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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)

RENEWAL OF CONTINUING CONNECTED TRANSACTION

INTRODUCTION

Reference is made to the announcement of the Company dated 1 November 2016 in relation to the Employment Agreement dated 31 October 2016 and entered into between TSL MS and Mr. Tommy Tse. TSL MS has decided to renew the employment agreement with Mr. Tommy Tse.

NEW EMPLOYMENT AGREEMENT

The Board hereby announces that on 29 March 2018, TSL MS entered into the New Employment Agreement with Mr. Tommy Tse pursuant to which Mr. Tommy Tse will continue to be appointed as the Deputy Chief Executive Officer of the Group.

Principal terms of the New Employment Agreement are summarized as follows:

Date	:	29 March 2018
Parties	:	(1) TSL MS (2) Mr. Tommy Tse
Nature of Transaction	:	An employment contract by which Mr. Tommy Tse is employed by TSL MS as Deputy Chief Executive Officer of the Group.
Remuneration	:	Mr. Tommy Tse is entitled to a maximum amount of basic monthly salary of HK\$210,000.00 for the thirteen months ending 31 March 2019 and HK\$220,500.00 for the year ending 31 March 2020 and a bonus payment (the maximum amount of such bonus is HK\$1,890,000.00 for the thirteen months ending 31 March 2019 and HK\$1,984,500.00 for the year ending 31 March 2020) under the Discretionary Management Bonus Scheme. The basic monthly salary is determined with reference to the market benchmark and the expected contribution of Mr. Tommy Tse. Any bonus paid to Mr. Tommy Tse

* For identification purpose only

under the Discretionary Management Bonus Scheme is at the discretion of the Remuneration Committee taking into account the Group's and Mr Tommy Tse's performance.

Term and Termination : The New Employment Agreement has been fixed with a term of 25 months commencing on 1 March 2018 and expiring on 31 March 2020 in light of the change of the Group's financial year end date, but is terminable on three months' notice in writing by either party. The parties may agree to renew the Employment Agreement in writing for another further term, subject to compliance with the applicable Listing Rules.

ANNUAL CAPS

Mr. Tommy Tse's maximum basic salary amounts to an approximately annualised aggregate of HK\$2,730,000.00 for the thirteen months ending 31 March 2019 and HK\$2,646,000.00 for the year ending 31 March 2020. There is also the prospect of his being awarded a bonus under the Discretionary Management Bonus Scheme (at the discretion of the 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 New Employment Agreement for the thirteen months ending 31 March 2019 and for the financial year ending 31 March 2020 of HK\$4,700,000.00 and HK\$4,700,000.00 respectively. 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) the maximum amount of Mr. Tommy Tse's annual basic salary;
- (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 maximum basic monthly salary and maximum bonus would increase by 5% per annum, depending on the prevailing market condition and the Group's performance.

LISTING RULES IMPLICATIONS

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 New Employment Agreement therefore constitutes a continuing connected transaction under Rules 14A.23, 14A.24 and 14A.31 of the Listing Rules.

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 testing at less than 5%, the New Employment Agreement constitutes a continuing connected transaction governed by Rule 14A.76(2) of the Listing Rules, being one that is subject to disclosure in the annual report, announcement and annual review by independent non-executive directors and the auditors requirements, but is exempt from the requirement for a circular and independent shareholders' approval.

OPINION OF THE DIRECTORS

In consideration of the valuable contribution of Mr. Tommy Tse to the Group's supply chain and wholesale business, as well as his leadership of China retail, travel trade, alternate channels and the Group's branding and creative directions, the Board believes that continuing the employment relationship with Mr. Tommy Tse will bring commercial benefit to the general business and development of the Group. The Directors (including the independent non-executive Directors) are of the opinion that the New 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 New Employment Agreement, owing to the relationship described above, and accordingly abstained from voting on the board resolutions to renew the employment arrangements with Mr. Tommy Tse.

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:

“Board”	the board of Directors
“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
“Directors”	the directors of the Company
“Discretionary Management Bonus Scheme”	the discretionary management bonus scheme operated by the Group
“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
“Group”	the Company and its subsidiaries

“ Listing Rules ”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“ Mr. Tommy Tse ”	Mr. Tse Tat Fung, Tommy
“ New Employment Agreement ”	the renewed employment contract dated 29 March 2018 entered into between TSL MS and Mr. Tommy Tse pursuant to which TSL MS agreed to continue to employ Mr. Tommy Tse as Deputy Chief Executive Officer of the Group
“ Remuneration Committee ”	the Remuneration Committee of the Company
“ 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, 29 March 2018

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