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Corporate News

Significant growth recorded in China

Driven by the fast expansion of franchised stores in Mainland China, TSL Jewellery ("the Group") recorded satisfactory growth in the region during the holiday seasons.

Sales in Mainland China during Christmas, New Year and Chinese New Year saw a remarkable increase as compared to that of last year. Thanks to a rapid development of the Group's franchised network, sales contribution from wholesale rose significantly on a year-on-year basis. The Group is confident that turnover from Mainland China will continue an upward trend while it remains cautious about Hong Kong's retail performance in the next 12 months.

In order to offset the decrease in sales of high-ticketed items, the Group has shifted its focus to young-

er generations. Its Finger Language campaign, for example, is one of the Group's latest achievements to draw more young consumers. Instead of using "love" – the traditional theme shown in many jewellery advertisements, "belief" is the key campaign message used to promote the Group's latest stack rings.

The Group also launched other innovations to enhance customers' shopping experience, including new window displays and self-served ring try-on stations – the first of its kind among Hong Kong jewellers.

With a challenging year ahead for all Hong Kong retailers, the Group is taking this opportunity to adjust its tactics in order to better prepare for the market to rebound. After proving that its new strategies, such as targeting on younger generation and store relocation, are on the right track, TSL Jewellery is confident that it is ready to get through rough times.



內地市場錄顯著增長

受惠於中國市場加盟店網絡的快速擴張，謝瑞麟珠寶（「本集團」）在節日期間於該地區的業務錄得滿意增長。

集團於聖誕節、元旦和中國農曆新年期間在內地的銷售較去年錄得顯著的升幅；批發業務的銷售亦隨著加盟店網絡的迅速發展按年大幅上升。集團有信心其來自中國市場的營業額將繼續保持上升的趨勢，惟對香港市場未來12個月的零售表現仍未感樂觀。

為彌補高價奢侈品銷售的減少，集團已把業務重點轉移至年輕市場，比如日前推出全新「指語」系列，正是針對年輕客戶的最新市場推廣策略之一。有別於許多以「愛」為主題的傳統珠寶廣告，集團這次以「信念」為推廣活動的主題，宣傳最新的鑽戒產品。

此外，集團也推出了其他嶄新的營銷手法以提升顧客的購物體驗，包括新穎的櫥窗擺設以及本地珠寶業界首創的全新鑽戒自助試戴服務專櫃等。

香港的零售商將繼續面對充滿挑戰的一年，集團藉此機會調整其業務策略，為零售市場的復甦做好準備。集團推行的各項新策略行之有效，包括轉攻年輕市場和調整店舖網絡等，促使謝瑞麟珠寶更有信心度過艱難時期。



Operational Focus

29 new stores opened between December 2015 and February 2016
家分店於2015年12月至2016年2月期間開業

The Group has extended its footprint to 108 cities and the new ones include:

集團在內地的銷售網絡達至 108 個城市，其中新增城市包括：

Nanchong, Sichuan Province 四川省南充市
Ma'anshan, Anhui Province 安徽省馬鞍山市
Dezhou, Shandong Province 山東省德州市
Jingjiang, Jiangsu Province 江蘇省靖江市
Xinxiang, Henan Province 河南省新鄉市
Binzhou, Hunan Province 湖南省郴州市
Xiangtan, Hunan Province 湖南省湘潭市
Putian, Fujian Province 福建省莆田市

Store network coverage 集團銷售網絡覆蓋

Location 地點	No. of stores 店舖數目 (As of 29 February 2016 截至2016年2月29日止)
Mainland China 中國內地	270
<ul style="list-style-type: none"> • Self-operated 自營店 187 • Franchised 加盟店 83 	
Hong Kong 香港	28
Macau 澳門	3
Malaysia 馬來西亞	3
Japan 日本	1
Total	305

Sustainable Development

TSL Jewellery Group bags Caring Company Logos

The Group's efforts in giving back to society have been well recognised as TSL Jewellery (H.K.) Co. Limited has been awarded the 5 Years Plus Caring Company Logo, while Tse Sui Luen Jewellery International Limited ("TSLI") has also been awarded the Caring Company Logo. The Group has been cooperating with numerous charitable organisations including UNICEF Hong Kong. With the successful launch of the "Your Little, Their Mickle" campaign in December 2015, the Group is committed to raising funds for UNICEF's Water and Sanitation Programme which helps children in rural China access safe drinking water and basic sanitation. The TSL Foundation has also been working with tertiary sectors in Hong Kong in the past year yet again to help



support sustainable development of the jewellery and creative industries.

Chairman Annie Yau Tse contributes to industry development

Mrs. Annie Yau Tse, Chairman of the Group, was appointed a member of the Jewellery Industry Training Advisory Committee (ITAC) from 2016 to 2018 by the Secretary for Education of Hong Kong to formulate and implement a Recognition of Prior Learning (RPL) mechanism for the jewellery industry. Mrs. Tse will be working closely with ITAC to contribute to the industry through her expertise and experience.

She was also elected as a member of the Quality Tourism Services Association ("QTSA") Governing Council (Retailer Category) for 2015-2017. By setting the highest levels in ethical standards and promoting service excellence, QTSA is committed to looking after the interests and improving the standards and prosperity of Hong Kong's retail and tourism-related sectors.

謝瑞麟珠寶集團獲得商界展關懷標誌

集團一向積極參與各項慈善事務，致力回饋社會，其努力與付出亦獲得廣泛認可：謝瑞麟珠寶(香港)有限公司榮獲「5年Plus商界展關懷」標誌，而謝瑞麟珠寶(國際)有限公司亦獲頒「商界展關懷」標誌。集團一直與眾多慈善組織合作，包括聯合國兒童基金會香港委員會，並於2015年12月成功開展「聚沙成金」慈善籌款活動，全力支持聯合國兒童基金會在中國農村貧困地區的飲用水與環境衛生的工作，為當地兒童提供清潔飲用水和基本衛生設施。此外，謝瑞麟基金在過去一年亦再度與香港專上教育界攜手合作，共同推動珠寶及創意產業的可持續發展。

集團主席謝邱安儀對行業發展不遺餘力

集團主席謝邱安儀女士獲教育局局長委任成為珠寶業行業培訓諮詢委員會成員之一，任期由2016年至2018年，致力為行業制定及推行「過往資歷認可」機制協助於行業落實資歷架構。謝太將與該委員會保持緊密合作，並運用她的專業知識和經驗，致力促進行業發展。

她亦同時被推舉為優質旅遊服務協會("QTSA")執行委員會(零售類別)2015年至2017年的選任委員。QTSA透過為業界訂立高水平的會員作業守則和推廣優質顧客服務，致力關注香港的零售業，以及與旅遊相關行業的利益，並改善它們的服務水平及整體利益。



Frequently Asked Questions

Q: How do you think of the rental trend for 1H 2016?

Hong Kong's retail industry is currently in an adjustment phase. Though the rental price has already been declining, the overall rent is still at a relatively high level. Therefore we expect a further price correction. The Group will proactively discuss with proprietors to attain rental reduction in certain stores. We also implement a "store-for-store" strategy to steer our focus to areas where traffic is more stable, such as shopping malls along MTR railways and residential areas, eyeing more repeat sales from loyal customers. As the rent for one store in prime areas can cover the cost of leasing at least two shops of the same size in residential areas, we expect the total number of stores will increase at the end of this financial year.

香港零售行業目前正處於調整階段。雖然租金價格已有下調，但整體租金仍處於相對較高的水平。因此，我們預期租金將進一步調整。集團將積極與業主商討，並期望部分店舖能獲得減租；我們亦採取「鋪換鋪」策略，店舖選址集中在一些人流較穩定的地區，如鐵路沿線商場和住宅區，希望吸引忠實顧客的重臨消費。由於在黃金地段的一個店舖租金可以覆蓋最少兩個位於住宅區且相同大小的店舖租金，我們預計店舖總數將在在本財政年度結束時增加。

管理層對2016年上半年的租金趨勢有何看法？

Q: What is your view on the retail market in 2016?

The ongoing slowdown of economic growth in China, impact of the devaluation of RMB and other unforeseen global economic circumstances, coupled with the sluggish retail market in Hong Kong, will continue to pose uncertainties for the retail market ahead. However, we believe that these market fluctuations are cyclical and transitory. There are still business opportunities and room for further expansion in the mass market. We have been cautiously planning and carrying out relevant strategies, including strengthening promotion with focus on younger consumer groups and expanding e-commerce business platforms, to have ourselves well prepared for challenges ahead.

中國內地經濟增長放緩，人民幣貶值，以及種種不可預見的經濟情況在全球不同地區中出現，加上香港零售市道低迷，均會繼續為業務帶來不明朗因素。儘管如此，我們認為這些影響均屬週期性及短暫性的市場波動。大眾化市場商機處處，仍有進一步的發展空間。我們一直謹慎地作好部署並開展相關策略，包括加強對年輕消費群的推廣活動，擴大電子商貿平台，藉以裝備自己以面對未來的種種挑戰。

管理層對2016年零售市場的預期？

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TSL Investor Snapshot is a business update sent to investors and media every three months.

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