



**Tse Sui Luen Jewellery (International) Limited  
Announces 2016/17 Annual Results**

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*Narrowed Decline in Underlying Profit Shows Signs of Bottoming Out  
Navigate and Thrive in Challenges*

**Financial Highlights**

<i>For the year ended 28/29 February</i>	<b>2017 HK\$ Mil</b>	<b>2016 HK\$ Mil</b>	<b>Change</b>
<b>Turnover</b>	<b>3,410.9</b>	3,538.9	<b>-3.6%</b>
<b>Gross profit</b>	<b>1,526.7</b>	1,611.6	<b>-5.3%</b>
<b>Gross profit margin (%)</b>	<b>44.8</b>	45.5	<b>-0.7 pts</b>
<b>Profit attributable to owners of the Company</b>	<b>23.2</b>	23.6	<b>-1.9%</b>
<b>One-off gain on early redemption of convertible bond</b>	<b>3.0</b>	N/A	<b>N/A</b>
<b>Basic earnings per share (HK cents)</b>	<b>11.0</b>	11.2	<b>-1.8%</b>
<b>Total dividend per share (HK cents)</b>	<b>5.25</b>	4.1	<b>28.0%</b>
- Interim dividend per share (HK cents)	<b>1.5</b>	1.5	<b>0%</b>
- Final dividend per share (HK cents)	<b>3.75</b>	2.6	<b>44.2%</b>
- Dividend payout ratio	<b>47.7%</b>	36.6%	<b>11.1 pts</b>

(23 May 2017, 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 2017 (the “**Year**”).

The Group’s sales turnover for the Year decreased by 3.6% as compared to last year to HK\$3,410.9 million, while underlying profit of the Company saw a narrowed decline of 14.4% to HK\$20.2 million. The decline was mainly due to a continuing reduction in tourists visiting Hong Kong from Mainland China together with the ongoing instability of both the global and local economic and political environment, which conspired to create an unfavourable consumption sentiment for the Group’s retail outlets during the Year. Including a one-off gain on an early redemption of convertible bonds of HK\$3.0 million during the Year, profit attributable to owners of the Company slightly down by 1.9% to HK\$23.2 million.

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Earnings per share for the Year was 11.0 HK cents. The board of directors of the Company (the “**Board**”) recommended a final dividend of 3.75 HK cents per share. Together with the interim dividend of 1.5 HK cents per share for the period ended 31 August 2016, total dividend per share for the Year will amount to 5.25 HK cents, which is equivalent to a dividend payout ratio of 47.7% on a full-year basis. Additionally, the Board recommended a bonus issue of one bonus share for six existing shares held by shareholders, enabling them to enjoy a pro-rata increase in the number of shares without incurring any costs.

“While the Year has been a challenging one for the Group it has also been one that has encouraged us to work harder and to make changes that we believe will be of benefit to the Group both now and into the future. We have kept expanding our business by opening new shops in all operating regions especially through franchising and building new online business platforms in Mainland China.” stated **Mrs. Annie Yau Tse, Chairman and Chief Executive Officer of the Group**. “We also redeployed our resources by continuously adjusting the store network in Hong Kong to enhance the effectiveness and efficiency of our use of capital. Thanks to all these, we managed to narrow the decline in our underlying profit for the Year, in line with the industry’s average.”

The Group unveiled its International Design Collection platform with a debut showcase featured American art jewellery designer – Christine Keller – and her authentic designs and craftsmanship. This unique collection, which is made of 24-karat gold and other colourful materials, injected international art elements into the Group’s product assortment. With free workshops offered to customers to gain hands-on experience in making art jewellery pieces, this program has proven successful with desirable sales performance and very positive feedback from customers, making it a successful kick-off for future collaborations with global talents.

In Hong Kong, the Group took advantage of the rental market adjustment to penetrate into high-traffic areas, such as Times Square in Causeway Bay, Whampoa Garden in Hung Hom and Shatin New Town Plaza. After its strategic network expansion, the total number of stores of the Group in Hong Kong and Macau reached 32 as of today, 23 May 2017.

Accounting for over 60% of the Group’s turnover, Mainland China remained as the driving engine with a segment growth recorded at 15.1% and same store sales growth of 2.2%. As of 28 February 2017, the total number of self-operated shops was 198, while number of franchised shops rose from 83 to 132. As of today, the total number of self-operated and franchised shops increased to 200 and 139 respectively, amounting to a total of 339 shops in Mainland China covering 112 cities.

Carrying the strong momentum from last year, the Group continued to record a promising growth in its e-business of 281% during the Year. With a total of six existing platforms, namely, Taobao.com, Amazon.cn, Jumei.com, VIP.com, T-Mall.com and JD.com, the Group is poised to explore more suitable channels to complement its current combination.

The Group managed to keep its key financial parameters with due regard to market environment. With a further decrease in its net gearing ratio from 59% to 55%, the Group also achieved a healthy reduction of inventory level and robust increase in cash and cash equivalents during the Year.

Looking ahead, **Mrs. Tse** concluded, “2017 is a special year for the Company as it marks the 30th anniversary of listing as well as the 80th birthday of the founder Mr. Tse Sui Luen. We will continue to follow the footprints of the Mr. Tse who pioneered in developing the jewellery manufacturing industry and discipline during the 1960s. In light of the uncertain macro-environment, we will adopt a prudent and yet opportunistic approach in formulating our business strategies, while evolving continuously in accordance with market changes. As a whole, we will progressively expand our network outside major operating regions and traditional channels and I look forward to scaling new heights and achieving new milestones to ultimately create greater values for our shareholders, stakeholders and the community.”

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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 350 jewellery boutiques spanning over 110 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](http://www.tslj.com) or email to [ir@tslj.com](mailto:ir@tslj.com).