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**香港珠寶**  
H.K. JEWELRY CO.  
**HONG KONG JEWELLERY HOLDING LIMITED**  
**香港珠寶控股有限公司**  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 8048)

**PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 18 March 2013, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has agreed, on a best effort basis to procure, as agent of the Company, Placees for the Placing Shares upon and subject to the terms and conditions set out in the Placing Agreement.

Assuming that all 203,000,000 Placing Shares are successfully placed, the Placing Shares will represent approximately 20.00% of the existing issued share capital of the Company of 1,015,050,000 Shares, assuming there is no further change in share capital structure of the Company prior to the Placing Completion.

The Placing Price of HK\$0.34 per Share (i) is equivalent to the closing price of HK\$0.34 per Share as quoted on the Stock Exchange on 18 March 2013, being the date of the Placing Agreement; and (ii) represents a premium of approximately 0.59% over the average closing price of HK\$0.338 per Share as quoted on the Stock Exchange for the last five trading days up to and including the date of the Placing Agreement.

The Placing is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

**Placing Completion is subject to satisfaction of the condition contained in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

Pursuant to the Placing Agreement, the Placing Agent has agreed, on a best effort basis to procure, as agent of the Company, Placees for the Placing Shares.

### **Date**

18 March 2013

### **Parties involved**

- (i) the Company; and
- (ii) Goldin Equities Limited as the Placing Agent.

### **Placing Shares**

Assuming that all 203,000,000 Placing Shares are successfully placed, the Placing Shares represent approximately 20.00% of the existing issued share capital of the Company of 1,015,050,000 Shares and approximately 16.67% of the entire issued share capital of the Company as enlarged by the Placing. The maximum aggregate nominal value of the Placing Shares will be HK\$20,300,000.

### **Independence of the Placing Agent and the Placees**

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are independent third parties of the Group and not connected persons (as defined in the GEM Listing Rules) of the Group.

It is expected that there will be no fewer than six Placees who will be professional, institutional or other investors procured by the Placing Agent and/or any of its agent(s) to subscribe for any of the Placing Shares. The Placing Agent shall not place any of the Placing Shares to any connected person of the Company. The Company will issue a further announcement upon Placing Completion and disclose the details of the Placees in the event that there are fewer than six Placees.

So far as the Company is aware, the Placing will not result in any of the Placees becoming a Substantial Shareholder. If any of the Placees becomes a Substantial Shareholder as a result of the Placing, further announcement will be made by the Company.

## **Placing Price**

The Placing Price was determined at HK\$0.34 per Placing Share after arm's length negotiation between the Company and the Placing Agent. The Placing Price:

- (i) is equivalent to the closing price of HK\$0.34 per Share as quoted on the Stock Exchange on 18 March 2013, being the date of the Placing Agreement; and
- (ii) represents a premium of approximately 0.59% over the average closing price of HK\$0.338 per Share as quoted on the Stock Exchange for the last five trading days up to and including the date of the Placing Agreement.

The net Placing Price, after taking into account the commission for and estimated expenses of the Placing, is approximately HK\$0.34 per Placing Share.

The Board considers that the Placing Price is fair and reasonable, on normal commercial terms and believes that the Placing is in the best interest of the Company and the Shareholders as a whole.

## **Ranking of the Placing Shares**

The Placing Shares, when issued and fully paid, will rank pari passu in all respects with all other Shares in issue as at the Placing Completion Date.

## **Condition of the Placing**

The Placing is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

In the event that such condition is not fulfilled by 31 March 2013 (or such later date as may be agreed by the Placing Agent and the Company), all rights, obligations and liabilities of the parties under the Placing Agreement in relation to the Placing shall cease and determine and none of the parties shall have any claim against any other party in respect of the Placing save for any antecedent breaches.

## **Placing Completion**

Placing Completion shall take place at 12:00 noon or at such other time as may be agreed by the Company and the Placing Agent on the Placing Completion Date.

**Placing Completion is subject to satisfaction of the condition contained in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **Termination of Placing**

Unless otherwise agreed between the Company and the Placing Agent, the appointment in respect of the Placing Agent under the Placing Agreement shall terminate simultaneously upon the earlier of (i) Placing Completion and (ii) termination of the Placing Agreement, whichever is earlier.

Under the Placing Agreement, the Placing Agent reserves its right to terminate the arrangements set out in the Placing Agreement by notice in writing prior to 9:00 a.m. on the Placing Completion Date, if in its absolute opinion, the success of the Placing would be materially and adversely affected by any force majeure events as stated below:

- (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

Further, if, at or prior to 9:00 a.m. on the Placing Completion Date:

- (i) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (ii) trading of the Shares on the Stock Exchange has been suspended for more than ten consecutive trading days; or

- (iii) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate, if repeated, and the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing;

the Placing Agent shall be entitled by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to any of the paragraphs above, all obligations of the Placing Agent who has given such notice shall cease and determine and no party thereto shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

### **General mandate to issue the Placing Shares**

The Placing Shares will be issued pursuant to the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 8 May 2012. Shareholders' approval is therefore not required for the allotment and issue of the Placing Shares. The maximum number of the Shares which may be issued by the Company under the general mandate mentioned above is 203,010,000 Shares. As at the date of this announcement, no Share has been issued by the Company pursuant to the same general mandate.

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Placing Shares.

### **EFFECTS ON SHAREHOLDING STRUCTURE**

The Company has no warrants, options or other convertible securities which are still outstanding as at the date of this announcement.

The following table sets out the shareholding structure of the Company immediately before and after completion of the Placing, assuming there is no further change in share capital structure of the Company prior to the Placing Completion:

Shareholders	As at the date of this announcement		Immediately after the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Sino Eminent Limited	571,820,133	56.33%*	571,820,133	46.94%*
Ms. Li Xia	571,820,133	56.33%*	571,820,133	46.94%*
Cheung Kong (Holdings) Limited	143,233,151	14.11%#	143,233,151	11.76%#
Li Ka-Shing Unity Trustee Corporation Limited	143,233,151	14.11%#	143,233,151	11.76%#
Li Ka-Shing Unity Trustee Company Limited	143,233,151	14.11%#	143,233,151	11.76%#
Li Ka-Shing Unity Trustcorp Limited	143,233,151	14.11%#	143,233,151	11.76%#
Mr. Li Ka-shing	143,233,151	14.11%#	143,233,151	11.76%#
<i>Sub-total</i>	715,053,284	70.44%	715,053,284	58.70%
The Placees	0	0%	203,000,000	16.67%
Public Shareholders	299,996,716	29.56%	299,996,716	24.63%
<b>Total</b>	<b>1,015,050,000</b>	<b>100%</b>	<b>1,218,050,000</b>	<b>100%</b>

\* Sino Eminent Limited is held as to 53% by Ms. Li Xia through Ocean Expert Investments Limited, 27% by Mr. Lin Di through Confluence Holdings Limited and 20% by Mr. Chen Yin through Flourish Zone Limited. Accordingly, Ms. Li Xia is deemed to be interested in the 571,820,133 Shares interested by Sino Eminent Limited. Each of Ocean Expert Investments Limited, Confluence Holdings Limited and Flourish Zone Limited is a limited liability company incorporated in the British Virgin Islands.


# Mr. Li Ka-shing is the settlor of each of The Li Ka-Shing Unity Discretionary Trust (“DT1”) and another discretionary trust (“DT2”). Each of Li Ka-Shing Unity Trustee Corporation Limited (“TDT1”, which is the trustee of DT1) and Li Ka-Shing Unity Trustcorp Limited (“TDT2”, which is the trustee of DT2) holds units in The Li Ka-Shing Unity Trust (“UT1”) but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT1 and DT2 are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children and Mr. Li Tzar Kai, Richard. Li Ka-Shing Unity Trustee Company Limited (“TUT1”) as trustee of UT1 together with certain companies which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings hold more than one-third of the issued share capital of Cheung Kong (Holdings) Limited (“CKH”).


The entire issued share capital of each of TUT1, TDT1 and TDT2 are owned by Li Ka-Shing Unity Holdings Limited (“Unity Holdco”). Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor are respectively interested in one-third and two-third of the entire issued share capital of Unity Holdco. TUT1 is only

interested in the shares of CKH by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of CKH independently without any reference to Unity Holdco or any of Mr. Li Ka-shing and Mr. Li Tzar Kuoi, Victor as a holder of the shares of Unity Holdco as aforesaid.

Mr. Li Ka-shing may be regarded as a founder of each of DT1 and DT2 for the purpose of the Securities and Futures Ordinance.

## **INFORMATION ON THE GROUP**

The Group has two core businesses. Core business (1) is mainly engaged in design, R&D, manufacturing and sale of precious gem, diamond, pure gold ornaments and corporate gifts branded  H.K. JEWELRY, as well as through self-operation, joint ventures and franchised operations. Core business (2) is principally engaged in (i) the development, sale and implementation of enterprise software; (ii) systems integration and resale and maintenance of IT products, all with a principal focus on providing solutions to the banking and finance sector; (iii) IT consultancy (including the provision of e-business solutions) and customised application system development; and (iv) the operation of the ASP Business.

The Group launched  H.K. JEWELRY, a leading jewellery brand for its ambitious expansion to chain retail of gold and jewellery products by diversifying into the jewellery sector through asset consolidation and business restructuring.

## **REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS**

The Directors consider it beneficial for the Group to raise fund through the Placing. The Placing represents a good opportunity to raise additional general working capital for future business development of the Group, and will enhance the capital and shareholders' base of the Company and thereby increasing the liquidity of the Shares.

The gross proceeds from the Placing is expected to be up to approximately HK\$69,020,000 in aggregate. The net proceeds from the Placing is expected to be approximately HK\$68,184,000 in aggregate and will be used for general working capital.

The net proceeds raised per the Placing Share upon the completion of the Placing will be approximately HK\$0.34 per Share.

## **FUND RAISING ACTIVITIES OF THE COMPANY IN THE LAST TWELVE MONTHS**

The Company has not undertaken any fund raising activities in the past twelve months immediately preceding the date of this announcement.

## DEFINITIONS

In this announcement, unless otherwise defined, terms used shall have the following meanings:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday in Hong Kong) on which licensed banks in Hong Kong generally are open for business
“Company”	Hong Kong Jewellery Holding Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on GEM
“Directors”	the directors of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Placee(s)”	any professional, institutional or other investors procured by or on behalf of the Placing Agent and/or its agent(s) to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares by the Placing Agent pursuant to the Placing Agreement
“Placing Agent”	Goldin Equities Limited, a licensed corporation for type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent on 18 March 2013 in relation to the Placing
“Placing Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement

“Placing Completion Date”	on or before the fourth Business Days following the fulfillment of the condition specified in the Placing Agreement, or such other date as may be agreed by the Company and the Placing Agent
“Placing Price”	the price of HK\$0.34 per Placing Share
“Placing Share(s)”	up to a maximum of 203,000,000 new Shares to be allotted and issued under the Placing
“PRC”	the People’s Republic of China
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.1 in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the same meaning ascribed thereto under the GEM Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By the order of the Board  
**Hong Kong Jewellery Holding Limited**  
**Li Xia**  
*Chairman and Executive Director*

Hong Kong, 18 March 2013

*As at the date of this announcement, the Board comprises Ms. Li Xia as chairman and executive Director, Mr. Lin Di, Mr. Chen Yin, Mr. Yip Tin Hung and Mrs. Zee Chan Mei Chu, Peggy as executive Directors, Mr. Lam Tin Faat, Ms. Lu Haina and Mr. Fu Ping Man as independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website ([www.hkgem.com](http://www.hkgem.com)) for at least 7 days from its date of publication and on the Company website at <http://www.hkjewelry.net>.*