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HONG KONG JEWELLERY HOLDING LIMITED
香港珠寶控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock code: 8048)

**CONTINUING CONNECTED TRANSACTIONS
MASTER AGREEMENTS**

The Board is pleased to announce that on 18 September 2013, Golden HK Jewellery entered into the Master Agreement I, the Master Agreement II, the Master Agreement III and the Master Agreement IV with Baidi Jewellery, Zhong Chuang, Didi Packaging and Didi Showcases respectively. The transactions contemplated under each of the Master Agreements constitute continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

Since certain applicable percentage ratios relating to the proposed annual caps for the Continuing Connected Transactions I and the Continuing Connected Transactions II respectively exceed 25% and/or HK\$10,000,000, the Continuing Connected Transactions I and the Continuing Connected Transactions II are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. The Company will seek the Independent's Shareholders' approval for the Master Agreement I and the Master Agreement II and the respective proposed annual caps for the Continuing Connected Transactions I and the Continuing Connected Transactions II for the three years ending 31 December 2015 at the SGM.

Since all the applicable percentage ratios relating to the proposed annual caps for the Continuing Connected Transactions III and the Continuing Connected Transactions IV respectively exceed 0.1% but do not exceed 5%, the Continuing Connected Transactions III and the Continuing Connected Transactions IV are only subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

The Company will hold the SGM to approve the Master Agreement I and the Master Agreement II and the respective proposed annual caps for the Continuing Connected Transactions I and the Continuing Connected Transactions II for the three years ending 31 December 2015. A circular including, among other information, (a) a letter from the Board containing further details of the Master Agreement I and the Master Agreement II; (b) a letter from the Independent Board

Committee; (c) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (d) a notice convening the SGM, is expected to be despatched to the Shareholders within 15 Business Days from the date of this announcement.

INTRODUCTION

The Board is pleased to announce that on 18 September 2013, Golden HK Jewellery entered into the Master Agreement I, the Master Agreement II, the Master Agreement III and the Master Agreement IV with Baidi Jewellery, Zhong Chuang, Didi Packaging and Didi Showcases respectively.

In view that (i) Zhong Chuang is owned as to 81% by the brother of Ms. Li, and (ii) each of Baidi Jewellery, Didi Packaging and Didi Showcases is owned as to 90%, 65% and 80% respectively by Didi Investment, which in turn is wholly owned by Mr. Lin and his father, Zhong Chuang (being an associate of Ms. Li) and each of Baidi Jewellery, Didi Packaging and Didi Showcases (being associates of Mr. Lin) are connected persons of the Company. Accordingly, the transactions contemplated under each of the Master Agreements constitute continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

MASTER AGREEMENT I

Date

18 September 2013

Parties



- (1) Golden HK Jewellery; and
- (2) Baidi Jewellery.


Term

The Master Agreement I shall be for a term commencing from the Commencement Date and ending on 31 December 2015 (both days inclusive).

Subject matters

Pursuant to the Master Agreement I, Golden HK Jewellery shall:

- (i) permit Baidi Jewellery to establish franchise stores under the brand  H.K. JEWELRY;
- (ii) supply the Jewellery Products of Golden HK Jewellery to Baidi Jewellery and affix the label of the brand  H.K. JEWELRY thereon for sale in its franchise stores; and

- (iii) allow Baidi Jewellery to purchase the Jewellery Products from other designated suppliers approved by Golden HK Jewellery and affix the label of the brand  H.K. JEWELRY thereon for sale in its franchise stores.

According to the Master Agreement I, Golden HK Jewellery and Baidi Jewellery will enter into individual agreements detailing major terms of the Continuing Connected Transactions I which will be negotiated by them in good faith and determined by them from time to time under normal commercial terms in the ordinary course of business.

Price and fees

Pursuant to the Master Agreement I:

- (i) the price of the Jewellery Products of Golden HK Jewellery payable by Baidi Jewellery shall be determined in accordance with the unified national supply price, subject to adjustment taking into account the prevailing market conditions;
- (ii) the franchise fee payable by Baidi Jewellery shall be determined in accordance with the standard of unified national price; and
- (iii) the labeling fee of all the Jewellery Products in franchise stores shall be determined in accordance with the standard of unified national price.

Pursuant to the Master Agreement I, the actual amount and payment method regarding the aforesaid price and fees shall be negotiated by Golden HK Jewellery and Baidi Jewellery in good faith and stipulated in the individual agreements. In any event, the aforesaid price and fees payable by Baidi Jewellery should be no less favourable than those offered by the Group to Independent Third Party customers for products or services of a similar type.

Condition

The Master Agreement I is conditional on the approval by the Independent Shareholders of the proposed annual caps for the Continuing Connected Transactions I for the three years ending 31 December 2015 at the SGM.

Historical transaction amounts


The Continuing Connected Transactions I was started in December 2012. The historical transaction amounts for the Continuing Connected Transactions I for the year ended 31 December 2012 and for the eight months ended 31 August 2013 were approximately RMB1,789,000 and RMB46,880,000 respectively.

Proposed annual caps

The proposed annual caps for the Continuing Connected Transactions I for the three years ending 31 December 2015 are RMB60,000,000, RMB77,000,000 and RMB95,000,000 respectively.

Basis for the proposed annual caps

The proposed annual caps for the Continuing Connected Transactions I for the three years ending 31 December 2015 have been determined with reference to:

- (i) the historical transaction amounts under the various agreements entered into between Golden HK Jewellery and Baidi Jewellery in respect of the Continuing Connected Transactions I;
- (ii) the projected number of franchise stores to be established by Baidi Jewellery for the three years ending 31 December 2015;
- (iii) the estimated expansion of the retail business in relation to the Jewellery Products of the Group under the brand  H.K. JEWELRY; and
- (iv) the prevailing market conditions.

MASTER AGREEMENT II

Date

18 September 2013

Parties

- (1) Golden HK Jewellery; and
- (2) Zhong Chuang.

Term, subject matters, and price and fees

The term, subject matters, and price and fees under the Master Agreement II are identical with those of the Master Agreement I.

Condition

The Master Agreement II is conditional on the approval by the Independent Shareholders of the proposed annual caps for the Continuing Connected Transactions II for the three years ending 31 December 2015 at the SGM.

Historical transaction amount


The Continuing Connected Transactions II was started in August 2013. The historical transaction amount for the Continuing Connected Transactions II for the eight months ended 31 August 2013 was approximately RMB1,940,000.

Proposed annual caps

The proposed annual caps for the Continuing Connected Transactions II for the three years ending 31 December 2015 are RMB3,500,000, RMB11,000,000 and RMB15,000,000 respectively.

Basis for the proposed annual caps

The proposed annual caps for the Continuing Connected Transactions II for the three years ending 31 December 2015 have been determined with reference to:

- (i) the historical transaction amount under the various agreements entered into between Golden HK Jewellery and Zhong Chuang in respect of the Continuing Connected Transactions II;
- (ii) the projected number of franchise stores to be established by Zhong Chuang for the three years ending 31 December 2015;
- (iii) the estimated expansion of the retail business in relation to the Jewellery Products of the Group under the brand  H.K. JEWELRY; and
- (iv) the prevailing market conditions.

MASTER AGREEMENT III

Date

18 September 2013

Parties

- (1) Golden HK Jewellery; and
- (2) Didi Packaging.

Term

The Master Agreement III shall be for a term commencing from 18 September 2013 and ending on 31 December 2015 (both days inclusive).

Subject matter

Pursuant to the Master Agreement III, Golden HK Jewellery agreed to purchase from Didi Packaging props, jewellery boxes and handbags for the brand  H.K. JEWELRY.

According to the Master Agreement III, Golden HK Jewellery and Didi Packaging will enter into individual agreements detailing major terms of the Continuing Connected Transactions III which will be negotiated by them in good faith and determined by them from time to time under normal commercial terms in the ordinary course of business.

Price

The price of props, jewellery boxes and handbags shall be determined with reference to, among other factors, the prevailing market conditions and the fees offered by Independent Third Party suppliers to Golden HK Jewellery for products of a similar type.

Pursuant to the Master Agreement III, the actual amount and payment method regarding the price of props, jewellery boxes and handbags shall be negotiated by Golden HK Jewellery and Didi Packaging in good faith and stipulated in the individual agreements. In any event, the aforesaid price offered to Golden HK Jewellery should be no less favourable than those offered by Independent Third Party suppliers to the Group for products of a similar type.

Historical transaction amounts

The Continuing Connected Transactions III was started in November 2012. The historical transaction amounts for the Continuing Connected Transactions III for the year ended 31 December 2012 and for the eight months ended 31 August 2013 were approximately RMB190,000 and RMB621,000 respectively.

Proposed annual caps

The proposed annual caps for the Continuing Connected Transactions III for the three years ending 31 December 2015 are RMB1,200,000, RMB2,200,000 and RMB3,900,000 respectively.

Basis for the proposed annual caps

The proposed annual caps for the Continuing Connected Transactions III for the three years ending 31 December 2015 have been determined with reference to:

- (i) the historical transaction amounts under the various agreements entered into between Golden HK Jewellery and Didi Packaging in respect of the Continuing Connected Transactions III;
- (ii) the projected quantities of props, jewellery boxes and handbags to be purchased by Golden HK Jewellery for the three years ending 31 December 2015; and

(iii) the prevailing market conditions.

MASTER AGREEMENT IV

Date

18 September 2013

Parties

- (1) Golden HK Jewellery; and
- (2) Didi Showcases.

Term

The Master Agreement IV shall be for a term commencing from 18 September 2013 and ending on 31 December 2015 (both days inclusive).

Subject matter

Pursuant to the Master Agreement IV, Golden HK Jewellery agreed to purchase from Didi Showcases showcases for the brand  H.K. JEWELRY.

According to the Master Agreement IV, Golden HK Jewellery and Didi Showcases will enter into individual agreements detailing major terms of the Continuing Connected Transactions IV which will be negotiated by them in good faith and determined by them from time to time under normal commercial terms in the ordinary course of business.

Price

The price of showcases shall be determined with reference to, among other factors, the prevailing market conditions and the fees offered by Independent Third Party suppliers to Golden HK Jewellery for products of a similar type.

Pursuant to the Master Agreement IV, the actual amount and payment method regarding the price of showcases shall be negotiated by Golden HK Jewellery and Didi Showcases in good faith and stipulated in the individual agreements. In any event, the aforesaid price offered to Golden HK Jewellery should be no less favourable than those offered by Independent Third Party suppliers to the Group for products of a similar type.

Historical transaction amounts

The Continuing Connected Transactions IV was started in December 2012. The historical transaction amounts for the Continuing Connected Transactions IV for the year ended 31 December 2012 and for the eight months ended 31 August 2013 were approximately RMB636,000 and RMB1,835,000 respectively.

Proposed annual caps


The proposed annual caps for the Continuing Connected Transactions IV for the three years ending 31 December 2015 are RMB3,100,000, RMB3,300,000 and RMB3,300,000 respectively.

Basis for the proposed annual caps

The proposed annual caps for the Continuing Connected Transactions IV for the three years ending 31 December 2015 have been determined with reference to:

- (i) the historical transaction amounts under the various agreements entered into between Golden HK Jewellery and Didi Showcases in respect of the Continuing Connected Transactions IV;
- (ii) the projected quantities of showcases to be purchased by Golden HK Jewellery for the three years ending 31 December 2015; and
- (iii) the prevailing market conditions.

INFORMATION ON THE GROUP AND THE CONNECTED PERSONS

The Company is an investment holding company, whose subsidiaries are principally engaged in (i) technology software development and application business; and (ii) design, research and development, manufacturing and sale of gold and jewellery products under the brand  H.K. JEWELRY.



Baidi Jewellery is principally engaged in sale of jewellery, gold, pearls, jade, artistic products and packaging materials.



Zhong Chuang is principally engaged in sale of gold, platinum, diamonds, jade, artistic products and embedded jewellery, domestic trading, import and export business, energy projects investments, shares investments and investment management.

Didi Packaging is principally engaged in design, packaging, handbags, jewellery packaging and other gifts packaging, lamps and lanterns, wholesale and retail of electric appliances and domestic trading.

Didi Showcases is principally engaged in production and sale of showcases, sale of artistic products, decoration materials, construction materials, lamps and lanterns, provisions of services in relation to interior design, installation and repair of commercial showcases, design, decoration and installation of shelves and cabinets.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

During 2012, the Group launched  H.K. JEWELRY, a leading jewellery brand for its ambitious expansion to chain retail of jewellery products by diversifying into the jewellery sector from the information technology business. The Group also established Golden HK Jewellery which engaged in design, research and development, manufacturing and sale of precious gem and diamond, pure gold ornaments and corporate gifts under the brand  H.K. JEWELRY. The Group aimed to aggressively extend its presence to the upscale shopping districts in domestic first-tier and second-tier cities and coastal developed cities in the PRC, and accelerate its expansion for a vast jewellery retail network under self-operated, jointly-owned and franchising models in Hong Kong, Macau and the PRC.

Through the Group's efforts to expand the jewellery business since the launch of the brand  H.K. JEWELRY, a number of new self-operated and franchise stores have been opened under the brand  H.K. JEWELRY in the Eastern PRC, the Southern PRC, the Northern PRC and other areas. The Group expects that the number of self-operated and franchise stores will increase to about 50-80 by the end of 2013, and further expand to about 120-160 and 250-280 in 2014 and 2015 respectively.

As the major customer source of gold and jewellery, middle class population of the PRC is expected to grow significantly in the future, suggesting that demand of the world's largest retail market for jewellery will continue to increase. The Group is optimistic about the prospect of the jewellery business. The Directors consider that entering into the Master Agreement I and the Master Agreement II and the transactions contemplated thereunder are in line with the Group's strategic expansion plan by means of franchising model. The Directors are of the view that the opening of franchise stores and the supply of the Jewellery Products under the Master Agreement I and the Master Agreement II would also broaden the Group's business horizon and diversify its income stream.

The Group considers that a stable and trustworthy source of quality props, jewellery boxes, handbags, showcases and other ancillary products is important for the sustainable development of the jewellery business and retail chain store network. The Group is satisfied with the product quality and reputation of Didi Packaging and Didi Showcases. By entering into the Master Agreement III and the Master Agreement IV and the transactions contemplated thereunder, the Group will be able to secure a stable and trustworthy source of supply, and thereby focus on its business development and maximizing its return.

The Continuing Connected Transactions are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Group.

With respect to each of the Master Agreement I and the Master Agreement II, the Directors (excluding Mr. Lin with respect to the Master Agreement I, Ms. Li with respect to the Master Agreement II and the independent non-executive Directors whose views will be formed after the obtaining the advice of the Independent Financial Adviser) consider that:

- (i) the terms and conditions have been negotiated among the parties on an arm's length basis and are on normal commercial terms that are fair and reasonable;
- (ii) the proposed annual caps for transactions contemplated thereunder for the three years ending 31 December 2015 are fair and reasonable; and
- (iii) the transactions contemplated thereunder are in the interest of the Company and the Shareholders as a whole.

With respect to each of the Master Agreement III and the Master Agreement IV, the Directors (excluding Mr. Lin) consider that:

- (i) the terms and conditions have been negotiated among the parties on an arm's length basis and are on normal commercial terms that are fair and reasonable;
- (ii) the proposed annual caps for transactions contemplated thereunder for the three years ending 31 December 2015 are fair and reasonable; and
- (iii) the transactions contemplated thereunder are in the interest of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As at the date of this announcement:

- (i) Zhong Chuang is owned as to 81% by the brother of Ms. Li. Accordingly, Zhong Chuang is an associate of Ms. Li, and hence a connected person of the Company under Chapter 20 of the GEM Listing Rules; and
- (ii) each of Baidi Jewellery, Didi Packaging and Didi Showcases is owned as to 90%, 65% and 80% by Didi Investment respectively, which in turn is owned as to 10% and 90% by Mr. Lin and his father, respectively. Therefore, each of Baidi Jewellery, Didi Packaging and Didi Showcases is an associate of Mr. Lin, and hence a connected person of the Company under Chapter 20 of the GEM Listing Rules.

Accordingly, the transactions contemplated under each of the Master Agreements constitute continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

At the Board meeting approving the Master Agreements, (i) Mr. Lin has abstained from voting on the resolutions approving the Master Agreement I, the Master Agreement III and the Master Agreement IV and the proposed annual caps for the Continuing Connected Transaction I, the Continuing Connected Transaction III and the Continuing Connected Transaction IV for the three years ending 31 December 2015 in which he or any of his associate is materially interested in; and (ii) Ms. Li has abstained from voting on the resolutions approving the Master Agreement II and the proposed annual caps for the Continuing Connected Transaction II for the three years ending 31 December 2015 in which she or any of her associate is materially interested in.

Since certain applicable percentage ratios relating to the proposed annual caps for the Continuing Connected Transactions I and the Continuing Connected Transactions II respectively exceed 25% and/or HK\$10,000,000, the Continuing Connected Transactions I and the Continuing Connected Transactions II are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. The Company will seek the Independent's Shareholders' approval for the Master Agreement I and the Master Agreement II and the respective proposed annual caps for the Continuing Connected Transactions I and the Continuing Connected Transactions II for the three years ending 31 December 2015 at the SGM.

Since all the applicable percentage ratios relating to the proposed annual caps for the Continuing Connected Transactions III and the Continuing Connected Transactions IV respectively exceed 0.1% but do not exceed 5%, the Continuing Connected Transactions III and the Continuing Connected Transactions IV are only subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

At the SGM, (i) Mr. Lin and his associates will abstain from voting on the resolutions approving the Master Agreement I and the proposed annual caps for the Continuing Connected Transaction I for the three years ending 31 December 2015; and (ii) Ms. Li and her associates will abstain from voting on the resolutions approving the Master Agreement II and the proposed annual caps for the Continuing Connected Transaction II for the three years ending 31 December 2015. As at the date of this announcement, Ms. Li and Mr. Lin respectively held 422,909,967 shares and 148,910,166 shares in the Company, representing approximately 35.58% and 12.53% of the existing issued share capital of the Company. To the best knowledge, information and belief of the Directors, none of the persons (excluding Ms. Li and Mr. Lin) who are required to abstain from voting at the SGM is holding any shares in the Company as at the date of this announcement.

GENERAL

The Company will hold the SGM to approve the Master Agreement I and the Master Agreement II and the respective proposed annual caps for the Continuing Connected Transactions I and the Continuing Connected Transactions II for the three years ending 31 December 2015. A circular including, among other information, (a) a letter from the Board containing further details of the Master Agreement I and the Master Agreement II; (b) a letter from the Independent Board Committee; (c) a letter from the


Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (d) a notice convening the SGM, is expected to be despatched to the Shareholders within 15 Business Days from the date of this announcement.

DEFINITIONS

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Baidi Jewellery”	杭州百迪珠寶有限公司 (Hangzhou Baidi Jewellery Company Limited*), a company established under the laws of the PRC with limited liability and 90% equity interest of which is owned by Didi Investment
“Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are open for normal banking business (excluding Saturdays, Sundays and public holidays)
“Commencement Date”	with respect to the Master Agreement I, being the date on which the Master Agreement I and the proposed annual caps for the Continuing Connected Transactions I for the three years ending 31 December 2015 are approved by the Independent Shareholders at the SGM, and with respect to the Master Agreement II, being the date on which the Master Agreement II and the proposed annual caps for the Continuing Connected Transactions II for the three years ending 31 December 2015 are approved by the Independent Shareholders at the SGM
“Company”	Hong Kong Jewellery Holding Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the GEM
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Continuing Connected Transactions”	collectively, the Continuing Connected Transactions I, the Continuing Connected Transactions II, the Continuing Connected Transactions III and the Continuing Connected Transactions IV
“Continuing Connected Transactions I”	the continuing connected transactions constituted by the transactions contemplated under the Master Agreement I
“Continuing Connected Transactions II”	the continuing connected transactions constituted by the transactions contemplated under the Master Agreement II

“Continuing Connected Transactions III”	the continuing connected transactions constituted by the transactions contemplated under the Master Agreement III
“Continuing Connected Transactions IV”	the continuing connected transactions constituted by the transactions contemplated under the Master Agreement IV
“Didi Showcases”	杭州迪迪商業展具有限公司 (Hangzhou Didi Commercial Showcases Company Limited*), a company established under the laws of the PRC with limited liability and 80% equity interest of which is owned by Didi Investment
“Didi Investment”	杭州迪迪投資股份有限公司 (Hangzhou Didi Investment Joint Stock Company Limited*), a company established under the laws of the PRC with limited liability and is respectively owned as to 10% and 90% by Mr. Lin and his father
“Didi Packaging”	深圳迪迪首飾包裝有限公司 (Shenzhen Didi Jewellery Packaging Company Limited*), a company established under the laws of the PRC with limited liability and 65% equity interest of which is owned by Didi Investment
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Golden HK Jewellery”	金香港珠寶(深圳)有限公司 (Golden HK Jewellery (Shenzhen) Company Limited*), a wholly foreign owned enterprise established under the laws of the PRC and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the independent committee of the Board, comprising Mr. Lam Tin Faat, Ms. Lu Haina and Mr. Fu Ping Man, all of whom are independent non-executive Directors, formed to advise the Independent Shareholders as to (i) the Master Agreement I and the Master Agreement II and (ii) the respective proposed annual caps for the Continuing Connected Transactions I and the Continuing Connected Transaction II for the three years ending 31 December 2015
“Independent Financial Adviser”	an independent financial adviser to be appointed for the purpose of advising the Independent Board Committee and the Independent Shareholders as to (i) the Master Agreement I and the Master Agreement II and (ii) the respective proposed annual caps for the Continuing Connected Transactions I and the Continuing Connected Transaction II for the three years ending 31 December 2015
“Independent Shareholders”	with respect to the Master Agreement I, Shareholders excluding Mr. Lin and his associates, and with respect to the Master Agreement II, Shareholders excluding Ms. Li and her associates
“Independent Third Party”	an individual or a company who or which is independent of and not connected with the Directors, chief executive and substantial shareholders of the Company, its subsidiaries or any of their respective associates, and not otherwise a connected person of the Company
“Jewellery Products”	the jewellery products, including but not limited to gold, diamonds, pearls, jade and gems, for sale in franchise stores under the brand  H.K. JEWELRY
“Master Agreement I”	the master agreement dated 18 September 2013 and entered into between Golden HK Jewellery and Baidi Jewellery in relation to the establishment of franchise stores and supply of the Jewellery Products of Golden HK Jewellery
“Master Agreement II”	the master agreement dated 18 September 2013 and entered into between Golden HK Jewellery and Zhong Chuang in relation to the establishment of franchise stores and supply of the Jewellery Products of Golden HK Jewellery
“Master Agreement III”	the master agreement dated 18 September 2013 and entered into between Golden HK Jewellery and Didi Packaging in relation to purchase of packaging materials for the Jewellery Products

“Master Agreement IV”	the master agreement dated 18 September 2013 and entered into between Golden HK Jewellery and Didi Showcases in relation to purchase of showcases for the brand  H.K. JEWELRY
“Master Agreements”	collectively, the Master Agreement I, the Master Agreement II, the Master Agreement III and the Master Agreement IV
“Mr. Lin”	Mr. Lin Di, the chief executive officer, an executive Director and a substantial shareholder of the Company
“Ms. Li”	Ms. Li Xia, the chairman, an executive Director and a substantial shareholder of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting to be convened for, among other matters, approving the Master Agreement I and the Master Agreement II and the respective proposed annual caps for the Continuing Connected Transactions I and the Continuing Connected Transactions II for the three years ending 31 December 2015
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Zhong Chuang”	深圳市中創聯合投資有限公司 (Shenzhen City Zhong Chuang Union Investment Company Limited*), a company established under the laws of the PRC with limited liability and 81% equity interest of which is owned by the brother of Ms. Li
“%”	per cent

* *For identification purposes only*

By order of the Board
HONG KONG JEWELLERY HOLDING LIMITED
Li Xia
Chairman

Hong Kong, 18 September 2013

As at the date of this announcement, the Board comprises four executive Directors, namely, Li Xia, Lin Di, Chen Yin and Yip Tin Hung and three independent non-executive Directors, namely, Lam Tin Faat, Lu Haina and Fu Ping Man.

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:- (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; and (2) there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcement” page for at least seven days from the date of its publication and the Company’s website at www.hkjewelry.net.