

T S L | 謝瑞麟

Tse Sui Luen Jewellery (International) Limited Announces 2024/25 Interim Results

Strategic Transformation for Striving Forward

Financial Highlights

For the six months ended 30 September	2024 HK\$ Mil	2023 HK\$ Mil
Turnover	864.4	1,346.5
Gross profit	296.9	470.0
Gross profit margin (%)	34.3	34.9
Loss attributable to owners of the Company	(43.8)	(58.2)
Basic loss per share (HK cents)	(17.6)	(23.4)

(14 November 2024, 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 2024 (the “**Period**”).

The turnover of the Group for the Period decreased by 35.8% to HK\$864.4 million from HK\$1,346.5 million for the six months ended 30 September 2023 (“**IR2023/24**”). The Group recorded a loss attributable to owners of the Company for the Period of HK\$43.8 million as compared to a loss attributable to owners of the Company of HK\$58.2 million for IR2023/24.

“The worldwide geopolitical tension, slowed-down economy and changing customer habits led to an extremely weak demand of luxury products in the Greater China area during the Period. Coupled with the record-breaking gold price which caused consumers to delay their buying or buy less of 24-karat gold products, the sales performance of the Group was greatly affected during the Period. Having faced the challenges, the Group implemented various cost control measures to maintain a very lean and efficient organization structure. Moreover, the Group strategically closed many loss-making and non-performing retail stores in Mainland China and Hong Kong, prudently expanded the franchise network in Mainland China and drastically reduced the gem-set jewellery inventory in order to improve the profitability and liquidity of the Group.” said **Mrs. Annie Yau Tse, Chairman & Chief Executive Officer of the Group**.

- Con't -

Due to the continuous trend of northbound travel to the Mainland or outbound travel to other countries of local residents, and the weak purchasing power of inbound visitors, the Group had made a conscious decision of closing several underperforming retail stores in Hong Kong during the Period. On the contrary, for the remaining active stores including those in Macao, the Group is determined to invest in enhancing the product mix with new designs and refreshed visual merchandising. For example, TSL stores at New Town Plaza in Sha Tin, Harbour City in Tsim Sha Tsui and The Venetian Macao have been given a facelift with the most updated brand image and product assortment. On public policies, the Hong Kong and Macao Special Administrative Region governments launched a variety of cultural and entertainment events to attract residents and inbound visitors especially those from Mainland China during the Period. Moreover, the recent implementation of the increased duty-free allowance is expected to encourage consumptions over time. The Group expects that the sales performance and overall profitability of its retail stores in Hong Kong and Macao will improve progressively.

For the operations in Mainland China, given the weak retail demand in the market, the Group has been reacting proactively. 24-karat gold inventory management and replenishment process have been re-engineered for mitigating risks brought by the gold price fluctuations. On the gem-set jewellery inventory, the demand has been increasing due to continuous deployment to franchised stores which are in an expansion mode. The Group will continue to leverage the market opportunities by expanding its franchised store network progressively, closing non-performing self-operated stores, centralizing its back office supporting functions and maintaining a more balanced inventory mix of 24-karat gold and gem-set jewellery products.

For the E-Business, the Group recorded a mild decrease in sales turnover during the Period, as a result of continuing adjustment of product mix with improved profit margin. Riding on the rapid growth of e-commerce in recent years, the Group has been focusing on the continual development of its e-business through diversifying its online sales channels and ongoing enhancements of the official e-Shops. Despite the intense market competition, the Group had strengthened its cooperation with various popular e-commerce platforms in Mainland China during the Period.

“The Group will continue to focus on expanding its franchise network in Mainland China, remain committed to upholding excellence in product design and craftsmanship, and optimize the inventory mix and profitable retail store network while staying abreast with industry development and dynamic market changes. We are determined to turn around the business and transform the whole organization for achieving a sustainable and profitable business model.” **Mrs. Tse** added.

- End -