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TSL | 謝瑞麟 Investor Snapshot

Stock Code: 0417.HK

Corporate News

Batten Down the Hatches

Tse Sui Luen Jewellery (International) Limited ("TSL Jewellery" or the "Company", together with its subsidiaries, the "Group", HKSE stock code: 417), issued a profit warning. The Group expected to record a significant loss attributable to owners of the Company of not less than approximately HK$220 million for the year ended 31 March 2024 (the "Year").

The Group's business in Mainland China has been facing grave challenges. Consumer sentiment on luxury products, especially on natural diamond jewellery, have dampen due to the downturn in real estate market. The Group has been transforming its business model and focusing on pure gold products business to adapt to the drastically change in sales mix. During the Year, the sales performance of gold jewellery outperformed, yet it is unlikely to mitigate the impact of sharp decline in market demand for natural diamond jewellery as it yielded lower profit margins.

In Hong Kong and Macau, the Group's business has gradually improved since border reopened. Both governments have actively launched multiple large-scale activities and conducted diverse promotional campaigns to spur economic revival. These moves have contributed to the notable increases in turnovers and same store sales during the Year. Nevertheless, post-pandemic recovery encountered resistance due to complicated external factors and revenge outbound travel of local residents. In addition, tourists have been replacing the consumption-based travel pattern with in-depth travel, causing the recovery in the Group's business to lag behind expectation. Meanwhile, the recovery pace of the business of Hong Kong and Macau remained insufficient to alleviate the pressure exerted by the depreciation of Renminbi and persistently high interest rates.

Although the path to revive consumer confidence remains long, the Group is committed to upholding quality in design and craftsmanship as well as optimizing the sales mix and retail network while staying abreast with industry developments and market changes, in addition to maintaining adequate cash flow and capitalizing on opportunities that arise in the evolving retail landscape.

The Group issued profit warning expecting downhill performance
集團發出盈利警告預料虧損增加

權時制宜 迎難而上

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」，香港聯交所股份代號：417）發出盈利警告，預計集團截至2024年3月31日止年度（「本年度」）將錄得重大的本公司擁有人應佔虧損約不少於港幣 220,000,000 元。

集團在中國內地業務面臨嚴峻考驗。受房地產市場低迷拖累，消費者對奢侈品的消費意欲疲弱，尤其對天然鑽石珠寶的需求顯著下跌。集團已積極進行業務模式轉型，並專注於純金產品業務，以適應急劇變化的銷售組合。於本年度內，金飾產品銷售表現增加，惟其利潤率較低，難以緩解市場對天然鑽石珠寶需求急挫帶來的影響。

港澳方面，集團業務在兩地全面通關後亦逐步向好。兩地政府積極推出多項大型活動及進行多渠道宣傳活動以恢復經濟，有助集團的兩地零售業務於本年度內錄得營業額顯著上升及同店銷售增長。然而複雜的外圍因素及市民報復式外遊令本地零售業疫後復甦受到阻力，加上旅客以深度遊代替過往以購物為主導的旅遊模式，使集團業務的復甦幅度遜於預期，而兩地業務回暖的步伐仍不足以紓緩年內人民幣貶值和利率持續上調對本集團盈利構成的壓力。

儘管重振消費者信心之路仍然漫長，集團將繼續致力在設計及工藝上精益求精，並優化銷售組合和零售網絡，同時緊貼行業發展和市場變化，並維持充足的現金流，以在不斷變化的零售環境中尋找機遇。

Operational Focus

18 new stores opened from Jan to Mar 2024
家分店於2024年1至3月期間開設

The Group has presence in 116 cities in Mainland China
集團於中國內地的銷售網絡遍佈116個城市

Store network coverage 集團銷售網絡覆蓋

	No. of stores 店舖數目 (As of 31 Mar 2024 截至2024年3月31日)
Mainland China 中國內地	391
Self-operated 自營店	*90*
Franchised 加盟店	*301*
Hong Kong & Macau 香港及澳門	25
Malaysia 馬來西亞	8
Japan 日本	1
Total 總數	**425**

Sustainable Development

Primed for Success

The global economy is still facing severe downward challenges and various risks. Responding to the impacts and affects brought by various complex and volatile external factors on the Group's business, the Group has implemented a series of measures since the second half of 2023.

The Group is undergoing a business transformation, focusing on gold jewellery products across all operating regions to meet the changing consumers' demand. The Group is also determined to develop its franchise business in Mainland China. To cope with business transformation, the Group is implementing measures to reorganize its operational structure, including cost control strategies, such as restructuring store network, streamlining organization functions through human resources allocation, substantial reduction in staff costs and restructuring inventory mix. A restructuring expense of not less than HK$70 million is involved in the expected loss. The Group believes considerable time and monetary investment will be involved to adapt to the rapidly changing sales mix and market trends before profitability could be turned around.

The Group will continue to cautiously respond to challenges and closely monitor market developments, to overcome difficulties and achieve long-term sustainable development.

準備就緒 蓄勢待發

全球經濟仍然面臨嚴峻考驗及各種下行風險影響。集團為應對各種複雜多變的外圍因素對集團業務所帶來的衝擊和影響，於2023年下半年已落實一系列措施。

集團正進行業務轉型，在各營運地區更專注金飾產品，以緊貼消費者需求的變化，並矢志發展國內加盟店業務。集團亦採取措施重組營運架構，包括成本控制策略，如重整店鋪網絡、透過調配人力資源精簡組織職能、大幅削減員工成本及重組庫存組合等以配合業務轉型。預料重組費用佔預期虧損中不少於港幣70,000,000元。集團相信仍需要投入相當的時間和資金，以適應急劇變化的銷售組合和市場趨勢，才能扭轉獲利能力。

未來，集團將繼續審慎應變，同時密切關注市場發展，以克服困境及實現長遠的可持續發展。

The Group focuses on gold jewellery products to cater for market needs
集團專注金飾產品以迎合市場需求

Frequently Asked Questions

Q1: How was the Group's sales performance during the Easter holiday?

A1: A significant proportion of the local population travelled out of the city during the Easter holiday. The local consumption atmosphere remained weak, affecting the sales performance of the Group during the holiday. The Group will keep launching different promotional campaigns and discount offers to maximize sales during peak season.

Q2: What is the Group's view on the gold price trend and high demand for gold? How will the Group cater for market needs?

A2: Influenced by external factors, the demand for gold is strong. The Group believes that the upward trend in gold price and strong gold demand will continue. The Group will adjust the business strategies to cope with the market situation and actively transform its business model. Other than focusing on traditional Chinese wedding gold jewellery, the Group will also launch gold products with trendy designs for daily wear purpose. The Group will continue to monitor the market situation and formulate corresponding strategies to capture business opportunities.

問1: 集團於復活節假期的營業表現如何？

答1: 眾多市民於復活節假期間外出旅遊，本地消費氣氛仍然疲弱，影響集團於假期期間的銷售表現。集團將繼續推出不同的促銷活動及折扣優惠，致力在旺季提高銷售額。

問2: 集團對金價趨勢及黃金需求高企有何看法？集團會如何配合市場需要？

答2: 由於外圍因素影響，黃金的需求强勁，集團相信金價上升趨勢和黃金需求將會持續。集團將按市場情況，調整業務發展策略，並積極進行業務模式轉型。除繼續專注傳統婚嫁之金飾產品，集團亦將推出時尚金飾作日常配戴之用。集團會繼續留意市場情況，制訂相應的策略以捕捉商機。

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