

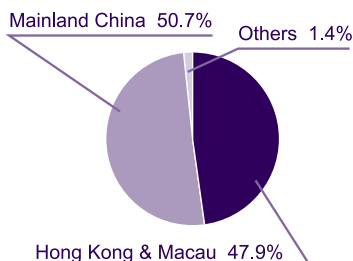
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Corporate News

Promising growth from Mainland China amid challenging environment

Tse Sui Luen Jewellery (International) Limited saw a promising future in Mainland China as the Group recorded a pleasant growth of 2.3% in retail business with same store sales growth at 1.5% in the region during its 2015/16 financial year ended 29 February 2016 (the "Year").

Fuelled by a network expansion in both self-operated and franchised stores, turnover from Mainland China has contributed over half of the Group's top line for the first time and this momentum is expected to continue in the future.



The Group's turnover by region for the year ended 29 February 2016
集團截至2016年2月29日全年銷售分佈

The Group further extended its e-business platform and achieved a substantial growth of 584% (with its comparative figure from mid-2014 to February 2015) as it joined a new channel, VIP.com, in July 2015 after its successful launch in T-Mall and JD.com.

The encouraging growth in Mainland helped to offset the slowdown in Hong Kong's retail market and limit the drop in the Group's overall consolidated gross margin to 1%, from 46.5% to 45.5%, while the turnover dropped 8.6% to HK\$3,539 million. The Company's profit attributable to owners declined by 40.6% to HK\$23.6 million. The Board of



(from photo left) Mrs Annie Tse, Chairman and Chief Executive Officer, and Ms Estella Ng, Deputy Chairman, Chief Strategy Officer & Chief Financial Officer
(左起) 主席及行政總裁謝邱安儀女士及副主席、首席策略暨財務官伍綺琴女士

Directors recommended a final dividend of 2.6 HK cents per share. Together with the interim dividend of 1.5 HK cents, total dividend per share for the Year will amount to 4.1 HK cents, representing a dividend payout ratio of 36.6%.

The Group managed to maintain a healthy financial position during the Year as cash, inventory level and inventory turnover days have continued to improve. Moreover, the operating cost of the Group has achieved a single-digit percentage drop against that of last financial year, which reveals that its cost control mechanisms have been effective.

Commenting on the annual results 2015/16, Mrs. Annie Yau Tse, Chairman and Chief Executive Officer of the Group said: "We are elated by the growth of business in Mainland China, namely the eye-catching expansion of the franchised network and the rapidly growing e-business. In face of the changing retail landscape in the markets, a prudent yet progressive approach will be taken in the next 12 months. We will stay positive and hold an optimistic long-term view about the Group's future and will continue to invest in and enhance our 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."

經營環境充滿挑戰中國市場仍保穩健增長

截至2016年2月29日(「本年度」)，謝瑞麟珠寶(國際)有限公司於期內的內地零售業務取得了2.3%之穩定增長，同店銷售增長為1.5%，足証謝瑞麟珠寶在中國市場前景亮麗。

在自營店及加盟店網絡迅速擴張的推動下，中國內地營業額佔集團總營業額超過一半，預計這一勢頭將持續。

本年度內，集團進一步擴展其電子商貿平台，其營業額表現激增584%(與2014年中開始至2015年2月期間之數據比較)。繼在「天貓」和「京東商城」成功設立電子商貿平台，集團於2015年7月亦進駐了另一平台「唯品會」。

中國內地業務增長令人鼓舞，彌補了香港零售市場放緩之現象並藉此成功控制集團的整體綜合毛利率僅由46.5%輕微下降1%至45.5%，營業額則按年下降8.6%至港幣35.39億元。公司擁有人應佔盈利減少40.6%至港幣2,360萬元。董事會建議派發末期股息每股港幣2.6仙，連同中期股息每股港幣1.5仙，本年度之每股股息為港幣4.1仙，年度派息比率為36.6%。

集團於本年度內維持穩健的財務狀況，現金水平、存貨水平及存貨周轉日數均持續得到改善。此外，集團的經營成本與上年度比較錄得個位數字跌幅，足証集團在控制成本機制之成效。

談及2015/16年全年業績時，集團主席及行政總裁謝邱安儀女士表示：「集團於本年度內地業務的表現令人滿意，特別是加盟店網絡的迅速拓展和電子商務平台的快速增長，使我們獲得極大鼓舞。我們於未來十二個月將以謹慎而進取的方式，應對瞬息萬變的零售市場局面。我們對集團的前景保持正面和樂觀的態度，並將繼續投資及提升其品牌、存貨、店舖網絡及人力資源，確保日後能夠繼續為顧客及股東帶來更高回報。」

Operational Focus

4 new stores opened between March and May 2016
4家分店於2016年3月至5月期間開業

The Group has extended its footprint to 109 cities and the new ones include:

集團在內地的銷售網絡達至 109 個城市，其中新增城市包括：

Zhuzhou, Hunan Province

湖南省株洲市

Mudanjiang, Heilongjiang Province

黑龍江牡丹江市

Store network coverage 集團銷售網絡覆蓋

Location 地點	No. of stores 店鋪數目 (As of 31 May 2016 截至2016年5月31日止)
Mainland China 中國內地	279
• Self-operated 自營店	191
• Franchised 加盟店	88
Hong Kong 香港	27
Macau 澳門	3
Malaysia 馬來西亞	3
Japan 日本	1
Total	313

Sustainable Development

Mainland China market as the driving force to bring sustainable growth

Uncertainty in the global and Mainland China economies and political instability in Hong Kong is expected to continue to loom over the local retail trade. However, the Group is well positioned to grasp opportunities as they arise with its long term strategies, and has every confidence to sustain and prosper in the long run.

Business in Mainland China will remain the Group's key growth engine, fuelled by the expanding sales network comprising self-operated stores and franchised stores. The Group plans to open more than 100 points of sale in the coming two years and explore more new channels to complement the existing store network and e-business platforms.

In order to facilitate the expansion, the Group will continue to invest in staff training and refining the product portfolio to serve the self-consumption market and suit

the demand for high craftsmanship gem-setting jewellery in the premium mass market.

Sound financial performance to maximise shareholders' value

The Group's management is committed to taking stringent cost control and enhancing its financial performance to be well prepared for future business development. One key target in the upcoming financial year is to maintain a healthy and steady inventory turnover and optimise inventory level to maximise shareholder values

With the above measures in place, the Group is determined to realising its vision and mission of providing a total styling solution that demonstrates and perfects one's style and taste through the daily wearing of "Fine Jewellery Accessories" of world styles, and to offer a variety of fine jewellery accessories that satisfy the specific needs of different target segments and bringing international lifestyles to China and beyond.

中國市場作為增長引擎以推動可持續發展

全球及中國內地經濟持續不明朗，加上香港政治不穩定預期將持續影響本地零售業。然而，集團已做好充分準備及制定長期戰略，以把握眼前的機遇。集團對其維持長遠發展的能力充滿信心。

在自營店和加盟店不斷擴展的銷售網絡推動下，中國市場將繼續作為集團業務增長的主要動力。集團計劃在未來2年於內地增設不少於100個銷售點，繼續開拓新的電子商貿銷售平台，與現有店鋪網絡發揮協同效應。

為了促進業務擴張，集團將持續投放資源加強員工培訓，提升及優化產品組合，以服務自用消費市場，滿足中高端大眾化市場對高工藝寶石首飾的需求。

財務穩健為股東帶來最高額回報

集團管理層致力於控制成本及強化財務表現，為未來業務的發展作好準備。下一財年的關鍵目標之一是保持健康穩定的存貨周轉率及優化庫存以達至股東價值最大化。

集團相信以上的措施將有助實現我們的願景——為顧客提供全面造型的解決方案，通過日常佩戴國際風格的珠寶配飾充分展現並完善個人風格及品味，並提供各式各樣的珠寶配飾以滿足不同消費群體的需求。同時希望透過我們的首飾，將國際化的時尚生活方式，引進中國及其他地方。



Jiangyin Huadi Department Store
江陰華地百貨



Dalian New Mart
大連新瑪特

Frequently Asked Questions

Q: What is the Company's view towards gold price in 2H 2016?

預測2016年下半年金價走勢如何？

According to the US Federal Reserve, it may raise its benchmark interest rate in June at the earliest. The news led to a strong US currency which put further pressure on the gold price. On the other hand, factors such as the UK referendum to decide whether Britain should leave the European Union and the US presidential election 2016 may push up the gold price before the end of the year. Generally speaking, the gold price is still under mid-to long-term observation, and is expected to fluctuate in short-term. In recent years, the Group performs well in its gold business and its overall business stabilising for the past several months. We expect to see more customers buying gold products when the gold price is dropping, and larger purchase size will compensate the impact from the fall of gold price on the Group's business as a whole.

據美國聯儲局會議紀錄顯示，美國可能最快6月宣佈加息，帶動美元轉強，相信這將令金價進一步受壓。另一方面，英國6月舉行是否退出歐盟的公投以及美國總統大選等因素，可能會在年底前推升金價。整體來說，金價目前依舊處於中長期資金觀望的局面，因此短線將持續來回波動。近年，集團的黃金業務表現理想，近數個月的整體生意轉趨穩定。金價下跌時必然吸引顧客多買黃金產品，以數量彌補金價下跌對集團生意的影響。

Q: Will China's business ratio exceed that of Hong Kong and Macau?

內地生意會否超越港澳地區的佔比？

In recent years, the Group's rapid growth in its franchise network in Mainland China drove the Group's overall business in the region. In 2015/16, the turnover from the region's business accounts for more than 50% of Group's total turnover. We will continue to focus on our franchise business alongside self-operated stores to develop the China market. We expect the franchise business will act as one of the main growth engines for the Group in the future. We target to open more than 100 new franchise stores in the next two years in Mainland China, and are confident that the turnover contribution from the region will further increase, and may form a 6:4 ratio against the business in Hong Kong.

近年，集團於內地的加盟店業務增長迅速，帶動內地整體業務。2015/16年度，內地營業額已佔集團總銷售額超過五成。我們將繼續以加盟店為主並配以自營店模式雙線發展國內市場，並預期內地加盟店將會是未來收入主要增長引擎之一。我們的目標為未來兩年內於內地新增不少於100間加盟店，並有信心內地收入佔比可望進一步提高，或與本港業務呈6：4佔比。

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

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