

Stock Code: 417

Corporate News

Enhancing Effectiveness to Strengthen Competitive Edges

Tse Sui Luen Jewellery (International) Limited ("TSL Jewellery" or the "Company", together with its subsidiaries the "Group", HKSE stock code: 417) recorded an increase in sales for the six months ended 31 August 2017 (the "Period") by 11.8% year on year to HK\$1,733.5 million amid a stabilised retail environment in Hong Kong. Its profit attributable to owners of the Company also rose by 48.9% to HK\$17.5 million. Earnings per share for the Period were 7.1 HK cents, and the board of directors of the Company resolved to declare an interim dividend of 2.1 HK cents per share.

The Group has embarked on a campaign of refining its store portfolio by adopting the "store-for-store" strategy. While taking the opportunity of a gradual drop in retail rents, the Group penetrated into two more high-traffic shopping arcades in Sha Tin New Town Plaza and Yuen Long YOHO Mall during the Period. The turnover of the Group's business in Hong Kong and Macau recorded an increase of 5.3%, with the same-store-sales growth of retail chain stores returning to a positive growth of 3.6%.

Adhering to its effective franchise model, the Group continued to benefit from the business in Mainland China, which remained as the main growth driver and accounted for over 60% of the total turnover. E-business sustained its upward trend and saw a continuous growth of 33.3% during the Period. On the Chinese Valentine's Day (i.e. 28 August 2017), its major e-business platforms achieved an encouraging result as

sales surged by 30% year on year.

With a promising decrease in its net gearing ratio further from 58% on 31 August 2016 to 50% on 31 August 2017, the Group also succeeded in sustaining a healthy inventory level as well as cash and cash equivalents during the Period. These equipped the Group with a stable financial foundation for long-term development.

"Given the stabilised retail environment where the L-shaped trend is going to remain, we will continue to refine our sales network and reinforce our market position as a Wedding Expert. We will proactively introduce more signature products with Trendsetting Craftsmanship so as to enhance product assortment and brand differentiation. The Group will also continue to work with various jewellery designers to create more crossover collections and bring refreshing ideas and shopping experience to its customers. By building on our competitive edges and enhancing our effectiveness, we will strive to create better returns to our shareholders, stakeholders and the community," concluded Mrs. Annie Tse, Chairman and Chief Executive Officer of the Group.



(from left) Mrs. Annie Tse, Chairman and CEO, and Ms. Estella Ng, Deputy Chairman and Chief Strategy Officer & CFO of the Group
(左起) 集團主席及行政總裁謝邱安儀女士和副主席及首席策略暨財務官伍綺琴女士

鞏固實力 提升績效

鑒於香港零售業市況已經穩定，截至2017年8月31日止六個月（「本期間」），謝瑞麟珠寶（國際）有限公司（「謝瑞麟珠寶」或「公司」，連同其附屬公司「集團」，股份代號：417）之營業額按年上升11.8%至港幣17.33億元。本公司擁有人應佔盈利亦錄得48.9%的增幅，達港幣1,750萬元。本期間每股盈利為7.1港仙，本公司董事會議決宣佈派發中期股息每股2.1港仙。

集團通過採取「舖換舖」策略以進行店舖網絡優化計劃。於本期間藉著零售店舖租金逐漸下調的商機，集團先後進駐兩個人流暢旺的購物商場，包括沙田新城市廣場及元朗YOHO形點商場。集團的港澳零售業務營業額錄得5.3%升幅，該地區的零售連鎖店同店銷售增長亦重拾正軌並達至3.6%。

集團透過有效的特許經營業務模式，持續受惠於中國內地市場的業務發展。中國內地仍是集團的主要增長動力，佔整體營業額逾60%。集團的電子商貿業務亦保持升勢，於本期間錄得33.3%的持續增長，其主要的電子商貿平台於「七夕節」（即2017年8月28日）更取得突出成績，營業額按年增長30%。

集團的淨負債比率由2016年8月31日的58%，進一步下降至2017年8月31日的50%，存貨以及現金及現金等價物在本期間均繼續處於健康水平。上述各項數據均為集團提供穩健財務水平，奠定未來長遠發展的基礎。

集團主席及行政總裁謝邱安儀女士總結道：「鑒於零售業市況已經穩定，惟將以L型的趨勢持續一段時間，我們將繼續優化銷售網絡，並進一步加強『婚慶專家』之市場定位。秉承『非凡工藝潮流演繹』的品牌定位，我們將積極推出更多經典產品，以加強產品組合及提升品牌獨特性。集團亦繼續與不同珠寶設計師尋求合作機會，共同創造更多聯乘系列，為產品注入創新元素，並為顧客帶來嶄新購物體驗。在鞏固自身實力及提升績效的同時，我們將致力為股東、持份者及社區帶來更多回報。」

Operational Focus

21 new stores opened from September to November 2017
家分店於今年九月至十一月期間開設

The Group has presence in 122 cities in Mainland China and the new ones include :

集團於中國內地的銷售網絡達至 122 個城市，其中新增城市包括：

Yanshi, Henan Province 河南省偃師市
Jingdezhen, Jiangxi Province 江西省景德鎮市
Datong, Shanxi Province 山西省大同市
Beihai, Guangxi Province 廣西省北海市

Store network coverage 集團銷售網絡覆蓋

Location 地點	No. of stores 店鋪數目 (As of 30 November 2017 截至2017年11月30日)
Mainland China 中國內地	359
<ul style="list-style-type: none"> • Self-operated 自營店 192 • Franchised 加盟店 167 	
Hong Kong & Macau 香港及澳門	33
Malaysia 馬來西亞	4
Japan 日本	1
Total 總數	397

Sustainable Development

New Mix & Match Line to Target Young Ladies

As a trendsetter in the jewellery retail market, the Group strives to launch products with stylish designs to complement modern women's lifestyle with international perspectives. The KUHASHI Collection, the Group's latest mix & match line designed by Hitomi Matsumae, Designer of CORE JEWELS – a Japanese fine jewellery brand owned by the Group, is poised to bring a touch of refined details in Japanese style with simplicity and elegance to young ladies.

Named after the ancient Japanese word for "Refinement with Dedicated Details", the KUHASHI Collection features a wide selection of jewellery items ranges from necklaces to bracelets to earrings. All coming in with different designs, styles and lengths, this new line allows young ladies to mix and match different jewellery pieces to showcase their own style in all occasions, regardless for work or for leisure. This new collection is another step the Group took, after its well-received NOVA Collection, to expand its market share by attracting younger generations.

New Approach Brought Sustainable Growth on Singles' Day

Owing to a more profitable and sustainable business model, the Group sold a larger amount of jewellery products with higher prices on its major e-platforms on 11 November (also known as the Singles' Day). While gross profit enjoyed a double-digit growth, its gross profit margin went up several percentage points at the same time. Also on an upward trend were the Group's average selling price, which recorded a double-digit increase, and the largest voucher size, which went beyond RMB30,000 on the biggest online shopping day in Mainland China.

迎合年輕白領儷人的全新混搭系列

作為珠寶零售業界的創新領導者，集團致力推出時尚的產品設計，為現代女性帶來國際化的生活體驗。KUHASHI細萃系列為集團最新推出的混搭產品系列，由旗下日本珠寶品牌 CORE JEWELS 設計師松前瞳設計，致力為年輕的都市女性打造日系風格的簡約優雅之纖美。KUHASHI細萃系列以日本古語命名，意指「纖細之美」。該設計包括項鍊、手鏈以及耳環等不同類型的珠寶首飾。年輕的都市女性可自由搭配系列中不同設計、款式及長度的產品，讓她們無論是上班或放假，都能在不同場合盡顯個人風格。繼繁星系列推出後，此系列成為集團開拓年輕市場的重要一步。



Tails of Heart – another Japanese style collection – were launched concurrently and can mix and match with the KUHASHI Collection
同期推出日式風格寵在心系列，可與KUHASHI細萃系列搭配穿戴

 KUHASHI



KUHASHI Collection marks another milestone for bringing international perspective to the Group's jewellery products

KUHASHI細萃系列成為集團為其珠寶產品增添國際元素的又一里程碑

嶄新策略於光棍節實現持續增長

受惠於更有效益和更能持續發展的商業模式，集團在雙十一（亦稱為光棍節），通過其主要電子商貿平台售出更多價格較高的珠寶產品。該業務之毛利取得雙位數升幅的同時，毛利率亦上升數個百分點。此外，在中國最大型的網購節裡，集團平均單價同樣錄得雙位數升幅，而最高交易金額更錄得超過人民幣三萬元。

Frequently Asked Questions

Q: Will the Group launch any special promotions for the upcoming festive season?

集團會否將於即將到來的節日旺季推出特別促銷活動？

As we are approaching the traditional peak season of the retail industry, the Group is ready to greet all the holiday shoppers with its Annual Sales campaign kicked off last month. On top of this, we also launched limited-time offers to help consumers in sourcing gifts to reward themselves or for their loved ones. Meanwhile, as we see more gentlemen proposing during the festive season, we will strengthen our wedding campaigns with specially designed products, limited-time promotions on wedding-related jeweller and value-added consultancy services.

零售業的傳統旺季將至，集團已於上月展開年度促銷活動，以迎接一眾假日消費者。此外，我們更推出不同的限時優惠，為顧客挑選禮物獎勵自己或送贈摯愛提供更多選擇。同時，我們留意到有不少男士選擇在佳節求婚，故推出各類設計獨特的婚嫁首飾及婚嫁相關產品的限時優惠，並提供具附加值的諮詢服務，以強化各項婚慶推廣活動。

Q: What was the reason behind a decrease in gross profit and gross profit margin, and a negative same-store-sales growth (SSSG) in Mainland China for the Period?

集團為何本期間毛利和毛利率均有所下跌？中國內地之同店銷售亦錄得負增長？

The decrease in gross profit and gross profit margin were resulted from an increase contribution from gold products and franchised business, which bears lower profit margin. A negative SSSG in Mainland China was due to the effects from shifting stores from declining department stores to rising shopping malls have not yet emerged. We will speed up such process and expect the SSSG in Mainland China return to positive in the future.

毛利及毛利率下跌主要是由於附帶較低毛利率之黃金產品和加盟業務收入佔比提升。由於集團正逐步將位於人流逐漸減少的百貨公司店舖轉移至新興的購物商場，當中的效果尚未浮現，中國內地之同店銷售因此錄得負增長。我們將加快網絡優化步伐，並預期中國內地之同店銷售將於未來重回正增長。

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

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