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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)

## **CONNECTED TRANSACTION**

### **CAPITAL INCREASE IN A JOINT VENTURE COMPANY**

The Board announces that, on 10 May 2010, Grandpower, a wholly-owned subsidiary of the Company, entered into the Capital Increase Agreement with the JV Partner, pursuant to which (i) the registered capital of the JV Company will be increased from US\$5,000 to US\$15,500; and (ii) the total investment amount of the JV Company will be increased from US\$500,000 to US\$1,550,000. The Group will solely contribute the full amount of the Capital Increase, being US\$1,050,000 in cash by 30 June 2010.

Upon completion of the Capital Increase, Grandpower's equity interest in the JV Company will be increased from 70% to approximately 90.32%, and JV Partner's equity interest in the JV Company will be diluted from 30% to approximately 9.68% accordingly.

As the JV Company is a non wholly-owned subsidiary of the Company and the JV Partner is a substantial shareholder of the JV Company before completion of the Capital Increase, the JV Partner is therefore a connected person of the Company. Accordingly, the Capital Increase constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio of the Capital Increase is more than 2.5% but less than 25% and the total consideration is less than HK\$10 million, pursuant to Listing Rules 14A.32, 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.

## **The Capital Increase Agreement**

Date : 10 May 2010

Parties :

- (1) Grandpower
- (2) JV Partner

Before the Capital Increase, Grandpower and the JV Partner hold 70% and 30% of equity interests in the JV Company respectively.

### **Subject Matter**

Pursuant to the Capital Increase Agreement, (i) the registered capital of the JV Company will be increased from US\$5,000 to US\$15,500; and (ii) the total investment amount of the JV Company will be increased from US\$500,000 to US\$1,550,000. The Capital Increase Agreement also amended the terms of the JV Agreement to reflect the change of the capital and investment amount of the JV Company following the completion of the Capital Increase.

The Group will solely contribute the full amount of the Capital Increase, being US\$1,050,000 in cash by 30 June 2010. The amount of the Capital Increase was determined by the additional fund requirements of the JV Company to continue to explore the jewelry road show business. Such contribution will be funded by internal resources of the Company.

Upon completion of the Capital Increase, Grandpower's equity interest in the JV Company will be increased from 70% to approximately 90.32%, and the JV Partner's equity interest in the JV Company will be diluted from 30% to approximately 9.68% accordingly.

### **Information of the JV Company**

The Group formed the JV Company with the JV Partner in May 2009 pursuant to the JV Agreement for the purpose of establishing a retail platform and exploring jewelry road show business in Sam's Club operated by Wal-Mart in US. Over 90 jewelry road shows have been launched by the JV Company in Sam's Club since August 2009.

As at 31 March 2010, the unaudited consolidated net liabilities of the JV Company were US\$1,050,191.

### **Reasons for and benefit of the Capital Increase**

The Capital Increase reflects the additional funds required to continue to explore the jewelry road show business.

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

### **Information of the Group and the JV Partner**

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.

## Listing Rules Implication

As the JV Company is a non wholly-owned subsidiary of the Company and the JV Partner is a substantial shareholder of the JV Company before completion of the Capital Increase, the JV Partner is therefore a connected person of the Company. Accordingly, the Capital Increase constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio of the Capital Increase is more than 2.5% but less than 25% and the total consideration is less than HK\$10 million, pursuant to Listing Rules 14A.32, 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
“Capital Increase”	(i) the increase in the registered capital of the JV Company from US\$5,000 to US\$15,500; and (ii) the increase in the total investment amount of the JV Company will be increased from US\$500,000 to US\$1,550,000, as contemplated under the Capital Increase Agreement
“Capital Increase Agreement”	the capital increase agreement in relation to the JV Company dated 10 May 2010 entered into between Noble Jewelry and the JV Partner
“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
“Grandpower”	Grandpower Holdings Limited, a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands with limited liability
“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 dated 26 May 2009 between Noble Jewelry and the JV Partner in respect of the establishment of the JV company
“JV Company”	N. A. Marketing Limited, the joint venture company, incorporated in the British Virgin Islands with limited liability
“JV Partner”	Glorious (China) Limited, a company incorporated in Hong Kong, is a connected person of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Noble Jewelry”	Noble Jewelry Limited, a wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability
“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, 10 May 2010

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