

T S L | 謝瑞麟

Tse Sui Luen Jewellery (International) Limited Announces 2019/20 Interim Results

Wise Management and Steadfast Unity amid Challenges

Financial Highlights

For the 6 months ended 30 September	2019 HK\$ Mil	2018 HK\$ Mil	Change
Turnover	1,652.2	1,910.0	-13.5%
Gross profit	682.0	743.2	-8.2%
Gross profit margin (%)	41.3	38.9	+2.4pts
Profit attributable to owners of the Company	1.57	24.27	-93.5%
Basic earnings per share (HK cents)	0.6	9.8	-93.9%

(19 November 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 interim results for the six months ended 30 September 2019 (the “**Period**”).

2019 has been a challenging year for all businesses, but more particularly for Hong Kong retailers beset by both global and local negative factors. The Group’s turnover for the Period was approximately HK\$1,652 million, representing a decrease of 13.5% when compared to the six-month period ended 30 September 2018. The profit attributable to owners of the Company for the Period decreased period-on-period by 93.5% to HK\$1.57 million, while earnings per share attributable to owners of the Company were 0.6 HK cent (for the six-month period ended 30 September 2018: 9.8 HK cents). The board of directors of the Company resolved not to pay an interim dividend in respect of the six months ended 30 September 2019.

“The global economy has been unfavorably impacted by the prolonged trade dispute between China and the United States, adversely affecting the general consumption sentiment. The depreciation of Renminbi has also brought down the spending of Mainland visitors and shrunk our earnings from Mainland China businesses in Hong Kong dollar terms,” said **Mrs. Annie Tse, Chairman and Chief Executive Officer of the Group**. “Domestically, Hong Kong has been gripped by large-scale social unrest since late June. The weak local consumer sentiment as a result of citywide protests has made it challenging for retailers to operate, which has brought significant influence to our performance in the first half of the financial year of 2019/20.”

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The social unrest in Hong Kong, as well as the downward economic pressure exerted by the US-China trade tensions and Renminbi depreciation both devastated the retail business in Hong Kong. The Group's retail business in Hong Kong plunged as tourist numbers dropped immediately and local consumers became more cautious with their retail spending, particularly for luxury goods, while the performance in Macau remained stable during the Period. The two regions recorded a decrease in turnover of 23.9% and a same store sales growth of minus 26.4% during the Period.

The Group's retail business in Mainland China via self-operated stores continued to act as one of the key drivers of the Group's future development, which accounted for 39.5% of the Group's turnover during the Period. Attributed to the protracted US-China trade war with tit-for-tat tariffs leading to the depreciation pressure on Renminbi and the slowdown of Chinese economy, this sector recorded a decrease of 8.5% in turnover and the same store sales growth of minus [7.5]% during the Period. To reinforce its brand presence, the Group continued to expand its retail network in Mainland China. During the Period, 7 new self-operated stores and 41 new franchised shops were opened in Mainland China, amounting to a total of 448 shops covering over 130 cities.

In the sector of e-business, the Group rode on the global trend of online shopping and achieved a healthy growth of 27.7% in turnover period-on-period. The great response received from the Group's official website for Mainland China has encouraged the Group to develop an official website for Hong Kong and establish online presence on e-business platforms to further facilitate the online-to-offline and offline-to-online retail practice.

Looking ahead, **Mrs. Tse** anticipated the economic outlook to remain gloomy and shrouded in uncertainties as the social unrest in Hong Kong endures, and trade consensus between China and the United States continues to appear beyond reach. "To overcome the current difficulties in Hong Kong, we will continue to implement more cost saving initiatives including requesting landlords to provide rental reduction or relief for our retail stores and reducing operating expenses, all of which we expect to further enhance the cost effectiveness of the Group both now and into the future. In the long run, we will reinforce our base in Hong Kong while capturing business opportunities in the Greater Bay Area to create synergistic effects in the Hong Kong and Mainland China market," she said.

"Despite the sluggish domestic economy and business downturn, we will keep adhering to the Group's brand positioning of Trendsetting Craftsmanship with high quality products and customer service. New designs of young and stylish jewellery items of the KUHASHI collection from Japan were launched this summer to appeal to the younger generations," said **Mrs. Tse**, adding that the Group will continue to optimise its store network and take a prudent approach for its retail business development for the rest of the financial year under the current complicated and volatile circumstances.

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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.