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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)

**ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2026**

FINANCIAL HIGHLIGHTS

	Year Ended 31 March	
	2026	2025
	HK\$'000	HK\$'000
Turnover	1,679,241	1,712,297
Profit/(loss) from operations	168,208	(92,224)
Profit/(loss) attributable to owners of the Company	114,392	(197,752)
Basic earnings/(loss) per share	45.9 HK cents	(79.4) HK cents
Total equity attributable to owners of the Company	513,479	354,025
Equity attributable to owners of the Company per share	HK\$2.06	HK\$1.42

BUSINESS HIGHLIGHTS

- Successful business transformation strategies improved same-store sales performance and increased profit contributions from franchise business.
- Decreased selling, distribution, and administrative expenses enhanced profitability.
- Favorable global economic factors positively impacted financial performance.
- Reduction in non-cash provisions contributed to better financial results.
- Banking facilities of HK\$496 million extended for a further term of 2 years (subject to annual review, with an option to extend a further one-year, provided that certain financial covenants are complied with by 30 June 2027).

* *For identification purpose only*

FINAL RESULTS

The board of directors (the “**Board**”) of Tse Sui Luen Jewellery (International) Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 March 2026 (the “**Year**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 HK\$'000	2025 HK\$'000
Turnover	3	1,679,241	1,712,297
Cost of sales		<u>(1,157,508)</u>	<u>(1,128,784)</u>
Gross profit		521,733	583,513
Other income and gains, net	5	44,829	2,137
Selling and distribution expenses		(318,402)	(524,091)
Administrative expenses		<u>(79,952)</u>	<u>(153,783)</u>
PROFIT/(LOSS) FROM OPERATIONS		168,208	(92,224)
Finance costs	6	<u>(40,269)</u>	<u>(73,915)</u>
PROFIT/(LOSS) BEFORE TAX	7	127,939	(166,139)
Income tax expense	8	<u>(13,603)</u>	<u>(31,660)</u>
PROFIT/(LOSS) FOR THE YEAR		<u>114,336</u>	<u>(197,799)</u>
ATTRIBUTABLE TO:			
Owners of the Company		114,392	(197,752)
Non-controlling interests		<u>(56)</u>	<u>(47)</u>
		<u>114,336</u>	<u>(197,799)</u>
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Basic and diluted (HK cents)	10	<u>45.9</u>	<u>(79.4)</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2026**

	2026 HK\$'000	2025 HK\$'000
PROFIT/(LOSS) FOR THE YEAR	<u>114,336</u>	<u>(197,799)</u>
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Gain on property revaluation	10,917	–
Remeasurement gain on defined benefit plan	53	2,097
Income tax effect	<u>(9)</u>	<u>(346)</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>10,961</u>	<u>1,751</u>
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>34,057</u>	<u>(3,692)</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<u>34,057</u>	<u>(3,692)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	<u>45,018</u>	<u>(1,941)</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u><u>159,354</u></u>	<u><u>(199,740)</u></u>
ATTRIBUTABLE TO:		
Owners of the Company	159,454	(199,700)
Non-controlling interests	<u>(100)</u>	<u>(40)</u>
	<u><u>159,354</u></u>	<u><u>(199,740)</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026**

	Notes	2026 HK\$'000	2025 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		129,849	112,959
Investment properties		161,669	140,117
Right-of-use assets		114,554	92,491
Intangible assets		99	99
Other asset		500	500
Prepayments and deposits		14,220	10,357
Deferred tax assets		13,613	10,702
		<u>434,504</u>	<u>367,225</u>
CURRENT ASSETS			
Inventories		1,050,966	1,044,023
Trade receivables	11	26,650	38,188
Prepayments, other receivables and other assets		40,461	42,475
Tax recoverable		59	2,599
Pledged time deposits		–	58,309
Cash and cash equivalents		83,192	129,378
		<u>1,201,328</u>	<u>1,314,972</u>
CURRENT LIABILITIES			
Trade payables	12	(220,618)	(307,866)
Other payables and accruals		(173,437)	(188,770)
Gold loan		–	(10,963)
Interest-bearing bank borrowings		(108,173)	(677,503)
Lease liabilities		(47,379)	(49,069)
Tax payable		(5,585)	(2,133)
		<u>(555,192)</u>	<u>(1,236,304)</u>
NET CURRENT ASSETS		<u>646,136</u>	<u>78,668</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,080,640</u>	<u>445,893</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
AS AT 31 MARCH 2026

	2026 HK\$'000	2025 HK\$'000
NON-CURRENT LIABILITIES		
Other payables and accruals	(1,780)	(1,261)
Interest-bearing bank borrowings	(515,538)	(43,168)
Employee benefit obligations	(1,467)	(1,326)
Lease liabilities	(27,739)	(25,348)
Deferred tax liabilities	(21,540)	(21,568)
	<u>(568,064)</u>	<u>(92,671)</u>
NET ASSETS	<u>512,576</u>	<u>353,222</u>
EQUITY		
Issued capital	(62,296)	(62,296)
Reserves	(451,183)	(291,729)
	<u>(513,479)</u>	<u>(354,025)</u>
Equity attributable to owners of the Company	(513,479)	(354,025)
Non-controlling interests	<u>903</u>	<u>803</u>
TOTAL EQUITY	<u>(512,576)</u>	<u>(353,222)</u>

NOTES:

1. Basis of preparation

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, gold loan and trade payables settled in gold commodities, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern

The Group recorded a profit of HK\$114 million for the year ended 31 March 2026. As of 31 March 2026, the Group had cash and cash equivalents of HK\$83 million and net current assets of HK\$646 million. Interest-bearing bank borrowings amounted to HK\$624 million, comprising HK\$108 million classified as current liabilities and HK\$516 million as non-current liabilities.

During the year, the Group renewed a banking facility with a syndicate of banks with an initial maturity date of 13 November 2027. As at 31 March 2026, the facility had an outstanding principal amount of HK\$496 million. The facility is subject to certain financial covenants, which are tested at the end of June 2026 and June 2027, based on the financial position as at 31 March 2026 and 31 March 2027, respectively. The Group was in compliance with these financial covenants as at 31 March 2026.

The directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. The following plans and measures have been undertaken to mitigate the liquidity pressure and to improve the financial position of the Group:

- (a) The Group continues to transform its business model (especially in the Chinese Mainland market) and restructure the store network to improve the sales;
- (b) The Group will actively manage inventory to an optimal level by monitoring market demands, thereby minimizing carrying excess stock while preventing shortages;
- (c) The Group has implemented various cost control strategies, such as streamlining organization functions by relocating staff resources and substantially reducing of staff headcount; and
- (d) The Group will continue to closely monitor its compliance with financial covenants for banking facilities and bank borrowings, such that the facilities and bank borrowings will continue to be available to the Group.

The directors of the Company have reviewed the Group’s cash flow projections prepared by management, which cover a period of not less than twelve months from 31 March 2026. In the opinion of the directors of the Company, taking into account the anticipated cash flows to be generated from the Group’s operations as well as the above plans and measures, the Group will have sufficient working capital to meet its financial obligations and commitments as and when they fall due for a period of not less than twelve months from 31 March 2026. Accordingly, the directors of the Company consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

2. Changes in accounting policies and disclosures

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's consolidated financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's consolidated financial statements.

3. Turnover

An analysis of turnover is as follows:

	2026 HK\$'000	2025 HK\$'000
<i>Revenue from contracts with customers</i>		
Sales of jewellery products	1,543,286	1,604,319
Service income	135,955	107,978
	<u>1,679,241</u>	<u>1,712,297</u>

4. Operating segment information

For management purposes, the Group is organised into business units based on business nature and has four reportable operating segments as follows:

- (a) Retail Business (including Hong Kong, Macau, the Chinese Mainland and Malaysia);
- (b) Wholesale Business;
- (c) E-Business; and
- (d) Other Businesses.

Retail Business includes direct retail sales of jewellery products to end consumers through the physical outlets carrying the trademark of TSL | 謝瑞麟; DUO by TSL and TSL TOSI. It also includes the service fee income received from the provision of retail management services to other retailers.

Wholesale Business includes wholesale sales of jewellery products to customers, including franchisees.

E-Business includes sales of jewellery products to customers on e-commerce platforms.

Other Businesses include others.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that unallocated expenses, fair value losses on gold loan and trade payables settled in gold commodities, gain on inventory monetarisation, fair value losses on investment properties and non-lease-related finance costs are excluded from such measurement.

Segment assets exclude deferred tax assets and tax recoverable as these assets are managed on a group basis.

Segment liabilities exclude gold loan, interest-bearing bank borrowings, tax payable, deferred tax liabilities and employee benefit obligations as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

4. Operating segment information (continued)

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

	Retail Business HK\$'000	Wholesale Business HK\$'000	E-Business HK\$'000	Other Businesses HK\$'000	Total HK\$'000
Year ended 31 March 2026					
Segment revenue					
Sales to external customers	1,070,800	254,538	193,206	24,742	1,543,286
Service income from external customers	135,955	–	–	–	135,955
	<u>1,206,755</u>	<u>254,538</u>	<u>193,206</u>	<u>24,742</u>	<u>1,679,241</u>
Segment results	108,105	98,795	29,341	(1,569)	234,672
<i>Reconciliation:</i>					
Unallocated expenses					(99,634)
Fair value losses on investment properties					(14,848)
Fair value losses on trade payables settled in gold commodities					(21,146)
Gain on inventory monetarisation					65,426
Finance costs (other than interest on lease liabilities)					(36,531)
Profit before tax					127,939
Income tax expense					(13,603)
Profit for the year					<u>114,336</u>
Segment assets	1,537,450	30,890	52,063	1,757	1,622,160
<i>Reconciliation:</i>					
Deferred tax assets					13,613
Tax recoverable					59
Total assets					<u>1,635,832</u>
Segment liabilities	(399,289)	(61,638)	(8,848)	(1,178)	(470,953)
<i>Reconciliation:</i>					
Interest-bearing bank borrowings					(623,711)
Tax payable					(5,585)
Deferred tax liabilities					(21,540)
Employee benefit obligations					(1,467)
Total liabilities					<u>(1,123,256)</u>
Other segment information					
Depreciation of:					
Property, plant and equipment	1,350	768	155	2,968	5,241
Right-of-use assets	13,269	–	–	2,264	15,533
(Reversal of impairment)/impairment of:					
Property, plant and equipment	341	–	–	1,401	1,742
Right-of-use assets	(9,161)	–	–	–	(9,161)

4. Operating segment information (continued)

	Retail Business HK\$'000	Wholesale Business HK\$'000	E-Business HK\$'000	Other Businesses HK\$'000	Total HK\$'000
Year ended 31 March 2025					
Segment revenue					
Sales to external customers	1,098,455	180,513	285,713	39,638	1,604,319
Service income from external customers	107,978	–	–	–	107,978
	<u>1,206,433</u>	<u>180,513</u>	<u>285,713</u>	<u>39,638</u>	<u>1,712,297</u>
Segment results	(70,644)	65,064	(4,039)	(2,100)	(11,719)
<u>Reconciliation:</u>					
Unallocated expenses					(73,413)
Fair value losses on gold loan					(1,737)
Fair value losses on investment properties					(11,793)
Finance costs (other than interest on lease liabilities)					<u>(67,477)</u>
Loss before tax					(166,139)
Income tax expense					<u>(31,660)</u>
Loss for the year					<u><u>(197,799)</u></u>
Segment assets	1,591,211	22,738	53,884	1,063	1,668,896
<u>Reconciliation:</u>					
Deferred tax assets					10,702
Tax recoverable					<u>2,599</u>
Total assets					<u><u>1,682,197</u></u>
Segment liabilities	(502,251)	(59,467)	(9,097)	(1,499)	(572,314)
<u>Reconciliation:</u>					
Gold loan					(10,963)
Interest-bearing bank borrowings					(720,671)
Tax payable					(2,133)
Deferred tax liabilities					(21,568)
Employee benefit obligations					<u>(1,326)</u>
Total liabilities					<u><u>(1,328,975)</u></u>
Other segment information					
Depreciation of:					
Property, plant and equipment	20,492	–	2,047	6,086	28,625
Right-of-use assets	47,124	–	–	6,674	53,798
Impairment of:					
Property, plant and equipment	13,961	–	2,354	336	16,651
Right-of-use assets	41,835	–	625	89	42,549

4. Operating segment information (continued)

(a) Geographical information

Revenue from external customers

	2026 HK\$'000	2025 HK\$'000
Hong Kong and Macau	563,230	485,698
The Chinese Mainland	934,295	1,064,620
Other countries	181,716	161,979
	<u>1,679,241</u>	<u>1,712,297</u>

The revenue information above is based on the geographical locations of the customers.

Non-current assets

	2026 HK\$'000	2025 HK\$'000
Hong Kong and Macau	288,308	231,243
The Chinese Mainland	104,303	102,342
Other countries	15,986	15,378
	<u>408,597</u>	<u>348,963</u>

The non-current asset information above is based on the geographical locations of the assets and excludes rental deposits and deferred tax assets.

(b) Information about major customers

The turnover from the Group's largest customer amounted to less than 10% of the Group's total turnover for the years.

5. Other income and gains, net

	2026 HK\$'000	2025 HK\$'000
Interest income	65	1,378
Foreign exchange differences, net	(3,299)	(7,136)
Government grants*	200	528
Gain on inventory monetarisation	65,426	–
Fair value losses on gold loan and trade payables settled in gold commodities	(21,146)	(1,737)
Fair value losses on investment properties	(14,848)	(11,793)
Repair service income	587	726
Rental income	4,763	4,296
Gain on lease modification	1,378	9,537
Others	11,703	6,338
	<u>44,829</u>	<u>2,137</u>

* The government grants represented subsidies from municipal governments in the Chinese Mainland and the Government of the Hong Kong Special Administrative Region of People's Republic of China. There were no unfulfilled conditions or contingencies relating to these subsidies.

6. Finance costs

An analysis of finance costs is as follows:

	2026 HK\$'000	2025 HK\$'000
Interest on bank loans, overdrafts and other loans	30,840	61,099
Interest on lease liabilities	3,738	6,438
Interest on trade payables	3,297	–
Other charges	3,975	6,832
	<u>41,850</u>	<u>74,369</u>
Less: Interest capitalised	<u>(1,581)</u>	<u>(454)</u>
	<u>40,269</u>	<u>73,915</u>

7. Profit/(loss) before tax

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	2026	2025
	HK\$'000	HK\$'000
Cost of goods sold*	1,151,542	1,142,445
Impairment/(reversal of impairment) of inventories, net	5,966	(13,661)
Depreciation of:		
Property, plant and equipment	5,241	28,625
Right-of-use assets	15,533	53,798
Lease payments not included in the measurement of lease liabilities**	16,094	18,981
Impairment of:		
Property, plant and equipment (included in selling and distribution expenses)	341	14,751
Property, plant and equipment (included in administrative expenses)	1,401	1,900
	1,742	16,651
(Reversal of impairment)/impairment of:		
Right-of use assets (included in selling and distribution expenses)	(9,161)	41,749
Right-of-use assets (included in administrative expenses)	-	800
	(9,161)	42,549
Reversal of impairment of trade receivables, net	(3)	(971)
Loss on disposal of items of property, plant and equipment	2,643	2,296

* Cost of goods sold includes HK\$58,761,000 (2025: HK\$64,514,000) relating to employee benefit expense, depreciation of property, plant and equipment, and depreciation of right-of-use assets, which are also included in the respective total amounts disclosed separately above under each of these types of expenses.

** Not including commission payments in relation to sales counters in department stores and shopping malls.

8. Income tax expense

No provision for Hong Kong profits tax has been made as the Group has available tax losses brought forward from prior years to offset the assessable profits generated during the Year. In the prior year, no provision for Hong Kong profits tax was made as the Group did not generate any assessable profits arising in Hong Kong during that year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2026 HK\$'000	2025 HK\$'000
Current – Hong Kong		
Underprovision/(overprovision) in prior years	20	(2,219)
Current – Outside Hong Kong	17,353	22,760
Deferred	(3,770)	11,119
	<u>13,603</u>	<u>31,660</u>

9. Dividends

The Board did not recommend the payment of any dividend for the Year (2025: Nil).

10. Earnings/(loss) per share attributable to owners of the Company

The calculation of the basic earnings (2025: loss) per share amount is based on the profit for the Year attributable to owners of the Company of HK\$114,392,000 (2025: loss of HK\$197,752,000), and the weighted average number of ordinary shares of 249,182,030 (2025: 249,182,030) outstanding during the Year.

The Company had no potentially dilutive ordinary shares in issue during the years ended 31 March 2026 and 2025.

11. Trade receivables

	2026 HK\$'000	2025 HK\$'000
Trade receivables	37,874	48,930
Impairment	(11,224)	(10,742)
	<u>26,650</u>	<u>38,188</u>

The Group's retail sales are normally made on a cash basis. Credit card receivables from financial institutions in respect of retail sales are aged within one month. Apart from retail customers, the Group allows an average credit period from 30 to 90 days for other customers. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing in general.

11. Trade receivables (continued)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2026 HK\$'000	2025 HK\$'000
Within 1 month	26,436	37,869
1 to 2 months	130	–
2 to 3 months	84	319
	26,650	38,188

12. Trade payables

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2026 HK\$'000	2025 HK\$'000
Within 1 month	136,337	134,455
1 to 2 months	1,878	4,659
2 to 3 months	1,612	2,267
Over 3 months	80,791	166,485
	220,618	307,866

The trade payables are generally non-interest-bearing, measured at amortised cost and are normally settled on 30 to 120-day terms, except for an amount of HK\$40,706,000 (31 March 2025: Nil) which is interest-bearing and measured at fair value through profit or loss as they are settled in gold commodities.

13. Pledge of assets

- (a) On 6 May 2022, the Group entered into a facility agreement (the “**Facilities Agreement**”) with Hang Seng Bank Limited, China CITIC Bank International Limited, United Overseas Bank Limited, Fubon Bank (Hong Kong) Limited, Bank Sinopac, Hong Kong Branch and China Construction Bank (Asia) Corporation Limited acting as mandated lead arrangers and original lenders, pursuant to which certain loan facilities, comprising a term loan and a revolving loan, in the aggregate amount of HK\$820,000,000 (the “**Facilities**”) has been granted. On 14 November 2025, the Group entered into an amendment and restatement deed to amend and restate the Facilities Agreement (the Facilities Agreement as amended and restated being the “**Amended and Restated Facilities Agreement**”) with, amongst others, Hang Seng Bank Limited as agent and security agent, for the extension of all outstanding principal amount of the Facilities in the aggregate amount of HK\$496,000,000 (the “**Extended Facilities**”). The Group’s (i) inventories in Hong Kong, Macau and Malaysia with carrying values of HK\$537,700,000 (31 March 2025: Nil) were under floating charge and (ii) land and buildings and investment properties in Hong Kong with carrying values of HK\$25,558,000 (31 March 2025: HK\$29,890,000) and HK\$149,869,000 (31 March 2025: HK\$140,117,000), respectively, were mortgaged by way of a first legal charge, as securities for, inter alia, all obligations and liabilities, actual or contingent, from time to time owing by the Group to those banks.
- (b) The Group entered into banking facility arrangements with two (31 March 2025: two) banks, pursuant to which the Group’s land and buildings and investment properties in Hong Kong with carrying values of HK\$15,826,000 (31 March 2025: HK\$39,443,000) and HK\$11,800,000 (31 March 2025: Nil), respectively, were mortgaged by way of a first legal charge, as securities for, inter alia, all obligations and liabilities, actual or contingent, from time to time owing by the Group to those banks.
- (c) The Group entered into a banking facility arrangement with a bank, pursuant to which the Group’s land use right and construction in progress in the Chinese Mainland with carrying values of HK\$27,045,000 (31 March 2025: HK\$26,464,000) and HK\$111,467,000 (31 March 2025: HK\$90,925,000), respectively, were mortgaged as securities for all owing by the Group to that bank.
- (d) As at 31 March 2025, pledged time deposits of the Group denominated in Renminbi and totaling equivalent to approximately HK\$58,309,000 had been pledged to secure standby letters of credit relating to cross border treasury arrangements.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OVERVIEW

The Group successfully navigated a complex and volatile global economic landscape and achieved a significant financial turnaround, transitioning from a loss-making position to profitability for the Year, where a profit attributable to owners of the Company of HK\$114.4 million was recorded. This marks an impressive turnaround from the loss of HK\$197.8 million recorded for the prior financial year, which was primarily attributable to the successful implementation of the Group's business transformation strategies, mainly the improved same-store sales performance, the increasing profit contributions from the franchise business in the Chinese Mainland, and the decreased selling, distribution and administrative expenses resulting from effective cost optimization strategies and reduced restructuring costs. Together with some favorable changes in certain global economic factors such as the notable rise in gold prices and the decline in federal funds rates, and a reduction in certain non-cash provisions made to comply with applicable accounting standards for the impairment of retail shop-related assets and other assets, the Group delivered a remarkable improvement in its financial results for the Year.

The Group remained committed to executing its strategic roadmap for business transformation initiated in 2023. A key achievement has been the effective enhancement and expansion of the Group's product offerings, particularly in the 24-karat gold. This strategic change is reflected in the positive same-store sales performance. Nonetheless, due to the increased sales mix of 24-karat gold products which carry a comparatively lower profit margin than that of gem-set jewellery, the overall gross profit margin dropped to 31.1% for the Year. Despite the decline in gross profit margin, the Group remains confident that the strategic focus has been in the right direction in driving up the sales volume, and will generate sustainable long-term growth and continue to improve profitability in years to come.

In parallel, the Group's ongoing franchise expansion strategy has continued to contribute meaningfully to the revenue and profitability, which underscores the effectiveness of the Group's strategic direction. The franchise model has proven to be a vital component of the Group's business transformation, which enables a robust sales network expansion via an asset-light model. Moreover, the progress affirms that the Group's transformation strategy is on the right track, which demonstrates tangible and sustainable growth. Overall speaking, the Group remains steadfast in its commitment to diligently executing its transformation plan, confident that these efforts will continue to create long-term value for shareholders.

The Group prioritized rigorous cost-saving initiatives to enhance operational efficiency and profitability. A key measure involved proactively divesting or closing underperforming self-operated stores, which not only streamlined the self-operated retail network but also resulted in substantial savings in rental and other operating expenses. This strategic store rationalization contributed to the improved sales network efficiency and the better utilization of the Group's resources. Despite that the Group's turnover slightly decreased by approximately 1.9% to HK\$1,679.2 million for the Year, as a result of the store divestment, the Group believes that, alongside robust expansion of its franchise network, both brand presence and resource utilization have been strengthened rather than weakened.

In addition, the Group implemented stringent controls over operating expenses across all functions, including maintaining a lean and efficient organizational structure and critically reviewing all expenses for justifying the business scale today. By adopting disciplined expense management practices and streamlining the self-operated retail network, we achieved significant reductions in selling and distribution expenses and administrative expenses by approximately 41.2%, or HK\$279.5 million, compared to the previous year. These measures have strengthened the Group's cost structure, improved operating leverage, and contributed to improved financial results for the Year.

Besides the business transformation efforts, the global economic environment presented several favorable factors that contributed positively to the Group's performance. Notably, gold prices experienced a drastic surge, while the Federal Funds Rate was declining throughout the Year. These macroeconomic developments have enabled the Group to reduce its financing expenses and further optimize its profitability.

BUSINESS REVIEW

Retailing Business

Hong Kong and Macau

The Hong Kong jewellery market demonstrated gradual improvements during the Year, buoyed by an increasing influx of inbound visitors and a discernible uplift in consumption sentiment, particularly in local districts, despite the continuing outbound and northbound travels of Hong Kong residents. Additionally, the overall business environment in Hong Kong has shown signs of stabilization since the third quarter of the Year, supported by government initiatives aimed at encouraging tourism as well as overall economy improvements, which has positively impacted retail performance.

In Macau, visitor numbers from the Chinese Mainland remained strong and stable, providing a consistent and favourable environment for the Group's sustainable growth in the region. Strategically, the Group has shifted its focus toward the retail stores in shopping malls to focus on capturing consumers with relatively higher spending power.

Over the past year, the Group has implemented substantial enhancements to its product assortment, aligning with the broader strategy to become more gold-oriented. These improvements resulted in a refined product mix that effectively meets market demand of both Hong Kong and Macau. Retail performance during peak holiday seasons remained highly dependent on tourist footfall, though consumer behavior has become notably more selective and value-oriented. This shift led to intense competition characterized by aggressive promotions, often offset by increased sales volume. Looking ahead, while government efforts to promote tourism and mega-events are expected to benefit the retail sectors, the industry must still navigate evolving consumption patterns and broader economic uncertainties. Overall, the retail sales recovery in both Hong Kong and Macau remains cautiously optimistic.

The Chinese Mainland

The Group's strategy in the Chinese Mainland is characterized by a decisive pivot toward operational excellence and a collaborative growth model with franchisees. During the Year, we executed a significant rationalization of our retail footprint, reducing the number of self-operated stores in the Chinese Mainland by 40%, down to 21 stores. This reduction involved closing underperforming sites and strategically transitioning selected stores to the franchise model. By retaining only the most efficient and high-potential flagship locations, the Group has successfully improved the health of its self-operated portfolio, as evidenced by a positive improvement in same-store sales growth. This streamlined foundation allows us to focus our resources on premium service and brand positioning.

Looking ahead, the Group's market presence will be driven by the powerful synergy between these high-efficiency self-operated stores and our expansive franchise network. As of 31 March 2026, the Group has 392 retail stores in the Chinese Mainland, with franchised outlets now comprising approximately 95% of our total presence. This dual-track approach allows us to leverage the brand-building capabilities of our self-operated stores alongside the rapid, asset-light scalability of our franchise partners. By aligning these two channels, the Group is better positioned to capture diverse market opportunities and respond to evolving consumer preferences across different regions.

To support this integrated network, the Group has reengineered its gold replenishment processes and increased inventory levels of 24-karat gold across all self-operated stores. This diversified inventory strategy, which balances a wide variety of 24-karat gold products with a hot-selling selection of gem-set jewellery, ensures that our product mix remains highly competitive.

Furthermore, the recent initiatives by the Central People's Government of the People's Republic of China ("PRC") to stimulate domestic consumption are expected to foster a long-term conducive environment for the jewellery sector. By fostering this cohesive partnership between our optimized self-operated stores and our robust franchised network, the Group is confident in its ability to deepen market penetration and deliver enhanced profitability in the Chinese Mainland market.

Malaysia

The Malaysia market remains relatively stable despite some fluctuations. While the market was affected by the imposition of tariffs, particularly around April 2025, which impacted consumption and trading activities, it has since demonstrated resilience. The significant rise in gold prices has shifted market preferences towards self-consumption products, and in response, the Group has actively transformed its product mix to focus more on gold-related offerings, aiming to capture greater market share and meet evolving consumer demands.

The Group continues to optimize its product offerings and adjust to market conditions in Malaysia, maintaining consistent performance despite external uncertainties. We remain cautiously optimistic about the market outlook, confident that our ongoing initiatives will deliver desirable results.

Wholesale Business

The Group's franchise strategy remains on track and continues to demonstrate positive momentum. Over the past year, the Group actively expanded its store network by opening a significant number of new franchise stores, which contributed positively to the overall financial performance. Consequently, the turnover of the Group's wholesale business grew by 41.0% during the Year.

As of 31 March 2026, the Group operates a total of 371 franchise stores, with 120 new openings during the Year. While the jewellery market environment remains difficult, the Group's ability to sustain new store openings and expand its franchise network highlights its operational resilience and strength. The ongoing strategy to open new stores remains firm, and the Group is confident that a disciplined expansion will support long-term growth, further solidify its market position, and demonstrate that its franchise model is still progressing on a solid and positive trajectory.

E-Business

The Group continues to develop its e-business platform as a key component of strategic growth. During the Year, deliberate adjustments were made to optimize efficiency, including closing an underperforming e-shop and transitioning certain operations from a self-operated model to a franchise model. While these platform adjustments led to a decline in sales turnover, the strategic move resulted in improved overall profitability.

During the Year, the Group also enhanced its digital presence in the Southeast Asian market by launching two e-shops to adapt to changing retail channels. This strategic move is part of our broader effort to strengthen our presence in the region and tap into the growing online shopping trend.

In addition to launching seasonal promotions and implementing targeted social media advertising campaigns, the Group has actively expanded its online sales penetration through cooperation with various popular e-commerce platforms in the Chinese Mainland. By continuously optimizing inventory levels, adjusting product portfolios, and leveraging different e-business channels to increase traffic to the TSL official e-shops and online flagship stores, the Group believes that its e-business will continue to deliver encouraging results.

OUTLOOK

Amid a complex global environment marked by U.S. tariff policies and geopolitical tensions, the Group remains cautiously optimistic. The Central People's Government of the PRC's "dual circulation" strategy and domestic stimulus measures are expected to provide a steady, though gradual, foundation for recovery in the luxury retail sector.

Our strategic focus will remain in the Chinese Mainland market. We will deepen our presence in the Chinese Mainland through a disciplined asset-light strategy, prioritizing the expansion of our franchise network over capital-intensive self-operated stores. A key priority is to strengthen our core product offering by ensuring robust inventory levels of 24-karat gold jewellery and enhancing our innovative, diversified product portfolio through excellence in design and craftsmanship.

Maintaining an optimal capital structure and adhering to prudent financial and treasury management remain the Group's top priorities. With steadfast commitment, we are determined to refine its strategies to transform the whole organization to get well prepared for achieving sustainable growth in mid to long term.

FINANCIAL STRUCTURE

As at 31 March 2026, the Group's total outstanding interest-bearing bank borrowings amounted to HK\$623.7 million (31 March 2025: interest-bearing bank borrowings and gold loan amounted to HK\$731.6 million), which comprised mainly bank loans and trade finance facilities. All borrowings of the Group are denominated in Hong Kong dollars and Renminbi. Interest on bank borrowings is calculated on either the inter-bank interest rate or the prime rate or the benchmark interest rate.

As at 31 March 2026, the Group had cash and bank balances of HK\$83.2 million (31 March 2025: pledged time deposits, cash and bank balances of HK\$187.7 million), which were mostly denominated in Hong Kong dollars, Renminbi and United States dollars.

Internally generated funding and borrowings have mainly been applied during the Year to finance the enhancement of the Group's inventory mix on 24-karat gold products and capital expenditure incurred.

The Group was in a net debt position of approximately HK\$540.5 million as at 31 March 2026, as compared to approximately HK\$543.9 million as at 31 March 2025. As at 31 March 2026, the net gearing ratio was 105.5% (31 March 2025: 154.0%), which was calculated based on the amount of net debt position (sum of total interest-bearing bank borrowings and gold loan less cash and cash equivalents) as a percentage of total equity.

During the Year, the transactions of the Group were mainly denominated in Hong Kong dollars, Renminbi and United States dollars. Renminbi is not a freely convertible currency and any significant exchange rate fluctuation of Renminbi may have financial impacts on the Group. The Board is of the view that such foreign exchange exposure is manageable by using natural hedges that arise from holding assets and liabilities denominated in the same foreign currencies and that the Group's exposure to foreign exchange fluctuation remains minimal. The Group will continue to closely monitor its foreign exchange position.

CHARGES ON GROUP ASSETS AND CONTINGENT LIABILITIES

Charge on the Group's assets as at 31 March 2026 and 2025 is disclosed in note 13 to this final results announcement. The Group did not have any material contingent liabilities which have not been provided for in the consolidated financial statements as at 31 March 2026 (31 March 2025: Nil).

HUMAN RESOURCES

As at 31 March 2026, the total number of employees of the Group was approximately 898 (31 March 2025: 1,138). The change was with due regard to the Group's business strategies and the market conditions. There were no major changes in human resources policies. The Company offers competitive remuneration packages including salary, allowances and discretionary bonus. Employees are rewarded on a performance basis with reference to market rates. Other employee benefits include medical cover and subsidies for job-related continuing education. Retail frontline staff are provided with formal on-the-job training by internal senior staff and external professional trainers. There are discussion forums and in-house seminars for experience sharing.

FINAL DIVIDEND

The Board did not recommend the payment of final dividend for the Year (2025: Nil).

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

The register of members of the Company will be closed from Thursday, 27 August 2026 to Tuesday, 1 September 2026 (both days inclusive), for the purpose of ascertaining shareholders' entitlement to attend and vote at the forthcoming annual general meeting of the Company to be held on Tuesday, 1 September 2026 (the "2026 AGM"). During the above closure period, no transfer of shares will be registered. In order to be entitled to attend and vote at the 2026 AGM, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. (Hong Kong Time) on Wednesday, 26 August 2026. Shareholders whose names appear on the register of members on Tuesday, 1 September 2026, the record date of the 2026 AGM, will be entitled to attend and vote at the 2026 AGM.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The audit committee of the Company had reviewed the Group's consolidated financial statements for the Year.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2026 as set out in the preliminary announcement have been agreed by the Company's auditors to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by the Company's auditors in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Company's auditors on the preliminary announcement.

CORPORATE GOVERNANCE

Compliance with the Corporate Governance Code of the Listing Rules

During the Year, the Company had applied the principles and complied with all of the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), except for the deviation of code provision C.2.1 of the CG Code as expressly stated below.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separated and clearly established and set out in writing. During the Year, the roles of the Chairman and the Chief Executive Officer of the Company were performed by Mrs. Annie Yau Tse, *JP*. The Board considered that the current management structure had operated efficiently. According to the Company’s practice, all major strategic decisions were taken by the Board, or relevant committee of the Board, as duly constituted.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the Year (including the sale of treasury shares, if any). The Company did not hold any treasury shares during the Year and up to the date of this announcement.

ANNUAL GENERAL MEETING

The 2026 AGM will be held on Tuesday, 1 September 2026. A notice of the 2026 AGM will be published and despatched to shareholders in due course.

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

Hong Kong, 29 June 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