b>2015 HK\$ Mil</b>	<b>2014 HK\$ Mil</b>	<b>Change</b>
<b>Turnover</b>	<b>1,753</b>	<b>1,818</b>	<b>-3.6%</b>
<b>Gross profit</b>	<b>797</b>	<b>842</b>	<b>-5.3%</b>
<b>Gross profit margin (%)</b>	<b>45.5</b>	<b>46.3</b>	<b>-0.8pt</b>
<b>Profit attributable to owners of the Company</b>	<b>15.5</b>	<b>25.8</b>	<b>-40.2%</b>
<b>Basic earnings per share (HK cents)</b>	<b>7.3</b>	<b>12.3</b>	<b>-40.2%</b>
<b>Interim dividend per share (HK cents)</b>	<b>1.5</b>	<b>1.2</b>	<b>+25%</b>

(29 October 2015, 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 2015 ("the First Half").

During the First Half, the Group's sales turnover decreased by 3.6% from HK\$1,818 million to HK\$1,753 million. The decline in sales was mainly attributable to a large year-on-year drop in the Hong Kong market as a result of a reduction in number of tourists from Mainland China. However, the drop in Hong Kong market was largely compensated by the growth of business in Mainland China, especially for the Group's Franchise business which commenced last year. The profit attributable to owners of the Company declined by 40.2% from HK\$25.8 million to HK\$15.5 million. Earnings per share was 7.3 HK cents. The Board of Directors recommended an interim dividend of 1.5 HK cents per share.

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Commenting on the interim results 2015/16, Mrs. Annie Yau Tse, Chairman and Chief Executive Officer of the Group said: "Amidst the challenging operating environment, we have further strengthened our store network in Hong Kong and Mainland China to better serve our customers. Due to the growth in our high-end luxury segment in China slowed down, we shifted our focus to the development of self-consumption market and high craftsmanship gem-setting jewellery in the premium mass market. Thanks to the right strategy and an expanded franchise network, we saw the same store sales growth from Mainland China was 2.3% while the whole business grew by 5% in the region. Meanwhile, we also experienced strong growth momentum in the Malaysian market as our business expanded 14% in the First Half. Due to the prosperous business environment, we are planning to open one to two new stores in Malaysia in the coming year."

The number of tourist from Mainland China to Hong Kong and Macau dropped in the First Half and their spending power towards luxury products and demand for higher-priced gifting items also decreased. Instead of buying luxury goods, these customers turned towards more popular commodities in the mass markets. As a result, the sales in Hong Kong and Macau for the period under review decreased by 19% and the same store sales growth was minus 20%.

Despite the challenging market situation, the Group opened two new stores in Hong Kong – one in Olympian City and the other in Plaza Hollywood, Diamond Hill in the First Half. Another two new stores located in Tuen Mun and Wong Tai Sin were opened in October – the target on local consumers who are end users in the self-consumption product segment. Moreover, the slowing down of rental lease growth and downward rental adjustment upon store rental renewals of shop leases have resulted in a drop of rental expenditure for Hong Kong and Macau shops by 3% in the First Half.

With the slow-down of demand for high-ticketed items, consumers began to seek out luxury items within an affordable price range. To meet this trend, the Group has placed efforts in diversifying its product portfolio to include items of varying prices to cater changes in consumers' needs, in particular young customers who are widely recognised as the next generation in the consumer market.

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In Mainland China the Group is regularly reviewing its store network and planning to increase the store opening pace in order to better serve its customers. As of 31 August 2015, the number of self-operated stores was 169, while number of franchised stores rose to 56. As of today, 29 October 2015, the total number of self-operated and franchised stores increased to 175 and 65 respectively, amounting to a total of 240 stores in Mainland China covering 80 cities. The Group is looking forward to increasing more than 100 Point of Sales in Mainland China in the next two years.

Following the success in launching its e-business platform in T-Mall, JD.com and HKTVMall in 2014 and early this year, the Group has further extended its e-business platform during the First Half and joined VIP.com in July 2015. Turnover from the Group's e-business channels in the First Half was encouraging, with an increase of 61% compared to the sales figure in the second half of the preceding year.

Looking ahead, **Mrs. Tse** concluded: "The ongoing slowdown of economic growth in China and unforeseen economic circumstances of other parts of the world, coupled with the sluggish retail market in Hong Kong, will continue to pose uncertainties for the business ahead. However, we believe that these market fluctuations are cyclical and transitory. In order to facilitate a more rapid growth of the Group's franchise sales network in Mainland China, we will continue to explore more opportunities to work with local business partners. We also expect our e-business channel to maintain its high growth rate in the second half of this year. We are cautious but confident that based on our solid foundation and the business know-how our experienced management team possessed, we will be able to mitigate the challenges of this cyclical downturn and create value for our shareholders."

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**About TSL Jewellery (HKSE stock code: 417)**

Tse Sui Luen Jewellery (International) Limited (incorporated in Bermuda with limited liability) is currently one of the largest jewellers in Asia, with the Group principally engaged in jewellery design, trading, 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: [www.tslij.com](http://www.tslij.com) or email to [ir@tslij.com](mailto:ir@tslij.com).