Tse Sui Luen Jewellery (International) Limited
Announces Second Interim Results for the 12 Months Ended 28 February 2018

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Net Profit Doubled Due to Favourable Market Conditions and Effective Cost Control
Ready to Embrace When Opportunity Knocks

Financial Highlights

For the 12 months ended 28 February	**2018 HK$ Mil**	**2017 HK$ Mil**	**Change**
Turnover	**3,814.3**	3,410.9	**+11.8%**
Gross profit	**1,500.1**	1,526.7	**-1.7%**
Gross profit margin (%)	**39.3**	44.8	**-5.5pts**
Profit attributable to owners of the Company	**46.6**	23.2	**+100.9%**
Finance cost	**41.2**	64.3	**-35.9%**
Effective tax rate (%)	**41.4**	55.3	**-13.9pts**
Basic earnings per share (HK cents)	**18.9**	11.0	**+71.8%**
YTD dividend per share (HK cents)	**9.4**	**5.25**	**+79.0%**
- **First interim dividend per share (HK cents)**	**2.1**	**1.5**	**+40.0%**
- **Second interim / final dividend per share (HK cents)**	**7.3**	**3.75**	**+94.7%**
- **Dividend payout ratio (%)**	**49.7%**	**47.7%**	**+2.0pts**

(26 April 2018, 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 second interim results for the 12 months ended 28 February 2018 (the "**Period**").

The Group's turnover for the Period rose by 11.8% as compared with the corresponding period of last year to HK$3,814 million. Profit attributable to owners of the Company doubled to HK$46.6 million, which is mainly due to more favourable business conditions experienced towards the end of 2017 which continued into 2018, and cost saving measures undertaken by the Group during the Period including but not limited to a significant decrease in finance costs mainly due to the adjustment of the Group's financing structure. Earnings per share for the Period were 18.9 HK cents. The board of directors of the Company (the "**Board**") recommended a second interim dividend of 7.3 HK cents per share. Together with the first interim dividend of 2.1 HK cents per share for the period ended 31 August 2017, total dividend per share for the Period will amount to 9.4 HK cents, which is equivalent to a dividend payout ratio of 49.7%.

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"We are heartened by the Group's overall performance for the Period," said **Mrs. Annie Tse, Chairman and Chief Executive Officer of the Group**. "An upward trend in the number of tourists visiting Hong Kong and Macau was also experienced during the Period which was encouraging and a welcome relief to the entire retail industry in these regions following many years of a downward trend. Driven by a relatively favourable consumption sentiment across all the festive seasons, the average sales per invoice improved resulting in a year-on-year increase in the revenue of our Hong Kong retail operations during the Period. Coupled with the steady performance of our businesses in the Mainland China, Malaysia and our e-business platform, the Group's overall performance for the Period remained in line with our expectations."

By previously maintaining a prudent and cautious approach to expansion in Hong Kong and Macau, the Group started to benefit from the "store-for-store strategy" deployed over the past few years. Likewise, the Group has been reinforcing its market position as a wedding expert and strengthening its product uniqueness with the aid of new products via the launch of The Signature Collection – which demonstrates Trendsetting Craftsmanship – and the KUHASHI Collection – a new mix and match line determined to bring a touch of refined details in Japanese style with simplicity and elegance. The latter collection also showed the Group's effort in bringing international perspective to the Group's jewellery products and expanding our market to the younger generations.

Combining all the positive effects, sales turnover from Hong Kong and Macau recorded an increase of 10.3% while the overall same-store sales remained stable during the Period. The same-store sales growth (SSSG) of retail chain stores in Hong Kong, other than those at Headquarters, is in line with the market performance, catalysed by the 24k gold product promotions and other product enhancements that boosted up sales turnover satisfactorily.

Mainland China remained a vital role as the Group's growth engine. With a strategy of maintaining a comparable level in the number of self-operated stores, the Group's retail business in the region was stable during the Period, while the expansion in the franchised business achieved positive results. The Group also proactively addressed the trend that shoppers are choosing shopping malls over department stores by optimising its sales network. As of today, the number of self-operated and franchised shops reached 194 and 188 respectively, amounting to a total of 382 shops in Mainland China, covering 130 cities. Around 20% of the stores are located in shopping malls. Another branch of the Mainland operation was e-business, which achieved a positive outcome with sales surging by over 20% as compared with that of the corresponding period in 2017.

In addition to rising sales revenue, various cost control measures also contributed to a big jump in the Group's bottom line. Its finance cost, for example, came down by 35.9% to HK$41.2million due to the adjustment to the Group's financing structure. Its gearing ratio recorded a significant decrease from 55% to 43% while the effective tax rate was also dropped by 13.9 percentage points to 41.4%. Other key financial parameters remained at healthy levels during the Period.

Looking ahead, **Mrs. Tse** concluded, "Given that the political environment has appeared to be stabilised, we anticipate the retail market in Hong Kong and Macau to remain its L-shaped progress in a levelled manner. While we will take a prudent approach in this climate, we are also preparing ourselves to be ready for a potential market upturn through seeking appropriate opportunities for expansion. In Mainland China, to accommodate the shift in the shopping pattern, we are focusing on identifying high-traffic and quality shopping malls for future store openings and we will continue to speed up the process of our sales network optimisation. Furthermore, we will keep expanding our network at 100 stores in two years while deepening our cooperation with existing online platforms to increase the Group's ranking and performance. Last but not least, a new official mobile website is scheduled to launch later this year to complement the current online sales channels and boost the O2O effect."

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<u>About TSL Jewellery (HKSE stock code: 417)</u>

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 400 jewellery boutiques spanning over 160 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.