

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)

Procedures for Shareholders to Nominate a Person for Election as a Director

The board of directors (the “Board”) of Tse Sui Luen Jewellery (International) Limited (the “Company”) will receive, review and evaluate shareholder nominations of person for election as a director of the Company (the “Director”).

Bye-law 88 of the Company’s Bye-laws provides that no person other than a Director retiring at the meeting shall be eligible for election as a Director at any general meeting unless:

- (a) he is recommended by the Directors; or
- (b) a notice signed by a shareholder of the Company (the “Shareholder”) (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election as Director and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the registered office of the Company for the time being or at the head office of the Company as the Directors may from time to time determine to be the principal office of the Company provided that the minimum length of the period, during which such notice(s) are given, shall not less than seven (7) days and that the period for lodgment of such notice(s) shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

Rule 13.70 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)(the “Listing Rules”)

The Company shall publish an announcement on the website of the Stock Exchange (through e-submission in accordance with Rule 2.07C of the Listing Rules) or issue a supplementary circular upon receipt of a notice from a Shareholder to propose a person for election as a Director at the general meeting where such notice is received by the Company after the publication of the notice of meeting. The Company shall

* For identification purpose only

include particulars of the proposed director in the announcement or supplementary circular.

Accordingly, if a Shareholder wishes to nominate a person to stand for election as a Director, the following documents must be validly served on the Company at its principal place of business in Hong Kong:

- (i) his/her notice of intention to propose a resolution; and
- (ii) a notice signed by the nominated candidate of his/her willingness to be elected together with:
 - (A) the nominated candidate's information required to be disclosed under Rule 13.51(2) of the Listing Rules on the Stock Exchange and other information as referred to under the heading "Requisite information of the candidate(s) nominated by Shareholders" below; and
 - (B) the nominated candidate's written consent to the publication of his/her personal data.

Requisite information of the candidate(s) nominated by Shareholders

In order to enable other Shareholders to make an informed decision on their election of Directors, the said notice of intention to propose a resolution by a Shareholder should be accompanied by the following information of the nominated candidate:

- (a) full name and age;
- (b) positions held with the Company and/or its subsidiaries (if any);
- (c) experience including (i) other directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas or in public offices, and (ii) other major appointments and professional qualifications;
- (d) current employment and such other information (which may include business experience and academic qualifications) of which Shareholders should be aware, pertaining to the ability or integrity of the candidate;

- (e) length or proposed length of service with the Company and/or its subsidiaries (if any);
- (f) relationships with any Directors or senior management or substantial shareholders or controlling shareholders of the Company, or an appropriate negative statement;
- (g) a confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules if the proposed candidate shall be appointed as an Independent Non-executive Director of the Company;
- (h) interests in the Company's shares within the meaning of Part XV of the Securities and Futures Ordinance, or an appropriate negative statement;
- (i) contact details; and
- (j) a declaration made by the nominated candidate in respect of the information required under Rule 13.51(2)(h) to (w) of the Listing Rules, or an appropriate negative statement to that effect where there is no information to be disclosed pursuant to any of such requirements.

Directors' Duties and Basic Selection Criteria

Directors, including non-executive directors, share joint responsibility as members of the Board for the proper direction and management of the Company. Directors have various obligations under common law, statutes, rules and regulations imposed and guidelines issued by local regulators. In order to fulfil such obligations, prospective director of the Company should be able to do the following in the performance of his duties and possess the following qualities as a minimum:

Rule 3.08 of the Listing Rules

1. shall act honestly and in good faith in the interests of the Company as a whole;
2. shall act for proper purpose;
3. shall be answerable to the Company for the application of misapplication of its assets;

4. shall avoid actual and potential conflicts of interest and duty;
5. shall disclose fully and fairly his interests in contracts with the Company;
6. shall apply such degree of skill, care and diligence as may reasonably be expected of a person of his knowledge and experience and holding his office within the Company;

Directors must satisfy the required levels of skill, care and diligence. Delegating their functions is permissible but does not absolve them from their responsibilities or from applying the required levels of skill, care and diligence. Directors do not satisfy these required levels if they pay attention to the Company's affairs only at formal meetings. At a minimum, they must take an active interest in the Company's affairs and obtain a general understanding of its business. They must follow up anything untoward that comes to their attention.

Directors are reminded that if they fail to discharge their duties and responsibilities, they may be disciplined by the Stock Exchange and may attract civil and/or criminal liabilities under Hong Kong law or the laws of other jurisdictions.

Rule 3.09 of the Listing Rules

7. has the character, experience and integrity and is able to demonstrate a standard of competence commensurate with his position as a Director of the Company.

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