

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

PROPOSED ISSUE OF NOTES WITH SPECIFIC PERFORMANCE COVENANTS

This announcement is made by the board of directors (the “**Board**”) of Tse Sui Luen Jewellery (International) Limited (the “**Company**”) pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

On 1 December 2016, the Company as guarantor and TSL Manufacturing and Distribution Limited as issuer (the “**Issuer**”), an indirectly wholly-owned subsidiary of the Company, entered into a subscription agreement (the “**Subscription Agreement**”) with two institutional investors (collectively, the “**Subscribers**”), pursuant to which the Issuer has agreed to issue, and the Subscribers have agreed to subscribe from the Issuer, senior secured notes in an aggregate principal amount of up to HK\$200 million (the “**Notes**”) maturing on the second anniversary of the issue date of the Notes. The Notes may be extended for a further term of one year by the Issuer with the consent of the Note holders (the “**Noteholders**”). To the best knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, the Subscribers and their ultimate beneficial owner(s) are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

Pursuant to the Subscription Agreement, among other things, it will be an event of default if Ms. Yau On Yee, Annie: (i) ceases to be the chairman of the Board of the Company; or (ii) together with her close relatives (being her parents, spouse or children), cease to beneficially own, directly or indirectly, the largest percentage or proportion of the entire issued share capital of the Company (excluding any part thereof that carries no voting rights) or to control the Company (where “control” is defined as meaning the power or right (whether by way of ownership of shares, proxy, contract,

agency or otherwise or directly or indirectly) to: (a) cast or control the casting of more than 50% of the votes that might be cast at a general meeting of the Company; (b) appoint or remove all or a majority of the directors or remove any director of the Company; and/or (c) direct or cause the direction of the operations, management and financial or other policies of the Company).

Upon the occurrence of such an event of default, each Noteholder shall have the right to require the Issuer to either redeem all or a part of such Notes held by such Noteholder or in addition to and without prejudice to any of the Issuer's other payment obligations, pay default interest to such Noteholder in the amount pursuant to the terms and conditions of the Notes.

In accordance with the requirements under Rule 13.21 of the Listing Rules, disclosure will be included in subsequent interim and annual reports of the Company for so long as the above specific obligations continue to exist.

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

Hong Kong, 1 December 2016

At the date of this announcement, the Board comprises:

Executive Directors:

Ms. YAU On Yee, Annie

Ms. NG Yi Kum, Estella

Non-executive Director:

Mr. Erwin Steve HUANG

Independent Non-executive Directors:

Mr. CHUI Chi Yun, Robert

Mr. CHAN Yue Kwong, Michael

Mr. CHOW Chee Wai, Christopher