TSE SUI LUEN JEWELLERY (INTERNATIONAL) LIMITED
謝瑞麟珠寶(國際)有限公司*

(*Incorporated in Bermuda with limited liability*)

(Stock Code: 417)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO PROPOSED CHANGE OF AUDITOR

Reference is made to the announcement of the Company dated 27 July 2026 (the "**Announcement**") and the circular of the Company dated 30 July 2026 (the "**Circular**") in relation to the proposed change of auditor of the Company. Unless otherwise stated herein, capitalized terms used in this announcement shall bear the same meaning as those defined in the Announcement and the Circular.

The Board wishes to provide the Shareholders and potential investors of the Company with additional information regarding the proposed change of auditor.

ASSESSMENT OF THE NEW AUDITOR

In accordance with paragraph 2.2.4 of the Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors issued by AFRC (the "**Guidelines**"), the Audit Committee considered the following factors in evaluating Deloitte from an audit quality perspective:

(a) Governance and Leadership

The Audit Committee took note that Deloitte is one of the Big Four accounting firms. The Audit Committee reviewed Deloitte's organisational structure and relevant policies in quality management regarding governance and leadership. The Audit Committee noted that the Deloitte team serving the Company comprises an engagement partner, other audit partners and an engagement quality review partner, each with many years of audit experience. They are supported by a team of experienced auditors as well as specialist teams, most noticeably, the tax and business advisory team.

(b) Compliance with Relevant Ethical Requirements

Deloitte has confirmed its compliance with the Code of Ethics for Professional Accountants published by the Hong Kong Institute of Certified Public Accountants, including the independence provisions.

The Audit Committee also noted Deloitte's global policy "Global Principles of Business Conduct", which is available on its website and outlines Deloitte's ethical commitments and expectations for all Deloitte staff.

* *For identification purpose only*

Based on this, the Audit Committee concluded that Deloitte maintains good standards of integrity, objectivity and independence.

(c) Industry Knowledge and Technical Competence

The Audit Committee has taken into account the following credentials of Deloitte and the proposed audit engagement team to conclude that Deloitte has relevant industry experience and technical competence to serve the Company:

1. Deloitte is a registered public interest entity auditor registered with the AFRC and possesses extensive audit experience in the jewellery retail sector, having provided audit services to a number of Hong Kong listed companies in the luxury goods and jewellery industry;

2. the engagement partner, engagement quality review partner and majority of the core team members of the audit engagement team have relevant industry experience as well as extensive experience in providing audit services to listed companies; and

3. the audit engagement team is led by an engagement partner who is a certified public accountant (practising) in Hong Kong and a registered responsible person for public interest entity engagement with AFRC, supported by specialist teams in technical areas such as IT and taxation.

(d) Engagement Performance

The Audit Committee enquired into Deloitte's audit methodology and audit strategy, including the scope, timetable, key audit focus and key engagement team members. Having reviewed its audit approach and profiles of the engagement partner and allocated team members, including the allocation of budgeted audit hours (over 3,500 hours in aggregate by a dedicated professional team), the Audit Committee is satisfied that Deloitte has adequate staff resources and capacity to perform a quality audit, having regard to the Group's business scale and the number of group entities.

(e) Communication and Interaction with the Audit Committee

The Audit Committee has met with Deloitte prior to its engagement. Deloitte has committed to providing open and frequent communication with management and those charged with governance. The communication covers the timing of key milestones, the scope of the audit engagement and key issues and significant areas of the audit. Meetings between Deloitte and the Audit Committee will be conducted to report key audit issues, fraud risks, internal control deficiencies and audit findings during the audit process prior to finalisation of the consolidated financial statements.

(f) Monitoring Process

To the best knowledge of the Audit Committee, the Audit Committee is not aware of any behaviour or activities from Deloitte that would threaten the integrity, objectivity and independence of Deloitte or adversely affect its quality of audit to the Company.

Based on the foregoing and the factors set out in the Announcement, the Audit Committee is satisfied that Deloitte is independent, competent and capable (including in terms of manpower, expertise, time and other resources) to perform a high-quality audit.

AUDIT FEE

The Audit Committee and the Board have considered the following in arriving at the estimated audit fee of HK$2,400,000 for FY2026/27:

(a) Basis of the Estimated Audit Fee

The estimated audit fee was determined after due consideration and arm's length negotiations between the Company and Deloitte, taking into account the following factors.

1. Prevailing market rates

   The Audit Committee compared Deloitte's audit proposal for the Company against market rates charged by Big Four accounting firms for similar-sized listed companies and noted that the estimated audit fee for the Company for FY2026/27 was comparable to the audit fees for similar-sized listed companies.

2. Group's business operations and current size

   The Audit Committee reviewed the Group's current business scale, including the number of self-operated retail stores across the PRC, Hong Kong, Macau and Malaysia, and noted that the number of such stores had reduced from 61 as at 31 March 2025 to 43 as at 31 March 2026, representing a net decrease of 18 stores, due to the Group's business strategy of closing underperforming stores. The Audit Committee considered that the estimated audit fee for FY2026/27 was in line with the Group's current business operations and scale.

3. Expected scope of the audit

   The Audit Committee reviewed Deloitte's proposed audit plan, including its risk-based methodology and key audit areas. The Audit Committee noted that Deloitte's audit approach and the areas of significant key audit matters highlighted are similar to EY's audit engagement for the Company for the financial year ended 31 March 2026 ("**FY2025/26**") and prior years.

4. Audit timetable

   The Audit Committee assessed Deloitte's proposed timeline for completion of the audit, including the opening balance audit by 31 October 2026 and the year-end audit from late March to June 2027. The Audit Committee considered Deloitte's proposed timeline and manpower allocation showed commitment to the audit plan.

5. Level and composition of professional staff

   The Audit Committee reviewed Deloitte's proposed audit team composition (which comprised an engagement partner, other audit partners, an engagement quality review partner, managers and other team members such as seniors and associates, supported by IT and tax specialists) and the allocation of over 3,500 budgeted audit hours. The Audit Committee considered that the estimated audit fee for FY2026/27 was commensurate with Deloitte's manpower allocation and budgeted audit hours.

6. Deloitte's operating model

   The Audit Committee considered Deloitte's use of data analytics and AI-enabled technology to enhance audit efficiency.

(b) Comparison with Historical Audit Fee

The proposed audit fee of HK$2,400,000 for FY2026/27 represents a reduction of approximately 21% compared to the audit fee of approximately HK$3,050,000 paid/payable to EY for the audit of FY2025/26. The decrease is mainly attributable to the Group's reduced audit scope following the reduction in the number of self-operated retail stores as described under the section headed "AUDIT FEE – (a) Basis of the Estimated Audit Fee – 2. Group's business operations and current size" above.

In addition, a separate audit firm will be engaged for the Malaysian component, which was previously covered under EY's scope of work. Deloitte has confirmed its agreement to this arrangement. The estimated audit fee for the Malaysian component is approximately RM65,000 (equivalent to approximately HK$125,000).

The Audit Committee noted that:

1. the proposed audit approach remains risk-based and addresses the Group's principal audit matters and key audit areas; and

2. save for the reduction in the number of self-operated retail stores, the Group's operations, organisational structure and risk profile are expected to remain stable for FY2026/27.

Pursuant to paragraph 2.3.8 of the Guidelines, the Audit Committee has obtained from Deloitte a breakdown of its proposed audit fee. The Audit Committee reviewed Deloitte's proposed audit plan and personnel allocation and compared these against EY's historical audit plans and manpower resource allocation. The Audit Committee noted that there are no significant differences between the two firms in terms of their respective audit plans, personnel deployment and the use of specialists. In view of the above, the Audit Committee considered that the audit quality would not be compromised notwithstanding the lower audit fee.

CORPORATE GOVERNANCE CONSIDERATIONS

The Audit Committee has carefully considered the implications of maintaining EY as the auditor of the Company, a position they have held since 2013. The Audit Committee recognized that while EY has provided valuable audit services over the years, several factors contribute to the decision to propose a change of auditor, which aligns with good corporate governance practices.

(a) Independence and Objectivity

The Audit Committee believed that a change of auditor can enhance the independence and objectivity of the audit process. Long tenures with a single auditor may lead to familiarity, which can inadvertently compromise the auditor's impartiality. By appointing a new auditor, the Company can ensure that fresh perspectives are brought to the audit process, thereby reinforcing its integrity.

(b) Best Practices in Corporate Governance

Regular rotation of auditors is a widely accepted best practice in corporate governance. It helps to prevent complacency and encourages auditors to maintain a high standard of diligence and professional skepticism. The Audit Committee is committed to upholding these best practices to foster transparency and accountability within the Company.

(c) Enhanced Stakeholder Confidence

The Audit Committee believes that a change in auditors can instill greater confidence among stakeholders, including shareholders, regulators, and employees. It demonstrates the Company's commitment to rigorous financial oversight and ethical practices, reassuring stakeholders that the Company prioritizes transparency and accountability in its financial reporting.

(d) Compliance with Regulatory Requirements

The proposed change aligns with regulatory expectations and guidelines regarding auditor independence. By transitioning to a new auditor, the Company can better comply with evolving regulations and standards that emphasize the importance of auditor rotation to mitigate any potential conflicts of interest.

(e) Opportunity for Improvement

Engaging a new auditor provides an opportunity for the Company to benefit from different insights and methodologies that a fresh audit team might bring. This can lead to improvements in the audit process and potentially enable the Group to identify new areas in which it may enhance its operational efficiency, risk management and internal controls.

In conclusion, the Audit Committee considers that the proposed change of auditor is a proactive measure that will strengthen the Company's commitment to good corporate governance, enhance the independence and objectivity of the audit function, and ultimately serve the best interests of all stakeholders.

All other information contained in the Announcement and the Circular remains unchanged and continues to be valid for all purposes. This announcement is a supplement to and should be read in conjunction with the Announcement and the Circular.

By order of the Board
Tse Sui Luen Jewellery (International) Limited
Annie Yau TSE
Chairman

Hong Kong, 12 August 2026

At the date of this announcement, the Board comprises:

Executive Director:
Mrs. Annie Yau TSE, *JP*

Independent Non-executive Directors:
Mr. CHAN Yue Kwong, Michael
Mr. CHOW Chee Wai, Christopher
Mr. Alex CHAN