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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)

REVISION OF ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTION

INTRODUCTION

Reference is made to the announcement of the Company dated 29 March 2018 in relation to the employment agreement dated 29 March 2018 entered into between TSL MS and Mr. Tommy Tse. TSL MS renewed the employment agreement with Mr. Tommy Tse, first, on 26 March 2020 and, subsequently, on 28 March 2022. By virtue of the 2022 Employment Agreement, Mr. Tommy Tse continues to be employed as the Deputy Chief Executive Officer of the Group.

Under each of the 2020 Employment Agreement and the 2022 Employment Agreement, the applicable percentage ratios on an annual basis were less than 5% and the total consideration for each year was less than HK\$3,000,000, the transactions contemplated thereunder constituted and continue to constitute de minimis continuing connected transactions of the Company, fully exempt from the requirements under Chapter 14A of the Listing Rules. On 21 June 2022, the Board resolved to revise the annual cap for FY21/22 under the 2020 Employment Agreement. Save for the revision of the aforesaid annual cap, all other terms and conditions under the Employment Agreements remain unchanged. As the Revised Annual Cap exceeds HK\$3,000,000, but each of the applicable percentage ratios (as defined in the Listing Rules) is less than 5%, the Company must, as regards FY21/22, re-comply with the announcement requirement. For reference, the continuing connected transaction contemplated under the 2020 Employment Agreement is subject to the annual review and reporting requirements, but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

EMPLOYMENT AGREEMENTS

Principal terms of the Employment Agreements are summarized as follows:

Date	:	26 March 2020 (2020 Employment Agreement) 28 March 2022 (2022 Employment Agreement)
Parties	:	TSL MS; and Mr. Tommy Tse

** For identification purpose only*

Nature of Transaction	:	Employment agreement by which Mr. Tommy Tse is employed by TSL MS as Deputy Chief Executive Officer of the Group. The 2022 Employment Agreement has superseded the 2020 Employment Agreement, but the latter is still relevant to the subject matter of the announcement, as it informs the terms by reference to which the Board proposes to pay a discretionary bonus to Mr. Tommy Tse in respect of FY21/22, as commented on below.
Term	:	24 months commencing on 1 April 2020 and expired on 31 March 2022 (<i>2020 Employment Agreement</i>) 36 months commencing on 1 April 2022 and expiring on 31 March 2025 (<i>2022 Employment Agreement</i>)
Termination	:	Terminable on three months' notice in writing by either party
Remuneration	:	Mr. Tommy Tse is entitled to monthly basic salary subject to annual review and discretionary bonus at the sole discretion of the Company. The basic salary and bonus under the Discretionary Executive Bonus Scheme payable to Mr. Tommy Tse are determined with reference to his contribution to the Group, the Group's performance and the market condition.

The total amount of basic salary and discretionary bonus payable to Mr. Tommy Tse for any financial year shall not exceed the de minimis threshold of HK\$3,000,000 under Rule 14A.76(1) of the Listing Rules, any excess amount shall be payable to Mr. Tommy Tse upon the Company having re-complied with the relevant requirements under Chapter 14A of the Listing Rules. This cap on aggregate annual remuneration continues to apply in respect of the 2022 Employment Agreement.

REVISED ANNUAL CAP

The total remuneration for FY20/21 and the total basic salary for FY21/22 paid to Mr. Tommy Tse were less than HK\$3,000,000. In view of Mr. Tommy Tse's valuable contribution to the Group, the improvements of the Group's performance and the market condition during FY21/22, the Remuneration Committee has recommended a discretionary bonus to Mr. Tommy Tse for FY21/22 and the Board has approved to revise the annual cap of his total remuneration under the 2020 Employment Agreement to HK\$3,200,000 for FY21/22 on 21 June 2022. The discretionary bonus shall be payable to Mr. Tommy Tse upon the Company having re-complied with the relevant requirements under Chapter 14A of the Listing Rules.

The Revised Annual Cap is determined with reference to Mr. Tommy Tse's total remuneration for the previous financial years, the annual basic salary paid and the proposed discretionary bonus payable to him for FY21/22, his contribution to the Group and the prevailing market condition.

OPINION OF THE DIRECTORS

In consideration of the valuable contribution of Mr. Tommy Tse to the Group's sales and operations in all markets and the Group's creative directions and supply chain management, the Board believes that continuing the employment of Mr. Tommy Tse will bring commercial benefit to the performance and development of the Group.

The Directors (including the independent non-executive Directors) are of the opinion that the Employment Agreements were entered into and the annual cap was revised on normal commercial terms and in the ordinary and usual course of business of the Group, and that the terms of the Employment Agreements and the Revised Annual Cap are fair and reasonable and in the interests of the Company and Shareholders as a whole.

None of the Directors, except Ms. Annie Yau, has a material interest in the Employment Agreements. Ms. Annie Yau, being the spouse of Mr. Tommy Tse, regarded herself as having an interest in the Employment Agreements and abstained from voting on the board resolutions regarding the approval of the Employment Agreements and the Revised Annual Cap.

GENERAL INFORMATION OF THE PARTIES

The Company is an investment holding company with its principal subsidiaries engaged in the manufacturing, design, trading and retailing of jewellery products. TSL MS is an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability. Its principal business activity is management and administration services.

Mr. Tommy Tse is the controlling shareholder of the Company and the spouse of Ms. Annie Yau, the Chairman and Chief Executive Officer of the Group.

IMPLICATIONS UNDER THE LISTING RULES

Mr. Tommy Tse is a connected person of the Company as defined under Rule 14A.07 of the Listing Rules. Therefore, the Employment Agreements constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the Revised Annual Cap exceeds the de minimis threshold of HK\$3,000,000, but each of the applicable percentage ratios (as defined in the Listing Rules) is less than 5%, pursuant to Rules 14A.54 and 14A.76(2) of the Listing Rules, the Company must, as regards FY21/22, re-comply with the announcement requirement and the continuing connected transaction contemplated under the 2020 Employment Agreement is subject to the annual review and reporting requirements, but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors;
“Company”	Tse Sui Luen Jewellery (International) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange;
“Directors”	the directors of the Company;
“Discretionary Executive Bonus Scheme”	the discretionary bonus scheme applicable to Mr. Tommy Tse operated by the Group (as altered from time to time);
“Employment Agreements”	2020 Employment Agreement and 2022 Employment Agreement;

“FY20/21”	the financial year ended 31 March 2021;
“FY21/22”	the financial year ended 31 March 2022;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Tommy Tse”	Mr. Tse Tat Fung, Tommy;
“Ms. Annie Yau”	Ms. Yau On Yee, Annie;
“Remuneration Committee”	the Remuneration Committee of the Company;
“Revised Annual Cap”	the revised annual cap for Mr. Tommy Tse’s total remuneration under the 2020 Employment Agreement of HK\$3,200,000 for FY21/22;
“Shareholders”	the shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“TSL MS”	TSL Management Services Limited, an indirect wholly-owned subsidiary of the Company;
“2020 Employment Agreement”	the employment agreement dated 26 March 2020 entered into between TSL MS and Mr. Tommy Tse;
“2022 Employment Agreement”	the employment agreement dated 28 March 2022 entered into between TSL MS and Mr. Tommy Tse; and
“%”	per cent.

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

Hong Kong, 21 June 2022

At the date of this announcement, the Board comprises:

Executive Directors:

Ms. YAU On Yee, Annie
Ms. NG Yi Kum, Estella

Independent Non-executive Directors:

Mr. CHUI Chi Yun, Robert
Mr. CHAN Yue Kwong, Michael
Mr. CHOW Chee Wai, Christopher