Tse Sui Luen Jewellery (International) Limited
Announces 2014/15 Annual Results

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Recorded Net Profits of HK$39.8 million with Improved Gross Profit Margins
Encouraging Development of Franchising Business in Mainland China with Increase of 31 New Franchised Stores

Financial Highlights

For the year ended 28 February	**2015 HK$ Mil (Audited)**	2014 HK$ Mil (Audited)	**Change**
Turnover	**3,871**	4,057	**-4.6%**
Gross profit	**1,799**	1,774	**+1.4%**
Gross profit margin (%)	**46.5**	43.7	**+2.8 pts**
Profit from operations	**122.5**	152.4	**-19.6%**
Profit before tax	**62.9**	101.3	**-37.9%**
Profit attributable to owners of the Company	**39.8**	74.5	**-46.7%**
Basic earnings per share (HK cents)	**18.9**	35.4	**-46.7%**
Total dividend per share (HK cents)	**4.9**	9.2	**-46.7%**
- Interim dividend per share (HK cents)	**1.2**	2.2	
- Final dividend per share (HK cents)	**3.7**	7.0	

(29 May 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 annual results for the year ended 28 February 2015 ("Year" or "year under review".).

For the year under review, the Group's turnover declined by 4.6% to HK$3,871 million year-on-year. The decline in sales for the year was mainly attributable to a large year-on-year drop in the sales of 24-karat gold products in Hong Kong due to the non-recurrence of the "Gold Rush" effect which had substantially boosted the Group's sales last year. Profit attributable to owners of the Company was HK$39.8 million, a decrease of 46.7% from last year. Earnings per share for the year was 18.9 HK cents. The Board of Directors recommended a final dividend of 3.7 HK cents per share, and together with the interim dividend of 1.2 HK cents per share, total dividend per share for the year under review will amount to 4.9 HK cents.

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Commenting on the annual results 2014/15, **Mrs. Annie Yau Tse**, Chairman and Chief Executive Officer of the Group said, "The financial year under review has proved to be a challenging year for the Group and the retail industry in Hong Kong generally as we were required to respond to a number of unforeseen events that resulted in the local economy and consumer confidence being negatively impacted. Apart from the absence of "Gold Rush" effect, the Group was also unable to catch up on this shortfall in the second half as planned due to a subsequent weakening in sales activities brought about by the disruptions caused by the political disputes in last October and a downturn in the overall number of Mainland tourists visiting Hong Kong particularly from the southern region due to various reasons. These events detrimentally impacted the performance of our Hong Kong based businesses and prevented the Group from achieving the sales growth that it had targeted for the Year with the result that both its consolidated sales turnover and net profit are down on the previous year."

Due to weak consumption sentiment, the sales turnover of Hong Kong and Macau dropped by 14.5%. In view of this downturn in business, the Group moved to strengthen its sales network by leveraging on its enhanced brand image brought about by the branding campaign conducted by the Group during the Year. Four new stores were opened in Hong Kong and two less performing stores were closed to maximize the return on investment. The Group will keep reviewing and expanding our store portfolio cautiously to better serve our customers.

As for the China market, sales remained stable with a year-on-year sales volume growth of 4.4% accounting for 35% of the Group's turnover during the year under review. After the Group adjusted its business model following the decline in the gifting market in the Mainland in the previous year, this business continued to strengthen throughout the Year as it began to better address the premium mass market. Also, the investment made by the Group in strengthening the management team's capability started to pay off, leading to double-digit same store sales growth in certain cities in the fourth quarter of the Year. More focus will be given to the development of products for the end-user market as the Group expects that the growth of end-user market will gradually outpace and replace the decline of the higher-end gifting market.

The development of franchising business in Mainland China was encouraging. The number of franchised stores has increased from 3 to 34 during the Year. As of today, 29 May 2015, the total number of self-operated and franchised stores increased to 169 and 43 respectively, amounting to a total of 212 TSL stores in Mainland China covering 80 cities. The Group believed that franchising will provide a major driving force to its turnover, brand development and profitability in China, further expediting the expansion of its sales network throughout the Mainland.

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The Group successfully launched its e-business platform in T-Mall in June 2014. Further online platforms, such as JD.com and HKTV Mall were also launched in August 2014 and February 2015 respectively. More new channels will be explored as they become available in order to complement our existing e-business platforms and the Group's brand strategy.

As part of its continuing brand revitalization efforts, TSL pioneered a new business platform to enable it to tap into the gifting market in celebration of the "anniversary" of couples. An integrated brand campaign named "Thank you for Loving Me" was launched in the last quarter of the Year. Despite very intense competition and a cluttered advertising environment during the peak sales season period, the campaign achieved a relatively high advertising recall and an overall high liking among all Hong Kong jewellery brands in Hong Kong and Shanghai. It has significantly lifted TSL's brand image and sales turnover in the top 12 key cities in Mainland China where the Campaign was run. Moreover, as a fun initiative for promoting the theme internally, The Group took the lead with its own staff by launching an additional benefit in the form of awarding an extra day of "Anniversary Leave".

Mrs. Tse concluded, "The on-going uncertainty in the world and Mainland China economies and the political reform debate taking place in Hong Kong have resulted in significant uncertainty for the business environment going forward. We have been taking careful cost control measures to combat this challenging environment. The Group believes that the unfavourable market environment currently being experienced is cyclical and transient. Despite careful cost control being applied by the Group at the moment, it will continue to invest in and enhance its brand, inventory, store network and human resources to ensure that it can continue to deliver higher returns to our customers and shareholders in the future.

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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.