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**NOBLE JEWELRY HOLDINGS LIMITED**  
**億 鑽 珠 寶 控 股 有 限 公 司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 475)

## **ACQUISITION OF PRODUCTION PLANT**

**Financial Adviser to Noble Jewelry Holdings Limited**



On 9 October 2007, Noble Jewelry (Guangzhou), a wholly owned subsidiary of the Company (as the Purchaser) and Shengfa Trading (as the Vendor), entered into the Acquisition Agreement whereby Noble Jewelry (Guangzhou) agreed to purchase from Shengfa Trading the Production Plant for a consideration of RMB13.0 million.

Pursuant to the prospectus of the Company dated 30 March 2007, it was disclosed that the Company intended to apply the net proceeds of approximately HK\$35.0 million (equivalent to approximately RMB33.7 million) for the acquisition of new factory units for the expansion of production facilities. At present, the Company has not identified any suitable new factory unit. In this light, the Directors believe it would be in the best interests of the Company and its Shareholders for the Company to utilize part of the net proceeds from the listing to satisfy the financial requirement for the Acquisition.

As the applicable percentage ratios for the Acquisition are less than 5%, the Acquisition does not constitute a notifiable transaction under the Listing Rules. Nevertheless, the Directors wish to inform its Shareholders of the information contained in this announcement.

### **Introduction**

On 9 October 2007, Noble Jewelry (Guangzhou), a wholly owned subsidiary of the Company (as the Purchaser) and Shengfa Trading (as the Vendor), entered into the Acquisition Agreement whereby Noble Jewelry (Guangzhou) agreed to purchase from Shengfa Trading the Production Plant for a consideration of RMB13.0 million.

### **The Acquisition Agreement**

Date : 9 October 2007

Parties : Noble Jewelry (Guangzhou), as the Purchaser  
Shengfa Trading, as the Vendor

The Company confirms that, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its beneficial owner(s) are third party independent of and not connected with the Company and its connected persons as defined under the Listing Rules.

Subject matter : Acquisition of the Production Plant from Shengfa Trading by Noble Jewelry (Guangzhou). The Production Plant is a parcel of land with a site area of approximately 5,531.0 sq. m. and a land use rights of a term of 50 years expiring on 18 March 2049 and the premises located on the land at No. 4 and 6 of 3rd Street, Xiangping Road, Xiaoping Community District, Shiqiao Town, Panyu District, Guangzhou, the PRC and has an aggregate gross floor area of approximately 9,270.5 sq. m., of which approximately 6,213.1 sq. m. is currently occupied by the Group for industrial and warehouse purposes and 3,057.4 sq. m. for staff quarters.

Consideration : The consideration payable by Noble Jewelry (Guangzhou) to the Vendor for the Acquisition Agreement is RMB13.0 million, which is to be settled in cash in three installments as follows:

- (i) an initial payment of RMB5.0 million was paid by the Purchaser upon signing of the Acquisition Agreement on 9 October 2007;
- (ii) a further payment of RMB7.0 million to be paid by the Purchaser within three days upon the acceptance of the registration of the change of the Production Plant title; and
- (iii) the remaining balance of RMB1.0 million to be paid upon receipt of the Production Plant title certificate by Noble Jewelry (Guangzhou).

The consideration is determined with reference to the appraised valuation conducted by an independent valuer and after arm's length negotiation between both parties.

### **Funding of the Acquisition**

Pursuant to the prospectus of the Company dated 30 March 2007, it was disclosed that the Company intended to apply the net proceeds of approximately HK\$35.0 million (equivalent to approximately RMB33.7 million) for the acquisition of new factory units for the expansion of production facilities. At present, the Company has not identified any suitable new factory unit. In this light, the Directors believe it would be in the best interests of the Company and its Shareholders for the Company to utilize part of the net proceeds from the listing to satisfy the financial requirement for the Acquisition.

## **Information on the Production Plant and reason for the Acquisition**

The Company is an integrated jewelry designer, manufacturer and related integrated service provider to jewelry retailers and wholesalers in the US and countries and territories in the Middle East, Europe and the Asian-Pacific region.

Noble Jewelry (Guangzhou) was incorporated in the PRC and is principally engaged in the manufacture of fine jewelry products in China.

Shengfa Trading is incorporated in the PRC and is beneficially owned by an independent third party unrelated to the Company, its Directors or substantial Shareholders. Shengfa Trading is principally engaged in import and export of merchandises, provision of technology or property-related consultancy services and property investment in the PRC.

The Production Plant is currently occupied by the Company and is the premises at which its main production base is located. It is the Company's intention to continue to use the Production Plant as its main production base. Under the lease agreements entered into between Noble Jewelry (Guangzhou) and the Vendor, the rental payable by Noble Jewelry (Guangzhou) for the Production Plant for the period from 1 September 2006 to 31 August 2007 was RMB1.4 million per annum, and for the two years commencing from 1 September 2007, the rental payable by Noble Jewelry (Guangzhou) is RMB1.5 million per annum and RMB1.6 million per annum, respectively.

Pursuant to the Acquisition Agreement, both parties have agreed that Noble Jewelry (Guangzhou) shall have the existing lease agreements terminated upon the Vendor receives the second installment of the consideration. The Board believes that by acquiring the Production Plant and terminating the lease agreements, the Group would reduce rental costs and secure its main production base and thereby help maintain a sustainable competitive position in the market. As the consideration will be funded by net proceeds from the Group's initial public offering, the Directors do not expect that the Acquisition will have any significant financial impact to the Group.

The Directors (including the independent non-executive Directors) consider that the Acquisition is made on normal commercial terms and on terms that are fair and reasonable and in the best interests of the Company and its Shareholders as a whole.

## **Listing Rules Implication**

As the applicable percentage ratios for the Acquisition are less than 5%, the Acquisition does not constitute a notifiable transaction under the Listing Rules. However, the Directors wish to inform its Shareholders of the information contained in this announcement.

## **Definitions**

Unless the contexts otherwise require, the following terms shall have the following meanings as used in this announcement:

"Acquisition"	the acquisition of the Production Plant by the Purchaser from the Vendor pursuant to the terms and conditions of the Acquisition Agreement
"Acquisition Agreement"	the acquisition agreement entered into between Noble Jewelry (Guangzhou) (as the Purchaser) and Shengfa Trading (as the Vendor) for the sale and purchase of the Production Plant
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors of the Company
"China" or "PRC"	the People's Republic of China, for the purposes of this announcement, excluding Hong Kong
"Company"	Noble Jewelry Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed and traded on the Stock Exchange (stock code: 475)

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of China
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Noble Jewelry (Guangzhou)” or the “Purchaser”	廣州市億鑽珠寶有限公司(Guangzhou Noble Jewelry Limited*), a wholly foreign-owned enterprise established under the laws of PRC with limited liability and a wholly-owned subsidiary of the Company
“Production Plant”	a parcel of land with a site area of approximately 5,531.0 sq. m. and a land use rights of a term of 50 years expiring on 18 March 2049 and the premises located on the land at No. 4 and 6 of 3rd Street, Xiangping Road, Xiaoping Community District, Shiqiao Town, Panyu District, Guangzhou, the PRC and has an aggregate gross floor area of approximately 9,270.5 sq. m.
“RMB”	Renminbi, the lawful currency of China
“Share(s)”	ordinary shares in the share capital of the Company with a nominal value of HK\$0.01 each
“Shareholder(s)”	holder(s) of the Shares
“Shengfa Trading” or the “Vendor”	廣州市番禺區盛發貿易有限責任公司(Guangdong Shengfa Trading Limited*), a company incorporated in PRC with limited liability
“sq. m.”	square meters
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

Unless otherwise stated, the exchange rate used in this announcement is RMB1.00 to HK\$1.04.

\* For identification purposes only

By order of the Board  
**NOBLE JEWELRY HOLDINGS LIMITED**  
 CHAN Yuen Hing  
*Chairman*

Hong Kong, 9 October 2007

*As at the date of this announcement, the executive Directors are Mr. CHAN Yuen Hing, Mr. TANG Chee Kwong, Ms. CHAN Lai Yung and Mr. YU Yip Cheong, the non-executive Director is Mr. YEUNG Kwok Keung, JP, the independent non-executive Directors are Mr. CHAN Cheong Tat, Mr. YU Ming Yang and Mr. ZHAO De Hua.*