



【 For Immediate Release 】

**Lukfook Group Announced
To Acquire 50% Shares of the Business of “3D-GOLD” under HKRH
for Approximately HK\$300 million**

(Hong Kong, 5 November 2013) — **Luk Fook Holdings (International) Limited** (“Lukfook” / the “Group”) (Stock Code: 00590) is pleased to announce that the Group and **Hong Kong Resources Holdings Company Limited** (“HKRH”) (Stock Code: 02882) entered into the legally non-binding memorandum of understanding (“MOU”). Pursuant to the MOU, it is proposed that Lukfook intends to acquire at a consideration of HK\$301,046,000, which is calculated based on the consolidated net assets value of China Gold Silver Group Company Limited (“CGS”) as at 30 June 2013 and arrived at after arm’s length negotiations between the parties, shares representing 50% of the issued share capital in CGS. Such consideration shall be settled in cash and is to be satisfied from the internal resources of Lukfook. CGS is the principal operating subsidiary of HKRH which conducts over 400 jewellery retail and franchise businesses under the brandname of “3D-GOLD” in Hong Kong, Macau and other regions in the PRC.

Lukfook and CGS will enter into a consultancy agreement upon completion of the proposed transaction, under which Lukfook shall provide to CGS consultancy services in relation to the operation of the business of “3D-GOLD”, for an initial period of three years, which can be renewed upon mutual agreement, subject to compliance with the listing rules. The consultancy services will be provided at a consultancy fee payable annually by CGS to Lukfook which shall equal to 6% of the audited consolidated profit before taxation of CGS Group per annum and before deducting the said consultancy fee, such amount not exceeding HK\$10,000,000 each year. Besides, Lukfook and CGS will enter into a supply agreement upon completion of the proposed transactions. Lukfook will supply raw materials and/or finished products to CGS on terms to be mutually agreed in good faith.

Each of Lukfook and HKRH shall agree to commit no less than HK\$150,000,000 into CGS as general working capital and for business expansion of CGS in accordance with a capital injection timetable to be mutually agreed by Lukfook and HKRH.

Subject to the fulfillment of all the conditions precedent of the transaction, HKRH intends to issue, and Lukfook intends to subscribe for, a convertible bond at a principal amount of HK\$57,080,000. Interest of the bond is 3% per annum, payable annually. The maturity date is 5 years from the issue date. Based on the conversion rate at HK\$0.18 per share, 317,109,955 shares may be issued upon full conversion of the aggregate principal amount of the convertible bond, representing approximately 10.00% of the existing issued share capital of HKRH.

Mr. Wong Wai Sheung, Chairman & Chief Executive of the Group, said, “The Group is very delighted to enter into the proposed acquisition. With Lukfook’s expertise in jewellery retail sector as well as brand management, we are confident in enhancing the ‘3D-GOLD’ brand and its retail network. Moreover, it is believed that the partnership of two prominent brands with similar business concepts will create effective synergy to facilitate both parties’ long term development, enhance our competitiveness and achieve further economies of scale. This is an important win-win milestone for both parties. Upon the completion of acquisition, CGS will become an associated company of the Group and the Group has the right to appoint its chief executive officer to manage its overall businesses and operations. At the same time, the Group will become CGS’s supplier. This helps to expand our wholesale business and bring in long-term benefits. We will continue to keep abreast of time, so as to foster the Group’s long-term development and offer sustainable returns to shareholders.”

~End~

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LUKFOOK GROUP

About Luk Fook Holdings (International) Limited (Stock Code: 00590)

The Group principally engages in the sourcing, designing, wholesaling, trademark licensing and retailing of a variety of gold and platinum jewellery, gold ornaments and gem-set jewellery, with a total of over 1,200 shops in Mainland China, Hong Kong, Macau, Singapore, the United States and Canada. The Group will continue to identify new business opportunities in the international market in response to its corporate vision, “Brand of Hong Kong, Sparkling the World”.

For more information, please visit the official website of Lukfook Group at lukfook.com.

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