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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)

PROPOSED BONUS ISSUE OF SHARES

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The Board is pleased to announce that it has resolved to recommend the Bonus Issue, being a bonus issue of Shares on the basis of one (1) Bonus Share for every six (6) existing Shares held by the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date, subject to the approval by the Shareholders at the AGM. The Bonus Shares will be credited as fully paid at par by way of capitalisation of an amount equal to the total par value of the Bonus Shares standing to the credit of the share premium account of the Company. Upon issuance, the Bonus Shares will rank pari passu with the then existing Shares in all respects, except that the Bonus Shares do not entitle their holders to the proposed final dividend for the financial year ended 28 February 2017 and the Bonus Shares will not rank for the Bonus Issue.

The register of members of the Company will be closed from Wednesday, 26 July 2017 to Thursday, 27 July 2017 (both days inclusive) in order to determine the entitlement of the Shareholders under the Bonus Issue.

GENERAL

A circular containing, among other things, further details of the Bonus Issue, the trading arrangements in respect of the Bonus Shares, together with the notice of the AGM, will be despatched to the Shareholders as soon as practicable on or before Monday, 19 June 2017.

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Tse Sui Luen Jewellery (International) Limited

23 May 2017

* For identification purpose only

Basis of the Bonus Issue

Subject to the conditions as set out under the heading “Conditions of the Bonus Issue” below, the Bonus Shares will be issued and credited as fully paid at par on the basis of one (1) Bonus Share for every six (6) existing Shares held by the Qualifying Shareholders on the Record Date.

Assuming that there is no change to the number of issued Shares on or before the Record Date, on the basis of 210,336,221 existing Shares in issue as at the date of this announcement, 35,056,036 Bonus Shares will be issued representing approximately 16.67% of the existing issued share capital as at the date hereof. After the completion of the Bonus Issue, there will be a total of 245,392,257 Shares in issue as enlarged by the Bonus Issue. The Bonus Shares will be credited as fully paid at par value by way of capitalisation of an amount of HK\$8,764,009 in the share premium account of the Company pursuant to the Bonus Issue. The Bonus Shares, upon issue, will rank pari passu with the then existing Shares in all respects, except that the Bonus Shares do not entitle their holders to the proposed final dividend for the financial year ended 28 February 2017 and the Bonus Shares will not rank for the Bonus Issue.

The exact total number of the Bonus Shares to be issued under the Bonus Issue will not be capable of determination until the Record Date.

Adjustments to the 2003 Share Options granted under the 2003 Share Option Scheme

Implementation of the Bonus Issue may lead to adjustments to (a) the number and/or nominal amount of Shares subject to the 2003 Share Options so far as unexercised; and/or (b) the subscription price; and/or (c) the maximum number of Shares available for subscription by the grantees. As the exact number of Bonus Shares will not be determined until the Record Date, the Company will notify the respective holders of the 2003 Share Options regarding the adjustments to be made, if any, pursuant to the respective terms and conditions of the 2003 Share Options. The Company will also make a further announcement upon adjustments to the 2003 Share Options, if any such adjustments are to be made.

Conditions of the Bonus Issue

The Bonus Issue is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the AGM approving the Bonus Issue;
- (ii) the Listing Committee granting the listing of, and permission to deal in the Bonus Shares; and
- (iii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of Bermuda and the Bye-laws to effect the Bonus Issue.

Application for Listing

Application will be made to the Listing Committee for the listing of, and permission to deal in the Bonus Shares. No part of the securities of the Company is listed or dealt in, nor is listing or permission to deal in the securities of the Company being or proposed to be sought, on any other stock exchange.

Overseas Shareholders

As at the date of this announcement, there are Overseas Shareholders whose addresses as shown on the register of members of the Company are in Australia, Canada, France, Macau, Malaysia, Singapore, the United Kingdom and the United States of America respectively. Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Board has made enquires with its legal advisers on the laws of Australia, Canada, France, Macau, Malaysia, Singapore, the United Kingdom and the United States of America respectively regarding the respective legal restrictions under the laws of the relevant jurisdictions and the requirements of the relevant regulatory body or stock exchange with respect to extending the Bonus Issue to these Overseas Shareholders.

Based on the results of such enquiries, the Board is given to understand that there are no legal restrictions or requirements of any regulatory body or stock exchange that would prevent the issuance of the Bonus Shares to such Overseas Shareholder(s) in Australia, Canada, France, Macau, Malaysia, Singapore, the United Kingdom and the United States of America respectively.

Therefore such Overseas Shareholders would constitute Qualifying Shareholders and the Company proposes to extend the Bonus Issue to them (provided that their names are still shown on the register of members on the Record Date).

The Company will continue to monitor the appearance on the Company's register of members of any Overseas Shareholders whose addresses are in jurisdictions other than Australia, Canada, France, Macau, Malaysia, Singapore, the United Kingdom or the United States of America. Should any come to light, the Board will make similar enquiry necessary of overseas counsel(s) on the applicable procedural requirements for extending the Bonus Issue to them. If the Board is of the view that the exclusion of any Overseas Shareholder(s) is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Bonus Shares will not be issued to those Overseas Shareholder(s), and they will be treated as the Non-Qualifying Shareholders.

In such circumstances, arrangements will be made for the Bonus Shares, which would otherwise have been issued to the Non-Qualifying Shareholder(s), if any, to be sold in the market as soon as practicable after dealings in the Bonus Shares commence. Any net proceeds of such sale, after deduction of the related expenses, will be distributed in Hong Kong dollars to the relevant Non-Qualifying Shareholder(s), if any, pro rata to their respective shareholdings and remittances therefor will be posted to them, at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100.00, in which case it will be retained for the benefit of the Company.

Status of the Bonus Shares and fractional entitlements

The Bonus Shares, upon issue, will rank pari passu with the then existing Shares in all respects, including the entitlement of receiving dividends and other distributions the record date for which falls on or after the date of allotment and issue of those Bonus Shares, except that the Bonus Shares do not entitle their holders to the proposed final dividend for the financial year ended 28 February 2017 and the Bonus Shares will not rank for the Bonus Issue.

The total number of Bonus Shares to be issued to any Shareholder will be rounded down to a whole number, if there are any fractional entitlements of the Bonus Shares. Such fractional entitlements arising from the Bonus Issue (if any) will not be issued to the Shareholders, but will be cancelled by the Company.

Reasons and Benefits for the Bonus Issue

The Bonus Issue will enable the Shareholders to enjoy a pro-rata increase in the number of Shares being held by them in the Company without their incurring any costs. The Bonus Issue also has the propensity to increase liquidity in the Shares, by increasing the number of Shares that will be in issue. Actual liquidity prospects will depend upon the extent of trading in the Bonus Shares.

Certificates for the Bonus Shares

It is expected that share certificates for the Bonus Shares will be posted by ordinary post on or before Friday, 4 August 2017 upon fulfillment of all the conditions of the Bonus Issue at the risk of the Qualifying Shareholders to their respective addresses shown on the register of members of the Company on the Record Date. In the case of a joint holding, the share certificates for the Bonus Shares will be posted to the address of the person whose name stands first on the register of members of the Company on the Record Date.

Subject to the fulfilment of the conditions of the Bonus Issue, dealings in the Bonus Shares are expected to commence on Monday, 7 August 2017.

CLOSURE OF BOOKS

The register of members of the Company will be closed during the following periods:

- (a) for the purpose of determining Shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 14 July 2017 to Wednesday, 19 July 2017 (both days inclusive), during which no transfer of Shares can be registered. In order to qualify for attending and voting at the AGM, all transfer documents should be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. (Hong Kong Time) on Thursday, 13 July 2017; and
- (b) for the purpose of determining Shareholders who are qualified for the entitlement to the Bonus Shares, the register of members of the Company will be closed from Wednesday, 26 July 2017 to Thursday, 27 July 2017 (both days inclusive), during which no transfer of Shares can be registered. In order to qualify for the entitlement to the Bonus Shares, all transfer documents should be lodged for registration with Company's branch share registrar in Hong Kong at the above address no later than 4:30 p.m. (Hong Kong Time) on Tuesday, 25 July 2017.

EXPECTED TIMETABLE FOR PROPOSED BONUS ISSUE

The following is a summary of the events in relation to the proposed Bonus Issue and the dates upon which these events are currently expected to take place:

2017

(Hong Kong time)

Despatch of the circular regarding, among other things, the proposed Bonus Issue	on or before Monday, 19 June
Latest time for lodging transfer of Shares for registration in order to qualify for attending the AGM	4:30 p.m. on Thursday, 13 July
Closure of register of members for the entitlement to attend and vote at the AGM	Friday, 14 July to Wednesday, 19 July (both days inclusive)
Latest time for lodging form of proxy for the AGM (not less than 48 hours before time of the AGM or any adjournment thereof)	10:30 a.m. on Monday, 17 July
Record date for attending the AGM	Wednesday, 19 July
Date and time of AGM	10:30 a.m. on Wednesday, 19 July
Announcement of poll results of the AGM	Wednesday, 19 July

The following events are subject to the satisfaction of the conditions of the Bonus Issue as set out in this announcement

2017

(Hong Kong time)

Last day of dealings in the Shares on a cum-entitlement basis	Friday, 21 July
First day of dealings in the Shares on an ex-entitlement basis	Monday, 24 July
Latest time for lodging transfers of the Shares for registration in order to qualify for the Bonus Issue	4:30 p.m. on Tuesday, 25 July
Closure of register of members for determining entitlement to the Bonus Shares	Wednesday, 26 July to Thursday, 27 July (both days inclusive)
Record Date for determining entitlement to the Bonus Shares	Thursday, 27 July
Re-open of register of members	Friday, 28 July
Despatch of share certificates for the Bonus Shares	on or before Friday, 4 August
First day of dealings in the Bonus Shares on the Stock Exchange	9:00 a.m. on Monday, 7 August

GENERAL

A circular containing, among other things, further details of the Bonus Issue, the trading arrangements in respect of the Bonus Shares, together with the notice of the AGM, will be despatched to the Shareholders as soon as practicable on or before Monday, 19 June 2017.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held to consider and, if thought fit, approve, among other thing, the Bonus Issue
“Board”	the board of Directors
“Bonus Issue”	the proposed bonus issue of Shares on the basis of one (1) Bonus Share for every six (6) existing Shares held by the Qualifying Shareholders on the Record Date
“Bonus Share(s)”	new Share(s) to be issued by way of the Bonus Issue by the Company as described herein
“Bye-law(s)”	the bye-law(s) of the Company, as amended, supplemented or modified from time to time
“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
“Director(s)”	the director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) who is/are excluded from the Bonus Issue and as defined and more particularly described in the section headed “Overseas Shareholders” in this announcement

“Overseas Shareholder(s)”	the Shareholder(s) whose addresses as shown on the register of members of the Company on the Record Date is/are outside Hong Kong
“Qualifying Shareholder(s)”	the Shareholder(s) whose names appear on the register of members of the Company on the Record Date and who are entitled to the Bonus Issue
“Record Date”	Thursday, 27 July 2017, being the date by reference to which entitlements to the Bonus Issue will be determined
“Share(s)”	ordinary share(s) of HK\$0.25 each in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of the Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“2003 Share Option(s)”	the share option(s) granted under the 2003 Share Option Scheme
“2003 Share Option Scheme”	the share option scheme of the Company adopted on 26 November 2003
“%”	percent

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

Hong Kong, 23 May 2017

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