

Stock Code: 417

## Corporate News

### Ready to Embrace When Opportunity Knocks

Thanks to favourable market conditions and effective cost control, Tse Sui Luen Jewellery (International) Limited ("TSL Jewellery" or the "Company", together with its subsidiaries the "Group", HKSE stock code: 417) posted a net profit of HK\$46.6 million for the 12 months ended 28 February 2018 (the "Period"), which was doubled from the same period last year. Its turnover also increased by 11.8% year on year to HK\$3,814 million. Earnings per share for the Period were 18.9 HK cents.

The board of directors of the Company resolved to declare a second interim dividend of 7.3 HK cents per share. Together with the first interim dividend of 2.1 HK cents per share for the period ended 31 August 2017, total dividend per share for the Period will amount to 9.4 HK cents, which is equivalent to a dividend payout ratio of 49.7%.

By previously maintaining a prudent and cautious approach to expansion in Hong Kong and Macau, the Group started to benefit from the "store-for-store strategy" deployed over the past few years. Likewise, the Group has been reinforcing its market position as a wedding expert and strengthening its product uniqueness with the aid of new products via the launch of The Signature Collection and the KUHASHI Collection.

Combining all the positive effects, sales turnover from Hong Kong and Macau recorded an increase of 10.3% while the overall same-store sales remained stable during the Period. The same-store sales growth (SSSG) of retail chain stores in Hong Kong is in line with the market performance, catalysed by the 24k gold product promotions and other product enhancements that boosted up sales turnover satisfactorily.

"We are heartened by the Group's overall performance for the Period," said Mrs. Annie Tse, Chairman and Chief Executive Officer of the Group. "An upward trend in the number of tourists visiting Hong Kong and Macau was also experienced during the Period which was encouraging and a welcome relief to the entire retail industry in these regions following many years of a downward trend. Given that the political environment have appeared to be stabilised, we anticipate the retail market in Hong Kong and Macau to remain its L-shaped progress in a levelled manner. While we will take a prudent approach in this climate, we are also preparing ourselves to be ready for a potential market upturn through seeking appropriate opportunities for expansion."

### 常備不懈 迎接商機

受惠利好市場環境及有效成本控制，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）截至2018年2月28日止12個月（「本期間」）之純利增長達一倍至港幣4,660萬元，營業額按年上升11.8%至港幣38.14億元。本期間每股基本盈利為18.9港仙。

本公司董事會決議派發第二次中期股息每股7.3港仙。連同截至2017年8月31日之第一次中期股息每股2.1港仙，本期間之每股股息總額為9.4港仙，派息比率為49.7%。

有賴先前於港澳地區採取審慎嚴謹的擴張方式，集團已開始受惠於過去幾年採取的「舖換舖」策略。同時，集團一直加強其婚慶首飾專家之市場地位及通過推出新產品，例如The Signature Collection和KUHASHI細萃系列，加強產品獨特性。

集合各有利因素，本期間香港及澳門之銷售營業額錄得10.3%之增長，而整體同店銷售保持穩定。香港零售連鎖店之同店銷售增長符合市場表現，有賴24K黃金產品促銷及其他提升產品種類之措施，令銷售額達至滿意升幅。

集團主席及行政總裁謝邱安儀女士表示：「我們對於集團在本期間的整體表現感到振奮。本期間訪港澳遊客人數呈上升趨勢，繼多年來的下滑趨勢後為港澳地區的零售業帶來鼓舞及生機。鑒於政治環境呈穩定局面，我們預期港澳地區的零售市場將續以L型的趨勢平穩發展。在當前環境下，我們將繼續採取審慎的態度，並透過尋求合適的業務擴展機遇以更好地為未來市況好轉作好準備。」

## Operational Focus

**27** new stores opened from 1 December 2017 to 26 April 2018  
 家分店於2017年12月1日至2018年4月26日期間開設

The Group has presence in 130 cities in Mainland China and the new ones include :

集團於中國內地的銷售網絡達至 130 個城市，其中新增城市包括：

Baoji, Shaanxi Province, 陝西省寶雞市  
 Binzhou, Shandong Province 山東省濱州市  
 Deyang, Sichuan Province, 四川省德陽市  
 Hohhot, Inner Mongolia Autonomous Region 內蒙古自治區呼和浩特市  
 Luzhou, Sichuan Province, 四川省瀘州市  
 Pu'er, Yunnan Province 雲南省普洱市  
 Yinchuan, Ningxia Hui Autonomous Region 寧夏回族自治區银川市  
 Zaozhuang, Shandong Province 山東省枣庄市

### Store network coverage 集團銷售網絡覆蓋

Location 地點	No. of stores 店鋪數目 (As of 26 April 2018 截至2018年4月26日)
Mainland China 中國內地	382
Self-operated 自營店	194
Franchised 加盟店	188
Hong Kong & Macau 香港及澳門	31
Malaysia 馬來西亞	4
Japan 日本	1
<b>Total 總數</b>	<b>418</b>

## Sustainable Development

### Comprehensive Plan to Further Boost Efficiency from Mainland Operation

The growing middle class in Mainland China provides the Group with a solid base and plenty of room for the expansion of its offering of luxury jewellery to this segment for personal use. Due to a recent shift in the shopping pattern by Mainland shoppers away from department stores to shopping malls, The Group is proactively addressing such a change by optimising its sales network by putting a focus on identifying high-traffic and quality shopping malls for future store openings. So far, approximately 20% of the stores are located in shopping malls and the process of the sales network optimisation is expected to further accelerate in the coming year. Although the efficiency of this optimisation has not yet fully reflected, the Group stays positive that its SSSG in this region would be further improved. Also, in order to facilitate the expansion in Mainland China, the Group will keep expanding its network at 100 stores in two years.

As for its e-business, which is another branch of its Mainland operation and posted a double-digit turnover growth for the Period, the Group will deepen the cooperation with existing online platforms to increase its ranking and performance. Furthermore, a new official mobile website is scheduled to launch later this year to complement the current online sales channels in the region and boost the O2O effect.

### Sound Financial Position to Support Sustainable Development

In addition to rising sales revenue, various cost control measures also contributed to a big jump in the Group's bottom line. Its finance cost, for example, came down by 36% to HK\$41.2 million due to the adjustment to the Group's financing structure. Its gearing ratio recorded a significant decrease from 55% to 43% while the effective tax rate was also dropped by 13.9 percentage points to 41.4%. Other key financial parameters remained at healthy levels during the Period.

### 完善計劃進一步提升內地營運效率

集團相信中國內地日益增長的中產階層為自用奢華珠寶市場提供穩固根基以及足夠的擴展空間。由於中國內地消費者之購物模式從百貨公司轉至購物商場，為積極應對這一轉變，集團正在重整中國內地的零售網絡，未來店舖開設將以物色人流暢旺及優質購物商場為焦點。目前集團約20%的店舖位於購物商場內，銷售店舖調整步伐來年將會進一步加快。雖然有關調整的效果尚未完全浮現，但集團相信該區的同店銷售增長將進一步改善。同時，為了促進中國內地業務擴張，集團將繼續保持兩年內增加100間店舖的開店步伐。

電子商貿是內地營運的另一業務分部，期內錄得雙位數銷售增長。集團將透過加強現有網上平台的營運，提升其於各平台的排名和表現。此外，集團全新的手機版官網商城計劃於今年內推出，務求與區內現有線上銷售渠道互補優勢，從而加強O2O效應。

### 穩健財務 支持持續發展

除銷售收入有所增加，各項成本控制措施亦令集團純利實現大幅增長。舉例言之，集團通過調整融資結構，財務費用大幅下降36%至港幣4,120萬元，而且其負債比率亦由55%大幅減至43%，有效稅率更下降13.9個百分點至41.4%。其他主要財務指標於本期間均維持在健康水平。

## Frequently Asked Questions

Q: Is the upward trend of the favourable consumption sentiments expected to sustain?

預期消費情緒的上升趨勢可否持續？

The recent increase in the number of tourists visiting Hong Kong and Macau coupled with the positive consumption sentiment across the festive season, have been encouraging to the entire retail industry in the regions. Buoyed by a comparatively stabilised political environment, consumption sentiments in the near future is expected to continue its upward trend while the retail market retains its L-shaped progress in a levelled manner.

近日到訪香港及澳門的旅客人數增加，加上節日期間的消費氣氛積極，帶動區內的整體零售環境。由於政治環境相對穩定，集團預期消費情緒將持續保持上升趨勢，零售市場亦將續以L型的趨勢平穩發展。

Q: Why did the Group change its financial year end date from 28 February to 31 March?

為何集團將財政年度結算日由2月28日改為3月31日？

The overall retail cycle in the industry is affected by the seasons in general. In particular, the Group's normal levels of receivables and cash cannot be truly reflected due to the long public holiday in China. With a financial year ending at the end of March, the financial reporting cycle of the Group will coincide with the natural retail cycle in the industry and provide a more meaningful and comparable basis for shareholders and investors to understand and evaluate the Company's financial results.

業內的整體零售週期一般受到季節影響。尤其由於受中國長假期之影響，集團之正常應收賬及現金水平未能有效確切反映其中。集團以3月底作為財政年度結算日，其財務匯報週期將更能配合業內的自然零售週期，並為股東及投資者提供更具意義及可比較的基準，讓他們了解及評估公司的財務業績。

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

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