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T S L | 謝瑞麟

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)

PROFIT WARNING

This announcement is made by Tse Sui Luen Jewellery (International) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the Board’s preliminary review of the latest unaudited consolidated management accounts of the Group for the eleven months ended 29 February 2024 and other information currently available, the Group expects to record a significant loss attributable to owners of the Company of not less than approximately HK\$220 million (before any annual assessment on impairment of property, plant and equipment and provision for inventory) for the year ending 31 March 2024 as compared to the net loss attributable to owners of the Company of approximately HK\$71 million for the year ended 31 March 2023.

The expected loss was mainly due to the significant decline in consumer demand for natural diamond jewellery in the Mainland market and the diminishing profit margins from the Group’s transition to selling 24 karat gold products in a much higher percentage. The Group is still in the process of transforming its business model to fit the drastically changing sales mix, which has involved considerable time and monetary investment before the profitability could be turned around.

Starting from the second half of the current fiscal year, the Group has taken a suite of measures to reorganize the operational structure of the Group for the above-mentioned purpose. Together with some special or non-operating expenses, a restructuring expense of not less than HK\$70 million is involved in the expected loss. The major restructuring efforts included implementing various cost control strategies, such as store network restructuring, streamlining organization functions by relocating staff resources, substantial reduction of staff costs and restructuring inventory mix. Nevertheless, the Group remains committed to maintaining adequate cash flow and capitalizing on opportunities that arise in the evolving retail landscape.

** For identification purpose only*

The Company is still in the process of preparing and finalizing the consolidated annual results of the Group for the year ending 31 March 2024. The information contained in this announcement is only based on the Board's preliminary review of the latest unaudited consolidated management accounts of the Group for the eleven months ended 29 February 2024 and other information currently available, which have not been audited or reviewed by the Company's auditor or audit committee and may be subject to adjustments. Shareholders and potential investors should read carefully the financial information of the Group disclosed in the audited annual results announcement of the Company for the year ending 31 March 2024, which is expected to be published by the end of June 2024.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Tse Sui Luen Jewellery (International) Limited
YAU On Yee, Annie
Chairman

Hong Kong, 15 March 2024

At the date of this announcement, the Board comprises:

Executive Directors:

Ms. YAU On Yee, Annie

Ms. NG Yi Kum, Estella

Independent Non-executive Directors:

Mr. CHAN Yue Kwong, Michael

Mr. CHOW Chee Wai, Christopher

Mr. Alex CHAN