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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)

DISCLOSEABLE AND CONNECTED TRANSACTION

**ACQUISITION OF 20% EQUITY INTERESTS
IN CHENGHUANG JEWELLERY**

The Board is pleased to announce that, on 18 April 2008, Sinoble Jewelry, a wholly-owned subsidiary of the Company, as the purchaser, has conditionally entered into three separate agreements, which are not inter-conditional on one another, whereby Sinoble Jewelry agreed to purchase from NGS, Mr. Zhao and Mr. Meng the equity interests in Chenghuang Jewellery of 14%, 4% and 2% for a consideration of approximately RMB31.00 million (equivalent to approximately HK\$34.88 million), RMB8.86 million (equivalent to approximately HK\$9.97 million) and RMB4.43 million (equivalent to approximately HK\$4.98 million) respectively.

Mr. Zhao, being an ex-independent non-executive Director of the Company within the preceding twelve months, is regarded as a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, any transaction between Mr. Zhao and the Group would constitute a connected transaction. As the applicable percentage ratios under the Listing Rules relating to the transaction contemplated under the Equity Purchase Agreement II exceed 2.5% but are less than 25% and the relevant consideration is less than HK\$10 million, the connected transaction is only subject to the reporting and announcement requirement as set out under Listing Rules 14A.45 to 14A.47.

As the applicable percentage ratios under the Listing Rules in respect of the aggregate amount of the consideration of the Equity Purchase Agreements exceed 5% but are less than 25%, the Acquisition also constitutes a discloseable transaction for the Company under rule 14.06 of the Listing Rules. A circular containing further particular of the Acquisition will be despatched to the Shareholders as soon as possible in accordance with the requirements of the Listing Rules.

The Board is pleased to announce that, on 18 April 2008, Sinoble Jewelry, a wholly-owned subsidiary of the Company, as the purchaser, has conditionally entered into three separate agreements, which are not inter-conditional on one another, whereby Sinoble Jewelry agreed to purchase from NGS, Mr. Zhao and Mr. Meng the equity interests in Chenghuang Jewellery of 14%, 4% and 2% for a consideration of approximately RMB31.00 million (equivalent to approximately HK\$34.88 million), RMB8.86 million (equivalent to approximately HK\$9.97 million) and RMB4.43 million (equivalent to approximately HK\$4.98 million) respectively.

THE EQUITY PURCHASE AGREEMENT I

Summary

Date of agreement : 18 April 2008

Parties :

- Sinoble
- NGS

To the best of the knowledge, information and belief of the Directors, after making all reasonable enquiries, NGS and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Subject matter : Acquisition of 14% of equity interests in Chenghuang Jewellery from NGS by Sinoble Jewelry.

Consideration : Pursuant to the Equity Purchase Agreement I, the Company has agreed to acquire equity interests in Chenghuang Jewellery for a cash consideration based on the following formula:

$$\text{Consideration} = \frac{\text{Chenghuang Jewellery 's 2007 audited net profit}}{\text{}} \times 10.25 \times 14\% \text{ of equity transfer under the Equity Purchase Agreement I}$$

The consideration payable by Sinoble Jewelry to NGS is approximately RMB31.00 million (equivalent to approximately HK\$34.88 million) which will be settled in three instalments as follows:

- (i) an initial refundable deposit of 10% of the consideration will be paid by Sinoble Jewelry to NGS within five business days upon signing of the Equity Purchase Agreement I;
- (ii) a further refundable deposit of 20% of the consideration will be paid by Sinoble Jewelry to NGS within five business days upon receipt of the registration voucher of share transfer issued by the Shanghai United Assets and Equity Exchange; and
- (iii) the balance of 70% of the consideration will be paid by Sinoble Jewelry to NGS within five business days upon completion of the Equity Purchase Agreement I.

The consideration was determined following commercial negotiations between the parties on an arm's length basis having regard to the average current price-earning ratios of the listed comparables engaging in similar business as Chenghuang Jewellery of approximately 11.00 and the profit track record of Chenghuang Jewellery for the years ended 31 December 2006 and 31 December 2007.

The payment for the above consideration will be funded by the Group's internal resources.

- Conditions precedent of the Equity Purchase Agreement I : The Equity Purchase Agreement I will become effective upon satisfaction of, among others, the following conditions:
- the completion of due diligence reviews by Sinoble Jewelry on, but not limited to, the legal, financial and business aspects of Chenghuang Jewellery and such reviews not showing any material breach of representations and warranties given by NGS;
 - the approval by the shareholders of Chenghuang Jewellery;
 - the fulfilment of all necessary requirements by the Company according to the Listing Rules; and
 - save for the approval from the PRC regulatory authority, the granting of all consents from other third parties which are necessary in connection with the execution and performance of the Equity Purchase Agreement I.

If the conditions precedent have not been fulfilled or waived on or before 30 September 2008 (or any other date as agreed between the parties in writing), the Equity Purchase Agreement I shall have no effect and the deposits already paid should be refundable in full forthwith with interests in accordance with prevailing bank's lending rate.

THE EQUITY PURCHASE AGREEMENT II

Summary

Date of agreement : 18 April 2008

Parties :

- Sinoble
- Mr. Zhao

Mr. Zhao, being an ex-independent non-executive Director of the Company who has resigned with effect from 11 January 2008, is regarded as a connected person of the Company under Chapter 14A of the Listing Rules.

Subject matter : Acquisition of 4% of equity interests in Chenghuang Jewellery from Mr. Zhao by Sinoble Jewelry.

Consideration : Pursuant to the Equity Purchase Agreement II, the Company has agreed to acquire equity interests in Chenghuang Jewellery for a cash consideration based on the following formula:

$$\text{Consideration} = \frac{\text{Chenghuang Jewellery's 2007 audited net profit}}{\text{}} \times 10.25 \times \text{4\% of equity transfer under the Equity Purchase Agreement II}$$

The consideration payable by Sinoble Jewelry to Mr. Zhao is approximately RMB8.86 million (equivalent to approximately HK\$9.97 million) which will be settled in three instalments as follows:

- (i) an initial refundable deposit of 10% of the consideration will be paid by Sinoble Jewelry to Mr. Zhao within five business days upon signing of the Equity Purchase Agreement II;

- (ii) a further refundable deposit of 20% of the consideration will be paid by Sinoble Jewelry to Mr. Zhao within five business days upon registration of the change with the Industrial and Commercial Bureau; and
- (iii) the balance of 70% of the consideration will be paid by Sinoble Jewelry to Mr. Zhao within five business days upon completion of the Equity Purchase Agreement II.

The consideration was determined following commercial negotiations between the parties on an arm's length basis having regard to the average current price-earning ratios of the listed comparables engaging in similar business as Chenghuang Jewellery of approximately 11.00 and the profit track record of Chenghuang Jewellery for the years ended 31 December 2006 and 31 December 2007.

The payment for the above consideration will be funded by the Group's internal resources.

- Conditions precedent of the Equity Purchase Agreement II :
- The Equity Purchase Agreement II will become effective upon satisfaction of, among others, the following conditions:
 - the completion of due diligence reviews by Sinoble Jewelry on, but not limited to, the legal, financial and business aspects of Chenghuang Jewellery and such reviews not showing any material breach of representations and warranties given by Mr. Zhao;
 - the approval by the shareholders of Chenghuang Jewellery;
 - the fulfilment of all necessary requirements by the Company according to the Listing Rules; and
 - save for the approval from the PRC regulatory authority, the granting of all consents from other third parties which are necessary in connection with the execution and performance of the Equity Purchase Agreement II.

If the conditions precedent have not been fulfilled or waived on or before 30 September 2008 (or any other date as agreed between the parties in writing), the Equity Purchase Agreement II shall have no effect and the deposits already paid should be refundable in full forthwith with interests in accordance with prevailing bank's lending rate.

THE EQUITY PURCHASE AGREEMENT III

Summary

Date of agreement : 18 April 2008

Parties :

- Sinoble
- Mr. Meng

To the best of the knowledge, information and belief of the Directors, after making all reasonable enquiries, Mr. Meng is a third party independent of the Company and its connected persons.

Subject matter : Acquisition of 2% of equity interests in Chenghuang Jewellery from Mr. Meng by Sinoble Jewelry.

Consideration : Pursuant to the Equity Purchase Agreement III, the Company has agreed to acquire equity interests in Chenghuang Jewellery for a cash consideration based on the following formula:

$$\text{Consideration} = \text{Chenghuang Jewellery's 2007 audited net profit} \times 10.25 \times 2\% \text{ of equity transfer under the Equity Purchase Agreement III}$$

The consideration payable by Sinoble Jewelry to Mr. Meng is approximately RMB4.43 million (equivalent to approximately HK\$4.98 million) which will be settled in three instalments as follows:

- (i) an initial refundable deposit of 10% of the consideration will be paid by Sinoble Jewelry to Mr. Meng within five business days upon signing of the Equity Purchase Agreement III;
- (ii) a further refundable deposit of 20% of the consideration will be paid by Sinoble Jewelry to Mr. Meng within five business days upon registration of the change with the Industrial and Commercial Bureau; and
- (iii) the balance of 70% of the consideration will be paid by Sinoble Jewelry to Mr. Meng within five business days upon completion of the Equity Purchase Agreement III.

The consideration was determined following commercial negotiations between the parties on an arm's length basis having regard to the average current price-earning ratios of the listed comparables engaging in similar business as Chenghuang Jewellery of approximately 11.00 and the profit track record of Chenghuang Jewellery for the years ended 31 December 2006 and 31 December 2007.

The payment for the above consideration will be funded by the Group's internal resources.

Conditions precedent of the Equity Purchase Agreement III : The Equity Purchase Agreement III will become effective upon satisfaction of, among others, the following conditions:

- the completion of due diligence reviews by Sinoble Jewelry on, but not limited to, the legal, financial and business aspects of Chenghuang Jewellery and such reviews not showing any material breach of representations and warranties given by Mr. Meng;
- the approval by the shareholders of Chenghuang Jewellery;
- the fulfilment of all necessary requirements by the Company according to the Listing Rules; and
- save for the approval from the PRC regulatory authority, the granting of all consents from other third parties which are necessary in connection with the execution and performance of the Equity Purchase Agreement III.

If the conditions precedent have not been fulfilled or waived on or before 30 September 2008 (or any other date as agreed between the parties in writing), the Equity Purchase Agreement III shall have no effect and the deposits already paid should be refundable in full forthwith with interests in accordance with prevailing bank's lending rate.

Information on Chenghuang Jewellery

Chenghuang Jewellery is principally engaged in operation of a flagship mall in the Yuyuan Garden in Shanghai, PRC and eleven retail outlets across Shanghai and other regions in PRC with operation area occupied of approximately 16,000 square meters in aggregate for sale of golden ornaments, jade articles, antiques and other fine jewelry products.

According to Chenghuang Jewellery's audited financial statements for the years ended 31 December 2006 and 2007 which were prepared in accordance with PRC generally accepted accounting principles, its turnover, net profit before and after taxation for each of the two years ended 31 December 2006 and 2007 are shown as follows:

	For the year ended 31 December 2006 (Audited) (RMB'000)	For the year ended 31 December 2007 (Audited) (RMB'000)
Turnover	<u>361,474</u>	<u>408,051</u>
Net profit before taxation	<u>19,951</u>	<u>32,140</u>
Net profit after taxation	<u>13,682</u>	<u>21,601</u>

The audited net asset value of Chenghuang Jewellery as at 31 December 2006 and 31 December 2007 was approximately RMB49.28 million (equivalent to approximately HK\$55.44 million) and RMB58.41 million (equivalent to approximately HK\$65.71 million) respectively.

Reasons 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.

NGS, a vendor under Equity Purchase Agreement I, is principally engaged in property development and investment and infrastructure project investment in PRC.

Prior to the Acquisition, the Company does not have any interest in Chenghuang Jewellery. Following completion of the Acquisition, it is agreed that the Company will nominate a representative to the board of Chenghuang Jewellery for the purpose of sharing expertise and experience on the operation of fine jewelry business. Chenghuang Jewellery will become a 20%-owned associated company of the Company and will be classified as an investment in associates immediately upon completion of the Acquisition.

The Acquisition would enable the Group to expand its operation in the jewelry retail sector of PRC which in the view of the Directors offer good opportunities in the future. The Group currently intends to establish a strategic alliance with Chenghuang Jewellery by entering into a business cooperation agreement and trademark license agreement with Chenghuang Jewellery on 18 April 2008. Under the business cooperation agreement, the Company will establish a retail network in the departmental store or retail outlets operated by Chenghuang Jewellery. Besides, the Company has agreed to license a trademark under the well recognised brand of Chenghuang Jewellery for marketing its products pursuant to the trademark license agreement. Should any of the transaction contemplated under any of the agreement induce the reporting requirements by the Company, the Company would comply with the relevant disclosure requirements of the Listing Rules as and when appropriate.

Having taken into account various factors, including those set out above, the Directors (including the independent non-executive Directors) consider that the Equity Purchase Agreements are entered into on normal commercial terms and their terms and conditions are fair and reasonable and are in the interests of the Company and its Shareholders as a whole. As the payment for the consideration under the Equity Purchase Agreements will be funded by the Group's internal resources, the Board does not expect that there will be any significant financial impact to the Group as a result of the Acquisition.

General Information

Mr. Zhao, being an ex-independent non-executive Director of the Company within the preceding twelve months, is regarded as a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, any transaction between Mr. Zhao and the Group would constitute a connected transaction. As the applicable percentage ratios under the Listing Rules relating to the transaction contemplated under the Equity Purchase Agreement II exceed 2.5% but are less than 25% and the relevant consideration is less than HK\$10 million, the connected transaction is only subject to the reporting and announcement requirements as set out under Listing Rules 14A.45 to 14A.47.

The Directors have confirmed that Mr. Zhao did not involve in the negotiations of the Equity Purchase Agreements I and III and the Company has not entered into any transactions with NGS, Mr. Zhao or Mr. Meng in the past 12-month period that require aggregation under Listing Rules 14.22 and 14A.25.

As the applicable percentage ratios under the Listing Rules in respect of the aggregate amount of the consideration of the Equity Purchase Agreements exceed 5% but are less than 25%, the Acquisition also constitutes a discloseable transaction for the Company under rule 14.06 of the Listing Rules. A circular containing further particular of the Acquisition will be despatched to the Shareholders as soon as possible in accordance with the requirements of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of 20% equity interests in Chenghuang Jewellery pursuant to the terms and conditions of the Equity Purchase Agreements
“Board”	the board of Directors of the Company
“business day(s)”	any day(s) other than a Saturday and Sunday and public holiday in the PRC and Hong Kong

“Chenghuang Jewellery”	上海城隍廟第一購物中心有限公司 (Shanghai City Temple The First Shopping Center Company Limited *), a company incorporated in PRC with limited liability and owned as to 70% by NGS, 20% by Mr. Zhao and 10% by Mr. Meng prior to the Acquisition
“Company”	Noble Jewelry Holdings Limited, a company incorporated in 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”	the directors of the Company
“Equity Purchase Agreement I”	the equity purchase agreement between Sinoble Jewelry and NGS dated 18 April 2008 for the acquisition of 14% equity interests in Chenghuang Jewellery
“Equity Purchase Agreement II”	the equity purchase agreement between Sinoble Jewelry and Mr. Zhao dated 18 April 2008 for the acquisition of 4% equity interests in Chenghuang Jewellery
“Equity Purchase Agreement III”	the equity purchase agreement between Sinoble Jewelry and Mr. Meng dated 18 April 2008 for the acquisition of 2% equity interests in Chenghuang Jewellery
“Equity Purchase Agreements”	the Equity Purchase Agreement I, the Equity Purchase Agreement II and the Equity Purchase Agreement III
“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
“Mr. Meng”	Mr. Meng Jianhua, a person independent of the Company and its connected persons
“Mr. Zhao”	Mr. Zhao Dehua, an ex-independent non-executive Director of the Company who has resigned with effect from 11 January 2008
“NGS”	農工商房地產（集團）股份有限公司 (Nonggongshang Real Estate (Group) Company Limited *), a company independent of the Company and its connected persons
“PRC”	the People’s Republic of China

“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares in the share capital of the Company with a nominal value of HK\$0.01 each
“Shareholder(s)”	the shareholder(s) of the Company
“Sinoble Jewelry”	廣州億恒珠寶有限公司 (Sinoble Jewelry Limited *), a wholly foreign-owned enterprise established in PRC with limited liability and a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

Unless otherwise stated, the exchange rate used in this announcement is RMB1.00 to HK\$1.125.

* For identification purposes only

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

Hong Kong, 18 April 2008

As at the date of this announcement, the executive directors of the Company 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. Tang Chiu Ming Frank and Mr. Yu Ming Yang.