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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)

DISCLOSEABLE TRANSACTION IN RELATION TO MACAU TENANCY AGREEMENT

MACAU TENANCY AGREEMENT

On 28 June 2019, TSL Jewellery (Macau) Limited (a subsidiary of the Company) as the tenant and the Joint Landlords entered into the Macau Tenancy Agreement in respect of the Premises for a term of 3 years from 1 August 2019 to 31 July 2022 (both days inclusive).

IMPLICATIONS UNDER THE LISTING RULES

In accordance with HKFRS 16 “Leases”, the Company is required to recognise the value of the right-of-use asset on its consolidated statement of financial position in connection with the lease of the Premises under the Macau Tenancy Agreement with effect from the beginning of its accounting period on 1 April 2019. Accordingly, the lease transaction under the Macau Tenancy Agreement is regarded as an acquisition of asset by the tenant (i.e. lessee) for the purpose of the Listing Rules.

As one applicable percentage ratio (as defined in the Listing Rules) in respect of the value of the right-of-use of the Premises under the Macau Tenancy Agreement exceeds 5% but is less than 25%, the lease transaction contemplated thereunder constitutes a discloseable transaction for the Company and is subject to the announcement requirement but exempt from Shareholders’ approval requirement under Chapter 14 of the Listing Rules.

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On 28 June 2019, TSL Jewellery (Macau) Limited (a subsidiary of the Company) as the tenant and the Joint Landlords entered into the Macau Tenancy Agreement in respect of the Premises for a term of 3 years from 1 August 2019 to 31 July 2022 (both days inclusive).

** For identification purpose only*

Key Terms of the Macau Tenancy Agreement

Date	:	28 June 2019 (effective on 1 August 2019)
Parties	:	(i) TSL Jewellery (Macau) Limited (a subsidiary of the Company) as the tenant; and (ii) the Joint Landlords
		To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Joint Landlords are each third parties independent of the Company and its connected persons (as defined in the Listing Rules).
Premises	:	澳門殷皇子大馬路 30 號金來大廈地下 G 座 (G Kam Loi Building, No. 30 Avenida Do Infante D. Henrique, Macau [#])
Term	:	3 years from 1 August 2019 to 31 July 2022 (both days inclusive)
Payable Term	:	Monthly rent shall be payable by TSL Jewellery (Macau) Limited to the Joint Landlords on or before the first day of each month during the lease term under the Macau Tenancy Agreement.
Deposit	:	A rental deposit of two months' rent has been paid by TSL Jewellery (Macau) Limited to the Joint Landlords.

The unaudited value of the right-of-use asset recognised by the Company under the Macau Tenancy Agreement amounted to approximately HK\$25,687,672, which is the present value of total consideration payable plus initial direct costs and estimated reinstatement cost with the lease at the inception of the lease term under the Macau Tenancy Agreement in accordance with HKFRS 16. The unaudited value of the right-of-use asset was determined in the context of finalising the monthly management accounts for the month ended 31 August 2019, being the first operational month of the Macau Tenancy Agreement, after ascertaining the accounting effect.

REASONS FOR AND BENEFITS OF THE MACAU TENANCY AGREEMENT

The Directors believe that the Premises is located at a prime location which will bring continuous business growth opportunities for the Group, especially on its retailing business in Macau. The terms of the Macau Tenancy Agreement were arrived at after arm's length negotiation and the monthly rent for the lease of the Premises was determined with reference to the prevailing market rents of similar comparable properties located in nearby areas.

The Directors consider that the Macau Tenancy Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Group. The Directors also believe that the terms of the Macau Tenancy Agreement are fair and reasonable and in the interests of the Company and Shareholders as a whole.

Unofficial translation

GENERAL INFORMATION OF THE GROUP

The Company is an investment holding company with its principal subsidiaries engaged in the manufacturing, design, trading and retailing of jewellery products.

TSL Jewellery (Macau) Limited is an indirect wholly-owned subsidiary of the Company incorporated in Macau with limited liability. Its principal business activity is jewellery retailing.

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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;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HKFRS”	Hong Kong Financial Reporting Standards;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Joint Landlords”	two individuals who are each third parties independent of the Company and its connected persons (as defined in the Listing Rules);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Macau Tenancy Agreement”	the tenancy agreement dated 28 June 2019 entered into between TSL Jewellery (Macau) Limited (a subsidiary of the Company) as the tenant and the Joint Landlords;
“Premises”	the premises situated at 澳門殷皇子大馬路 30 號金來大廈地下 G 座 (G Kam Loi Building, No. 30 Avenida Do Infante D. Henrique, Macau#);
“Shareholders”	the shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

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

Hong Kong, 11 September 2019

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. HUANG Erwin Steve

Independent Non-executive Directors:

Mr. CHUI Chi Yun, Robert

Mr. CHAN Yue Kwong, Michael

Mr. CHOW Chee Wai, Christopher

Unofficial translation