



Progressive



Achieving
Advancement
through
Uncompromising
Creativity



Letter to the Shareholders

致股東的函件



I would like to report the past year was one of consolidation which aimed at refocusing on our core jewellery business. With the aim of restoring growth, the Group has pursued the following initiatives:

- Successful disposal of 60% of non-core properties realizing approximately HK\$39.8 million applied to reduce bank indebtedness. Finance costs have been reduced by HK\$13.7 million;
- Negotiation for restructuring of preference shares was completed on 17 June 2002 with the result that The China Retail Fund, LDC will become a strategic investor in our jewellery business in Mainland China;
- Restructuring of our operations in Mainland China is under way. Our jewellery processing joint venture in Beijing has been operating smoothly since August 2001. New and experienced management team members have been recruited to equip the Group in facing the challenges following China's entry into the WTO;

本人宣佈，去年為鞏固基礎及專注發展核心珠寶業務的一年。為使集團業務重拾升軌，本集團已採取下列各項措施：

- 成功出售60%之非核心物業，並將債務減少逾39,800,000港元。財務費用減少了13,700,000港元；
- 本集團在2002年6月17日已完成重整優先股之磋商，中國商業發展基金將成為本集團國內珠寶業務的策略性投資者；
- 本集團正繼續重整國內之業務。自2001年8月起，本集團在北京的合資企業運作順利。多名經驗豐富的管理階層人員先後加入，為中國加入世貿組織後大展拳腳作好準備；

- A new corporate identity has been created together with a contemporary new store image introduced at our Beijing and Kuala Lumpur retail stores. Our flagship store in Central, Hong Kong was opened in May 2002. The new store image is planned to be introduced across TSL's regional retail stores at strategic locations;
- Over 75% of our operation staff have received quality service, product or language training since last year with a view to better serve our customers and in line with our new era in providing a uniformed and new image to the public. Cross-functional meetings were regularly held to improve operational procedures. Management team members have actively participated in team building exercises which aimed at creating a positive corporate culture and pride in serving the Group.
- 全新的公司定位及具時代感的店舖形象，已率先在北京及吉隆坡店舖採用。而香港的旗艦店已於2002年5月在中環正式開幕，全新店舖形象亦計劃逐步擴展至本集團在亞洲區內的策略性銷售點；
- 自去年起，逾 75% 前線員工曾接受了優質服務、產品或語言之培訓，以提高我們對顧客的服務質素。各部門更經常舉行跨部門會議，以改善日常運作之流程。而管理階層亦積極透過不同活動，創造積極的團體文化，並以為本集團服務而自豪。

We will continue our endeavours in these areas so as to lay a solid foundation for future growth of our core jewellery business. At TSL, **progressive**, **quality** and **professional** are the core corporate values and are being integrated into every aspect of our operations.

我們將繼續在上述範疇努力不懈，為集團建立核心業務的穩健基礎。更會盡力將集團的企業文化－**積極向前**、**追求卓越**及**專業精神**－凝聚於日常營運的每一環節，力求精益求精。

- We enjoy an excellent reputation amongst jewellers and customers for being **progressive** in our retailing business, with innovative designs that win awards. Last year, we received 12 awards in various jewellery design competitions. We were the only Hong Kong designer to win the award of "Gold Virtuosi 2" at the "International Jewellery Design Awards" at Italy's Vicenza Trade Fair in 2002;
- 憑藉零售業務、創新的時尚珠寶首飾設計以及贏得多項業內設計殊榮，本集團一直在業內及客戶間享有**積極向前**的良好口碑。去年，本集團在多個國際及亞洲區的珠寶設計大賽中，共獲得12項獎項。在2002年的意大利維琴察(Vicenza)國際珠寶展覽中，我們的珠寶設計師更是唯一的香港得獎者，勇奪「2002 黃金經典設計大獎」；



- We are committed to deliver **quality** service, products and the overall jewellery shopping experience to our customers. Training of our frontline staff, emphasizing jewellery knowledge and selling techniques, has been strengthened to ensure quality service;
- TSL will continue to provide **professional** jewellery consultancy service to our customers, as well as the jewellery know-how with regards to knowledge in gemstones, jewellery making techniques and craftsmanship.

Looking forward, we anticipate the Group's performance in the coming year will improve based on the following positive factors:

- The continued recovery of the U.S. economy will help to improve the overall export trading volume in Hong Kong;
- The relaxation in controlling the numbers of inbound tourists from Mainland China to Hong Kong will inject new vitality to the Hong Kong retail industry;
- Our extensive network of sales outlets will undoubtedly benefit from the promising economic growth and the growing purchasing power of people in Mainland China.

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

Tse Tat Fung, Tommy
Chairman and Chief Executive Officer

Hong Kong, 17 June 2002

- 本集團承諾為客戶提供**優質**的服務、產品，以至全面及優質的購物體驗。為此，我們為前線銷售員工提供多項培訓，專注對珠寶的認識和銷售技巧等，以保證優質服務；
- 本集團不但繼續竭誠為客戶提供**專業**的珠寶顧問服務，更提供我們對珠寶寶石、製作及工藝的知識。

展望未來，以下正面因素將有利改善本集團未來一年的整體表現，包括：

- 美國經濟持續復甦，有助促進香港整體出口貿易量；
- 放寬限制中國大陸旅客訪港人數，為本地零售業務注入動力；
- 本集團廣大的銷售網絡無疑將受惠於中國大陸經濟的迅速增長及國民購買力的不斷提昇。

本人謹藉此機會對本集團各往來銀行、商業伙伴、股東及員工，在過往一年及未來對本集團核心業務基礎抱有信心並對本集團給予支持，致以衷心感謝。

謝達峰
主席兼行政總裁

香港，2002年6月17日