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T S L, 謝瑞麟

HONG KONG

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)

RE-DESIGNATION OF SENIOR MANAGEMENT

AND

CONTINUING CONNECTED TRANSACTION: REVISION OF THE TERMS OF EMPLOYMENT AGREEMENT AND SETTING OF NEW ANNUAL CAP

The Board announces that Mr. Tommy Tse, will be re-designated from Deputy Chief Executive Officer - Supplies to Deputy Chief Executive Officer of the Group with effect from 1 November 2016.

Reference is made to the Company's announcement dated 22 June 2012 concerning, among other things, the terms of employment of the Company's Chief Merchandising Officer (subsequently, re-designated as Deputy Chief Executive Officer – Supplies), Mr. Tommy Tse. The Directors announce that, in the context of the review by the Remuneration Committee, the Company has, in light of the valuable contributions of Mr. Tommy Tse to the Group's development since the abovementioned re-designation, decided, with effect from 1 November 2016, to reward Mr. Tommy Tse by increasing his monthly basic salary and performance bonus entitled under the Discretionary Management Bonus Scheme.

With the continued development of the Group, the Directors expect that the existing annual cap in respect of remuneration package of Mr. Tommy Tse will not be sufficient, and therefore propose a revision.

The employment arrangement of Mr. Tommy Tse constitutes a continuing connected transaction for the Company but, prior to this latest change, were de minimis in nature and exempt from disclosure in annual report, annual reviews by independent non-executive directors and the auditors, circular, announcement and independent shareholders' approval requirements of the Listing Rules.

With the increase in Mr. Tommy Tse's basic salary and the prospective addition of the bonus referred to in this announcement, all relevant percentage ratios under Chapter 14A of the Listing Rules applicable to the aggregate annual remuneration package of Mr. Tommy Tse is less than 25% and the total consideration is less than HK\$10,000,000.00. Accordingly, the Directors (including the independent non-executive Directors) are of the view that the employment arrangement of Mr. Tommy Tse is on normal commercial terms, the Tommy Tse Employment Agreement constitutes a continuing connected transaction governed by Rule 14A.76(2) of the Listing Rules, being transaction that is subject to the disclosure in annual report, announcement and annual review by independent non-executive directors and the auditors requirements, but is exempt from the requirements of circular and independent shareholders' approval.

RE-DESIGNATION OF SENIOR MANAGEMENT ROLE FOR MR. TOMMY TSE

The Board is pleased to announce that Mr. Tommy Tse, the Deputy Chief Executive Officer – Supplies, has been re-designated as the Deputy Chief Executive Officer of the Group with effect from 1 November 2016.

Due to the continued development of the Group, Mr. Tommy Tse has taken up an expanded role in supply chain and wholesale business, as well as the leadership of China retail, travel trade, alternate channels and the Group's branding and creative directions.

The Company would like to welcome Mr. Tommy Tse for his new role.

THE TOMMY TSE EMPLOYMENT AGREEMENT

With effect from 1 November 2016, the Company, through TSL MS, has agreed to increase Mr. Tommy Tse's basic salary and performance bonus entitled under the Discretionary Management Bonus Scheme, the effect of which is to make the Tommy Tse Employment Agreement a continuing connected transaction that is required to be disclosed as follows:

Parties: (1) TSL MS

(2) Mr. Tommy Tse

Date: 31 October 2016, on which date the Tommy Tse Employment Agreement was entered into, superseding his previous employment agreement, with an increase in salary and performance bonus entitled under the Discretionary Management Bonus Scheme taking effect from 1 November 2016.

Nature of Transaction

An employment contract by which Mr. Tommy Tse is employed by TSL MS as Deputy Chief Executive Officer.

Remuneration

TSL MS pays to Mr. Tommy Tse a basic monthly salary of HK\$110,000.00 which, with effect from 1 November 2016 has been increased to HK\$200,000.00 and he is entitled under the Discretionary Management Bonus Scheme for a bonus payment (the maximum amount of such bonus is HK\$1,800,000.00 for the financial year ending 28 February 2017). Any bonus paid to Mr. Tommy Tse under the Discretionary Management Bonus Scheme is at the discretion of the Company's Remuneration Committee taking into account the Group's and Mr Tommy Tse's performance.

Mr. Tommy Tse is the spouse of Ms. Yau On Yee, Annie, the Chairman and Chief Executive Officer of the Group, and the controlling shareholder of the Company and is therefore a connected person as defined under Rule 14A.07 of the Listing Rules. The Tommy Tse Employment Agreement therefore constitutes a continuing connected transaction under Rules 14A.23 and 14A.24 of the Listing Rules.

Mr. Tommy Tse's basic salary amounts to an approximately annualised aggregate of HK\$2,400,000.00 per annum. There is also the prospect of his being awarded a bonus under the Discretionary Management Bonus Scheme (at the discretion of the Company's Remuneration Committee). To cater for the possibility of such a bonus being awarded, the Board has revised an annual cap on the total amount (inclusive of bonus) that may be paid to Mr. Tommy Tse under the Tommy Tse Employment Agreement for the financial years ending 28 February 2017 and 2018 of HK\$4,500,000.00. The aggregate annual cap amounts represent the estimated maximum possible aggregate annual remuneration payable by TSL MS to Mr. Tommy Tse with reference to (i) Mr. Tommy Tse's agreed fixed remuneration; (ii) the maximum bonus payable to Mr. Tommy Tse under the Discretionary Management Bonus Scheme; and (iii) the expected contribution of Mr. Tommy Tse to matters relating to supply chain and wholesale business, as well as the leadership of China retail, travel trade, alternate channels and the Group's branding and creative directions, and on the basis that the basic monthly salary and maximum bonus would increase by 5% per annum.

On the basis that Mr. Tommy Tse's aggregate annual remuneration package and the revised annual capped amount referred to above results in all of the relevant percentage ratios under Chapter 14A of the Listing Rules are less than 25% and the total consideration is less than HK\$10,000,000.00, the Tommy Tse Employment Agreement constitutes a continuing connected transaction governed by Rules 14A.76(2) of the Listing Rules, being one that is subject to the disclosure in annual report, announcement and annual review by independent non-executive directors and the auditors requirements, but is exempt from the requirement of circular and independent shareholders' approval.

Reason for the Transactions

Since the roles and functions of the senior management of the Group have changed due to the continued development of the Group, Mr. Tommy Tse has taken up the role in supply chain and wholesale business, as well as the leadership of China retail, travel trade, alternate channels and the Group's branding and creative directions.

In alignment with the abovementioned change of the roles and functions of Mr. Tommy Tse, the Group awarded him with an increase in basic salary and aggregated with his bonus under the Discretionary Management Bonus Scheme exceeding HK\$3,000,000.00 per annum, but less than HK\$10,000,000.00.

Opinion of the Directors

The Directors (including the independent non-executive Directors) are of the opinion that the Tommy Tse Employment Agreement has been entered into on normal commercial terms, and terms that are fair, reasonable and in the interest of the Company and its shareholders as a whole.

None of the Directors, except Ms. Yau On Yee, Annie, has a material interest in the above transactions. Ms. Yau On Yee, Annie regarded herself as having an interest in the Tommy Tse Employment Agreement, owing to the relationship described above, and accordingly abstained from voting the board resolutions to authorise the increase in Mr. Tommy Tse's basic salary and performance bonus entitled under the Discretionary Management Bonus Scheme.

General Information

The Group is principally engaged in the manufacturing, design, export and retailing of jewellery products.

Definitions

In this announcement the following words have the following meanings unless the context requires otherwise:

“ Company ”	Tse Sui Luen Jewellery (International) Limited (stock code: 417), a company incorporated in Bermuda with limited liability whose shares are listed on The Stock Exchange of Hong Kong Limited
“ Board ”	the board of Directors
“ Directors ”	the directors of the Company
“ Group ”	the Company and its subsidiaries
“ Listing Rules ”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“ Discretionary Management Bonus Scheme ”	the discretionary management bonus scheme operated by the Group
“ Mr. Tommy Tse ”	Mr. Tse Tat Fung, Tommy
“ Remuneration Committee ”	the Remuneration Committee of the Company
“ Tommy Tse Employment Agreement ”	the employment contract dated 31 October 2016 entered into between TSL MS and Mr. Tommy Tse pursuant to which TSL MS agreed to employ Mr. Tommy Tse, the agreement superseding his previous employment terms, with effect from 1 November 2016
“ TSL MS ”	TSL Management Services Limited, an indirectly wholly-owned subsidiary of the Company

By Order of the Board
Tse Sui Luen Jewellery (International) Limited
NG Yi Kum, Estella
Company Secretary

Hong Kong, 1 November 2016

At the date of this announcement, the Board comprises:

Executive Directors:

Ms. YAU On Yee, Annie

Ms. NG Yi Kum, Estella

Non-executive Directors:

Mr. Erwin Steve HUANG

Mr. WANG Guosheng

Independent Non-executive Directors:

Mr. CHUI Chi Yun, Robert

Mr. CHAN Yue Kwong, Michael

Mr. CHOW Chee Wai, Christopher