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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 issued by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that the sales of the Group slightly increased during the six months ended 31 August 2012 despite the unfavourable market sentiment when compared with the high base figure in the corresponding period in 2011. However, it is expected that the unaudited interim results of the Group are expected to record a decline in profitability, mainly due to (i) a shift in the sales mix towards lower-margin 24-karat gold products; (ii) high diamond and gold prices prior to the market downturn which have increased the cost of goods sold; (iii) a conscious decision to continually improve and invest in the human resources and the infrastructure of the Group, which has resulted in an increase in costs, but which, the Board believes, will benefit the Group in the long run; (iv) the slow down of growth of the economy of Mainland China and the volatility in the global macroeconomic environment have adversely affected the jewellery industry and the demand for the Group's jewellery products.

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

This announcement is issued by Tse Sui Luen Jewellery (International) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of Directors (the “**Board**”) of the Company wishes to inform the Shareholders and potential investors that the sales of the Group slightly increased during the six months ended 31 August 2012 despite the unfavourable market sentiment when compared with the high base figure in the corresponding period in 2011. However, it is expected that the Group will experience a decline in its net profit attributable to owners of the Company for the six months ended 31 August 2012 in the range of 60% to 70 % as compared with the corresponding period for 2011, mainly due to (i) a shift in the sales mix towards lower-margin 24-karat gold products; (ii) high diamond and gold prices prior to

* For identification purpose only

the market downturn which have increased the cost of goods sold; (iii) a conscious decision to continually improve and invest in the human resources and the infrastructure of the Group, which has resulted in an increase in costs, but which, the Board believes, will benefit the Group in the long run; (iv) the slow down of growth of the economy of Mainland China and the volatility in the global macroeconomic environment have adversely affected the jewellery industry and the demand for the Group's jewellery products.

The Board believes that the financial position of the Group remains solid and that the Group is well-positioned to weather the current unfavourable environment and capitalize on any potential business opportunities. The Group has been taking various measures in counteracting the unfavourable factors and foresees that improvements will come into effect in the second half of the financial year ending 28 February 2013.

The Company is still in the process of finalizing its interim results for the six months ended 31 August 2012. The information contained in this announcement is only a preliminary assessment by the management of the Company based on the unaudited consolidated management accounts of the Group. Further details of the Group's performance for the six months ended 31 August 2012 will be disclosed when the interim results of the Group for the six months ended 31 August 2012 are announced.

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

By Order of the Board
Tse Sui Luen Jewellery (International) Limited
LAI Tsz Mo, Lawrence
Company Secretary

Hong Kong, 28 September 2012

At the date of this announcement, the Board comprises:

Executive Directors:

Ms. YAU On Yee, Annie
Mr. Erwin Steve HUANG
Mr. LAI Tsz Mo, Lawrence

Non-executive Director:

Mr. WANG Guosheng

Independent Non-executive Directors:

Mr. CHUI Chi Yun, Robert
Mr. HENG Ching Kuen, Franklin
Mr. CHAN Yue Kwong, Michael