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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: 00475)

DISCLOSEABLE AND CONNECTED TRANSACTION

FORMATION OF A JOINT VENTURE AND FINANCIAL ASSISTANCE TO A CONNECTED PERSON

The Board is pleased to announce that on 26 May 2009, Noble Jewelry, a wholly-owned subsidiary of the Company, entered into the JV Agreement with the JV Partner relating to the formation of a joint venture company for the purpose of establishing a retail platform and exploring jewelry road show business in Sam's Club operated by Wal-Mart in US. Upon completion of the JV Agreement, the joint venture company will be owned as to 70% by Noble Jewelry (or its nominated company within the Group) and 30% by the JV Partner, respectively.

In addition, on even date, Noble Jewelry entered into the Loan Agreement with the JV Partner, pursuant to which Noble Jewelry shall make available a Loan of up to US\$1 million to the JV Partner for its business development.

As all applicable percentage ratios for the Company's capital contribution to the joint venture company are less than 5%, the formation of joint venture does not constitute a notifiable transaction under the Listing Rules. Nevertheless, the Board wishes to inform its Shareholders of the information contained in this announcement.

As the highest applicable percentage ratio in respect of the Loan Agreement exceeds 5% but falls below 25%, the transaction under the Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Besides, after entering into the JV Agreement, the JV Partner will become a connected person of the Group under Chapter 14A of the Listing Rules and the transaction under the Loan Agreement also constitutes a connected transaction of the Company. As the highest applicable percentage ratio of the Loan Agreement is more than 2.5% but less than 25% and the Loan is less than HK\$10 million, pursuant to Listing Rule 14A.66, the connected transaction is only subject to announcement and reporting requirements as set out under rules 14A.45 to 14A.47 of the Listing Rules.

Introduction

The Board is pleased to announce that on 26 May 2009, Noble Jewelry, a wholly-owned subsidiary of the Company, entered into the JV Agreement with the JV Partner relating to the formation of a joint venture company for the purpose of establishing a retail platform and exploring jewelry road show business in Sam's Club operated by Wal-Mart in US. Upon completion of the JV Agreement, the joint venture company will be owned as to 70% by Noble Jewelry (or its nominated company within the Group) and 30% by the JV Partner, respectively.

In addition, on even date, Noble Jewelry entered into the Loan Agreement with the JV Partner, pursuant to which Noble Jewelry shall make available a Loan of up to US\$1 million to the JV Partner for its business development.

Principal terms of the JV Agreement

- Date : 26 May 2009
- Parties : Noble Jewelry, a wholly-owned subsidiary of the Company; and the JV Partner.
- The Directors, having made all reasonable enquiries, confirmed that, to the best of their knowledge and belief, the JV Partner is a third party independent of the Company and its connected persons as defined under the Listing Rules prior to the entering into the JV Agreement.
- Issued share capital of the joint venture company : The proposed issued share capital of the joint venture company shall amount to US\$5,000, representing 5,000 shares of US\$1 each.
- Shareholdings : Noble Jewelry (or its nominated company within the Group) shall bear a total capital commitment of US\$500,000 and have a 70% equity interest in the joint venture company while the JV Partner shall provide its business connection in US and experience in operating the jewelry road show business to joint venture company for the remaining 30% shareholding interest.
- The investment amount of US\$500,000 to be contributed by Noble Jewelry (or its nominated company within the Group) is funded from the Group's internal resource.
- Scope of business : To establish a retail platform and explore jewelry road show business in Sam's Club operated by Wal-Mart in US.
- Composition of the board : The board of directors of the joint venture company shall consist of four directors. Noble Jewelry (or its nominated company within the Group) shall be entitled to appoint three persons to the board of directors and the JV Partner shall nominate one director. The chairman and secretary of the joint venture company shall be nominated by Noble Jewelry (or its nominated company within the Group).

Profit and loss sharing : For the first two financial years, 50% of the net profit of the joint venture company available for distribution shall be declared to Noble Jewelry (or its nominated company within the Group) and the JV Partner in equal proportion irrespective of their respective shareholdings in the joint venture company by way of dividend.

From the third financial year onward, Noble Jewelry (or its nominated company within the Group) and the JV Partner will be entitled to share the profits and will bear the losses of the joint venture company in proportion to their respective shareholdings in the joint venture company.

Conditions precedent : Completion shall be conditional upon the following conditions being fulfilled:
(i) the necessary approval is granted and procedural requirements are satisfied as stipulated in the Listing Rules; and
(ii) the written confirmation from Sam's Club in respect of the acceptance of the joint venture company or any of its wholly-owned subsidiaries as a road show supplier for jewelry products is granted.

Other salient terms : If both parties agree to make a further capital injection to the joint venture company within the first three financial years from the date of incorporation of the joint venture company, Noble Jewelry may at its own discretion to consider making a loan of not exceeding US\$500,000 available to the JV Partner for its capital injection to the joint venture company.

Should this arrangement be materialized and induces reporting requirements by the Company pursuant to the Listing Rules, the Company would comply with the relevant disclosure requirements of the Listing Rules as and when appropriate.

Principal terms of the Loan Agreement

Date : 26 May 2009

Parties : Noble Jewelry ("Lender"); and the JV Partner ("Borrower").

Subject matter : Loan Agreement between Lender and Borrower, whereby the Lender will make available a loan of up to US\$1 million to the Borrower.

The Loan will be funded from the Group's internal resource.

Conditions precedent : The first tranche of such loan, which amounts to US\$500,000, will be made available to the Borrower upon, amongst satisfying other conditions, (i) Mr. Lau Tak Kei, the beneficial shareholder of the JV Partner, executing a personal guarantee of the Loan in favour of the Lender; and (ii) the Borrower pledging jewelry stock (the "Pledged Stock") that worth approximately US\$500,000 to the Lender.

The balance of US\$500,000 of the Loan will only be made available to the Borrower upon (i) the Borrower pledging another batch of jewelry stock which worth approximately US\$500,000 to the Lender; and (ii) the Borrower pledging its 30% equity interest in the joint venture company established pursuant to JV Agreement to the Lender.

Interest rate : Prime rate as quoted by the Hongkong and Shanghai Banking Corporation Limited from time to time and in any case, the interest rate shall not be lower than 5% per annum or higher than 7% per annum.

Accrued interest under the Loan is payable on a semi-annual basis.

Repayment terms : Tenure of the Loan is 3 years or for a term throughout the subsistence of the joint venture company, whichever is earlier.

All dividends declared and payable to the JV Partner and sale proceeds from the Pledged Stock should be used to repay the Loan until the Loan is fully repaid.

Early repayment : Early repayment is permitted without any penalty.

Reasons for and benefit of entering into the JV Agreement and the Loan Agreement

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

The JV Partner is a well-established private incorporation mainly engaged in the design, manufacture and sale of jewelry products globally. The Directors, having made all reasonable enquiries, confirmed that, to the best of their knowledge and belief, the JV Partner is a third party independent of the Company and its connected persons as defined under the Listing Rules prior to the entering into the JV Agreement.

Sam's Club is a warehouse chain store operated by Wal-Mart in US. Leveraging on its famous brand name and strong marketing networks, the establishment of the joint venture company enables the Group to diversify into jewelry road show business and further develop its US retail market.

The terms of the JV Agreement were determined on normal commercial terms after arm's length negotiations. The Directors (including the independent non-executive Directors) consider that the terms of the JV Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Having taken into account that the interest rate of the Loan is higher than the current interest rate for US\$ fixed deposits available to the Company and the credit risk is relatively lower as the Loan is fully secured, the Directors (including the independent non-executive Directors) consider that the terms of the Loan Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole though it is not in the ordinary and usual course of business of the Company.

Listing Rules Implication

As all applicable percentage ratios for the Company's capital contribution to the joint venture company are less than 5%, the formation of joint venture does not constitute a notifiable transaction under the Listing Rules. Nevertheless, the Board wishes to inform its Shareholders of the information contained in this announcement.

As the highest applicable percentage ratio in respect of the Loan Agreement exceeds 5% but falls below 25%, the transaction under the Loan Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Besides, after entering into the JV Agreement, the JV Partner will become a connected person of the Group under Chapter 14A of the Listing Rules and the transaction under the Loan Agreement also constitutes a connected transaction of the Company. As the highest applicable percentage ratio of the Loan Agreement is more than 2.5% but less than 25% and the Loan is less than HK\$10 million, pursuant to Listing Rules 14A.66, the connected transaction is only subject to announcement and reporting requirements as set out under rules 14A.45 to 14A.47 of the Listing Rules.

Definitions

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

“Board”	the board of Directors of the Company
“China”	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: 00475)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of China
“JV Agreement”	the joint venture agreement date 26 May 2009 between Noble Jewelry and the JV Partner in respect of the establishment of the joint venture company
“JV Partner”	Glorious (China) Limited, a company incorporated in Hong Kong and beneficially owned by Mr. Lau Tak Kei, who, to the best of the knowledge of the Board, is independent to the Company and its Directors

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the US\$1 million as prescribed in the Loan Agreement
“Loan Agreement”	the loan agreement date 26 May 2009 entered into between Noble Jewelry and the JV Partner in respect of Noble Jewelry make available a loan of up to US\$1 million to the JV Partner
“Noble Jewelry”	Noble Jewelry Limited, a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US”	the United States of America
“US\$”	United States dollars, the lawful currency of US

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

Hong Kong, 26 May 2009

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, Mr. Chan Wing Nang, Mr. Tsang Wing Ki and Mr. Yu Yip Cheong; the independent non-executive directors are Mr. Chan Cheong Tat, Mr. Tang Chiu Ming Frank and Mr. Yu Ming Yang.