



Letter to the Shareholders

致股東的函件

I am pleased to announce that for the fiscal year ended 28th February, 2001, although the Group continued to report a loss, our results have demonstrated a substantial improvement from the previous year and I am confident of a continued improvement in the Group's financial position. Whilst turnover has decreased by 7% as compared to last year, we were able to contain the drop in gross profit (excluding the provision for obsolete inventory) at the 4% level. The improvements in the overall results are attributable to our continuing efforts to improve operating margin and decrease bank indebtedness.

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人欣然公佈，本集團截至二零零一年二月二十八日財政年度之業績已大幅度改善，儘管仍然錄得虧損，惟已較上年度同期有明顯進步，本人有信心認為本集團之財政狀況將會繼續改善。

儘管營業額較上年度減少7%，惟本集團亦能將毛利（不包括過時存貨撥備）的跌幅控制在4%之水平。整體業績得以改善，全賴本集團全人上下一心努力提升經營利潤及減輕銀行債務負擔所致。



Since the signing of the debt restructuring agreement with our principal bankers on 3rd August 2000, the Group has begun to consolidate many of our existing jewellery and non-jewellery operations. The purpose of the consolidation is to focus the Company on its core business, which is the manufacture and distribution of jewellery products. In the coming year, the following key measures will be undertaken to improve the profitability of the Group and to rationalise its structure:

自 二零零零年八月三日
與各往來銀行簽署債務
重組協議以來，本集團已開始
整頓多間經營珠寶及
非珠寶業務之公司。整頓業務
在於專心一意發展
本集團之核心珠寶業務——
製造及分銷珠寶首飾產品。在
新的一個年度內，
本集團
將會採取以下主要措施，
務求提升盈利能力及優化財務
及營運架構：





* **C**ontinuation of the existing policy of disposing non-core assets to generate more funds to repay bank debt and reduce interest costs;

* **C**ontinue discussions with our preference shareholder to restructure its investment with the Company;

* **R**estructuring of our PRC operations to create a stronger platform for business in China and to prepare ourselves for China's imminent entry into the WTO;

* **C**apitalization of the existing strength of the TSL name to generate more jewellery sales opportunities; and

* **I**mprovements in the efficiency and control of our internal functions through training and process re-engineering.

• **繼**續實行現時之政策，出售非核心資產，藉以獲得更多資金以償還銀行債務及減少利息支出；

• **與**本公司之優先股股東磋商有關重新安排彼等於本集團之投資；

• **重**整國內之業務，以便鞏固本公司的基礎，為中國加入世界貿易組織後大展拳腳作好準備。

• **盡**量發揮TSL商標現有之號召力，發掘更多銷售珠寶首飾之機會；及

• **透**過培訓及業務流程重整，提升本集團之內部運作效率及管理。



Several new members have been invited to join our Board of Directors to strengthen the corporate governance and provide professional advice to the Group.

Despite negative economic factors such as the weakening of the U.S. economy and the slower spending by both Hong Kong residents and Mainland Chinese tourists, our management team has taken steps to improve the Group's profitability and competitiveness.

On behalf of the Group, I would like to take this opportunity to give our sincere appreciation to our bankers, trade partners, shareholders, and staff who share our confidence in the fundamentals of our core business and support the Group in the past year and beyond.

Tse Tat Fung, Tommy
Chairman and Chief Executive Officer
15th June, 2001

本集團已邀請多位新董事加入董事會，藉以加強公司管治及向本集團提供專業意見。

雖然面對著美國經濟放緩、香港居民及國內遊客之購買力下降等負面經濟因素，管理層已推行一系列改善措施以便提高本集團之盈利及競爭能力。

本人謹藉此機會對本集團各往來銀行、貿易夥伴、股東及員工在過往一直堅信本集團核心業務基礎穩固及對本集團給予支持致以衷心感謝。

謝達峰
主席兼行政總裁
二零零一年六月十五日