

Stock Code: 417

Corporate News

Navigate and Thrive in Challenges

Although confronted by a volatile market, Tse Sui Luen Jewellery (International) Limited ("TSL Jewellery" or the "Company", together with its subsidiaries the "Group", HKSE stock code: 417) managed to narrow its drop in underlying profit to 14.4% for the year ended 28 February 2017 (the "Year") to HK\$20.2 million, in line with industry's average. Sales turnover of the Group decreased by 3.6% as compared to last year to HK\$3,410.9 million, while, with 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 was slightly down by 1.9%.

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 on the basis of one bonus share for every six existing shares held by shareholders for the first time.

Despite a challenging environment, the Group kept expanding its business by opening new shops in all operating regions and building new online channels. In Hong Kong, the Group took advantage of the current rental market adjustment and penetrated into high-traffic areas, such as Times Square in Causeway Bay, Whampoa Garden in Hung Hom and Shatin New Town Plaza. With one more new store scheduled to open its doors in YOHO Mall in Yuen Long next month, the Group will continuously redeploy its resources to enhance the effectiveness and efficiency of the use of capital.

Thanks to a network expansion, especially the one for its franchise model, business in Mainland China remained as the driving engine with a segment growth recorded at 15.1%. Accounting

for over 60% of the Group's turnover, Mainland operation saw a same store sales growth of 2.2% in the Year. E-business also extended its presence to six channels in the Year – namely Taobao.com, Amazon.cn, Jumei.com, VIP.com, T-Mall.com and JD.com – and hence secured a promising growth at 281%.

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%, it also achieved a healthy reduction of inventory level and robust increase in cash and cash equivalents during the Year. These provided the Group with a healthy financial groundwork, and prepared for long-term development.

Mrs. Annie Tse, Chairman and Chief Executive Officer of the Group, said, "2017 is a special year for us as it marks the 30th anniversary of listing as well as the 80th birthday of the founder Mr. Tse Sui Luen. In light of the uncertain macro-environment, we will adopt a prudent and yet opportunistic approach in formulating our business strategies, while evolving unrelentingly in accordance with market changes. I look forward to scaling new heights and achieving new milestones to ultimately create greater values for our shareholders, stakeholders and the community."



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

洞察時勢 轉危為機

縱使面對複雜多變的市況，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）基本盈利之跌幅於截至2017年2月28日止年度（「本年度」）得以成功縮窄，下降14.4%至2,020萬港元，與行業水平持平。集團之營業額按年下降3.6%至34.11億港元，連同於本年度提早贖回可換股債券帶來300萬港元的一次性收益，公司擁有人應佔盈利僅輕微下降1.9%。

公司董事會（「董事會」）建議派發末期股息每股3.75港仙。連同截至2016年8月31日之中期股息每股1.5港仙，本年度之每股股息為5.25港仙，年度派息比率為47.7%。此外，董事會首次建議按每六股現有股份獲發一股紅股之基準向股東發行紅股。

儘管市場環境嚴峻，集團透過在各區開設新店及建立新的網上銷售平台，以不斷擴充業務。香港租賃市場正處於調整期，集團藉此時機滲透人流暢旺地區，例如銅鑼灣時代廣場、紅磡黃埔花園及沙田新城市廣場，並計劃在下月於元朗YOHO商場開設新店。集團將不斷重新配置資源，以提高使用資金的績效及效率。

受惠於網絡的拓展，尤其是特許經營模式，中國內地業務繼續成為集團的增長動力，並於年內取得15.1%的業務增長。年內，中國內地業務佔集團整體營業額逾60%，同店銷售增長則為2.2%。電子商貿業務方面，集團在本年度進一步拓展業務於六個電子商貿平台，包括「淘寶」、「亞馬遜中國」、「聚美優品」、「唯品會」、「天貓」及「京東商城」，並錄得281%的顯著增長。

因應當前的市場環境，集團致力維持各項關鍵財務指標。本年度，集團的淨負債比率由59%進一步下降至55%；庫存水平減至健康水平，現金及現金等價物亦得到大幅改善。這均為集團提供更穩健的財政基礎，並為未來長遠發展作好準備。

集團主席及行政總裁謝邱安儀女士表示：「2017年對集團來說意義重大，不僅是公司上市三十周年，同時亦是創辦人謝瑞麟先生八十壽辰。鑒於當前不穩的宏觀環境，我們在制定業務策略時，採取謹慎而又把握機會的態度，並因應市場變化不斷調整。我期待攀上高峰並踏進新里程，為股東、持份者及社區帶來更多回報。」

Operational Focus

17 new stores opened from March to May 2017
家分店於今年三月至五月期間開設

The Group has presence in 114 cities in Mainland China and the new ones include :

集團於中國內地的銷售網絡達至 114 個城市，其中新增城市包括：

Kaili, Guizhou Province 貴州省凱里市

Danyang, Jiangsu Province 江蘇省丹陽市

Dazhou, Sichuan Province 四川省達州市

Guangyuan, Sichuan Province 四川省廣元市

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 2017 截至2017年5月31日)
Mainland China 中國內地	338
• Self-operated 自營店	199
• Franchised 加盟店	139
Hong Kong & Macau 香港及澳門	32
Malaysia 馬來西亞	4
Japan 日本	1
Total 總數	375

Sustainable Development



A TSL flagship store opened in the heart of Kuala Lumpur to tap into the Malaysian market
集團於馬來西亞開設旗艦店，開拓當地市場

Launch of flagship store in Malaysia consolidates expansion overseas

As one of the largest jewellers in Asia, TSL Jewellery is keen on expanding its network overseas and Malaysia is one of the countries the Group is targeting on. With a total of four outlets in the country, the Group is positive about the jewellery retail business in this region and a newly opened flagship store in the capital city reiterated this view.

Located in the Elite Wing at Pavilion Kuala Lumpur, a prestigious shopping centre that houses some of the world's most prominent high-end brands, this luxury TSL boutique is equipped with a private VIP zone to showcase exquisite craftsmanship and offer unique customer experience to shoppers in this South East Asian country.

Well-heeled Malaysian consumers were amazed by the Group's finest craftsmanship and the "trendsetting" label via several VIP events and one recent example was the one that marked the grand opening of this 200-square-metre flagship store.

Kicking off the celebration was a 15-piece orchestra conducted by Mrs. Annie Tse, Chairman and Chief Executive Officer of the Group. Models wearing the Group's most sparkling jewellery pieces and outfits by three of Malaysia's renowned fashion designers – Beatrice Looi, Nurita Harith and Justin Yap – took to the runway next and celebrities from Hong Kong and Malaysia, including Mr. Ruco Chan, made special appearances, much to the delight of the crowd.

The success of the grand launch was a testament to the Group's determination to further develop outside its major operation regions to complement its current sales channels.



An opening act by a 15-piece orchestra conducted by Mrs. Annie Tse, Chairman and CEO of the Group
集團主席及行政總裁謝邱安儀女士率領一支15人管弦樂團為活動揭開序幕



Famous artist from HK, Mr. Ruco Chan, made an appearance to celebrate the grand launch
香港知名藝人陳展鵬先生獲邀出席開幕儀式

馬來西亞旗艦店開幕 拓展海外市場

作為亞洲最具規模的珠寶商之一，謝瑞麟珠寶銳意拓展海外市場，而馬來西亞更是其重點市場之一。集團對馬來西亞的零售業務前景感到樂觀，並已於當地開設四間分店，而最新一間位於首都的旗艦店更進一步表明此觀點。

這間謝瑞麟奢華珠寶旗艦店落戶吉隆坡知名購物熱點柏威年廣場的Elite Wing，與其他享譽全球的國際知名品牌為鄰。旗艦店內設有獨立貴賓室，讓顧客鑑賞精湛的珠寶工藝，同時享受與別不同的購物體驗。

一眾尊貴的馬來西亞顧客透過集團在當地舉辦的不同VIP貴賓活動，了解其非凡工藝及潮流品牌，而此佔地達200平方米的旗艦店之開幕典禮就是近期舉行的其中一次VIP活動。

開幕儀式由集團主席及行政總裁謝邱安儀女士指揮的一支十五人管弦樂團揭開序幕。隨後，一眾模特兒佩戴著集團最時尚華麗的珠寶首飾隆重出場，並身穿由三位當地享負盛名的時裝設計師Beatrice Looi、Nurita Harith及Justin Yap所設計的服裝。此外，包括陳展鵬先生在內的香港及馬來西亞名人紛紛亮相活動，令場面生色不少。

是次旗艦店的盛大開幕儀式足證集團致力在各主要營運地區以外拓展業務，與現有銷售渠道相輔相成。



Models took to the catwalk to showcase the Group's trendsetting craftsmanship
一眾模特兒透過時裝秀展示集團的非凡工藝水平

Frequently Asked Questions

Q: How was the Group's retail sales performance during the Labour Day long weekend?

集團於剛過去的一黃金周零售銷售表現如何？

Strong buying power of the holiday shoppers during the Labour Day long weekend boosted the Group's same store sales by 5.7% in its Hong Kong and Macau operation. During the three-day holiday spanning from April 29 to May 1, sales from the region grew by 17.2%, largely attributable to the newly opened outlets. We have seen some signs of stabilisation since March and the trend continued into April. While we believe the fall has hit the bottom, it is still too early to tell when the rebound will begin.

假日消費者於五一黃金周長假期的強勁購買力促使集團於香港及澳門市場的同店銷售錄得增長5.7%。在黃金周的三天假期內(即4月29日至5月1日)，集團整體銷售額增長17.2%，主要由新增分店帶動。我們認為香港的零售市場跌勢亦已於3月喘定，趨勢一直持續到4月。縱然我們相信此跌勢已觸底，惟何時能夠回升仍言之尚早。

Q: What is the reason behind the bonus issue? Any plan to further increase the dividend payout ratio?

集團為何向股東派發紅股？未來會否進一步增加派息比率？

2017 marks the Company's 30th anniversary of listing as well as the 80th birthday of our founder, Mr. Tse Sui Luen. As a result, the Board recommended a bonus issue for the first time to allow shareholders of the Company to enjoy a pro-rata increase in the number of shares without incurring any costs. Moreover, due to a robust financial position and sufficient cash and cash equivalents on hand, the Group increased its dividend payout ratio by 11.1 percentage points to 47.7% on a full-year basis, equivalent to market level. We will continue to review our dividend payout policy based on the company's capital needs and financial status.

2017年適逢公司上市三十周年，以及集團創辦人謝瑞麟先生八十壽辰，因此董事會首次建議向股東派發紅股，讓他們可按比例增加所持本公司股份數目而毋須承擔任何成本。此外，由於集團擁有穩健的財政狀況及充裕的現金流，本年度的派息比率因此較去年同期增長11.1個百分點至47.7%，與市場水平相約。我們將繼續根據公司的資金需要和財務狀況，不時檢討派息政策。

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

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