

T S L | 謝瑞麟

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

*Weather the Storm
Work Together to Create Opportunities*

Financial Highlights

For the 6 months ended 30 September	2020 HK\$ Mil	2019 HK\$ Mil
Turnover	1,177.3	1,652.2
Gross profit	410.1	682.0
Gross profit margin (%)	34.8	41.3
(Loss)/profit attributable to owners of the Company	(41.6)	1.6
Basic (loss)/earnings per share (HK cents)	(16.7)	0.6

(18 November 2020, 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 2020 (the “**Period**”).

The Group’s turnover for the Period was approximately HK\$1,177.3 million, representing a decrease of 28.7% when compared to the six-month period ended 30 September 2019 (the “**IR2019/20**”). The Group recorded a loss attributable to owners of the Company for the Period of HK\$41.6 million as compared to a profit attributable to owners of the Company of HK\$1.6 million for IR2019/20. The loss per share for the Period was 16.7 HK cents.

“The outbreak of the COVID-19 pandemic has rocked the world and our operating regional/ local economies in ways that we could never have imagined or have been prepared for. The business world and social activities were brought to a near standstill. Together with the heightened China-US tensions and social events in Hong Kong, our sales performance has been hit hard during the Period,” said **Mrs. Annie Tse, Chairman and Chief Executive Officer of the Group**.

During the Period, the Hong Kong economy continued to suffer from the triple blows of the COVID-19 pandemic, the US-China trade war and the social events. The implementation of travel restrictions has led to a significant drop in the number of tourists visiting Hong Kong and Macau. Apart from the sluggish sales as a result of the decimated tourism, the third wave of COVID-19 infections in Hong Kong since July and the resultant tightening of social distancing measures further weakened local consumer sentiment. With the soaring gold prices and the cancellation of wedding receptions under the pandemic, the demand for gold and jewellery products plummeted. During the Period, the turnover of our Hong Kong and Macau retail businesses dropped by 62.0%. Negative same store sales growth of 59.3% was recorded in the two regions. In response to the challenging market, the Group has adopted effective cost control measures, including relentlessly negotiated with landlords for rental

relief or reduction, minimized operating costs, and strategically reorganized its sales network and closed some poor performing stores in Hong Kong after taking all relevant factors into account.

Although the retail industry in Mainland China has roughly recovered from the impacts of the COVID-19 pandemic, the escalating tensions between Mainland China and the US resulted in further Renminbi depreciation and have continued to drag down the rate of consumer sentiment recovery. Despite this trying situation, the Group managed to contain the fallout of all the above mentioned factors to a minimal decrease of 12.9% in turnover and in same store sales growth of minus 5.2% during the Period.

Under the pandemic, consumers seek online shopping alternatives to cope with lockdowns and reduce social interactions. During the Period, the Group has upped its efforts in sales and marketing efforts through online channels and platforms to capitalize on the global online shopping trend, setting up live streams to interact with younger consumers and encourage purchases. Together with the cooperation with Chinese KOLs, the Group has built a solid online presence, boosted brand awareness and promoted the brand image to the younger generation. We will keep on enhancing our online marketing strategies in order to further capitalize on the O2O business opportunities for the Group. Besides, the Group has allocated more resources in the e-business development during the Period, the sales performance of e-business platforms therefore recorded a positive growth of 17.0% after its effort in extension of footprint on e-commerce platforms including entering several banks' online mall platforms in Mainland China.

Looking ahead, **Mrs. Tse** anticipated the economic situation to deteriorate before it bottoms out, as the world struggles to deal with the health and economic impacts of the initial outbreak while preparing for the subsequent possible emergence of "second and third waves". "To survive the economic downturn, we will continue to adjust our business scale and costs by negotiating with landlords for rental relief or reduction and by taking a cautious approach to our future business development", **she** said.

"Despite the gloomy economic outlook, we will keep adhering to the Group's brand positioning of Trendsetting Craftsmanship with outstanding products and superior customer service. Opportunities are to be found amid crises. We believe that e-business will make a significant contribution to our future business. We will continue our close relationships with the current e-commerce platforms and further expand our online presence to capture the e-business opportunities," said **Mrs. Tse**, adding that with the Group's solid business foundation and resilience, the Group will strive to overcome obstacles ahead by strengthening its solid base in Hong Kong while tapping the opportunity of the "internal circulation" policy in Mainland China.

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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.

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