



【For Immediate Release】

**Luk Fook Holdings (International) Limited Announced
Acquisition of 50% Interest in CGS**

(Hong Kong, 28 January 2014) — **Luk Fook Holdings (International) Limited** (“Luk Fook Holdings”) (Stock Code: 0590) and its subsidiaries (together as “Luk Fook Group”) is pleased to announce that (i) Luk Fook 3D Management Company Limited (“Luk Fook”), a wholly-owned subsidiary of Luk Fook Holdings, Hong Kong Resources Holdings Company Limited (“HKRH”) (Stock Code: 2882) and China Gold Silver Group Company Limited (“CGS”), the principal operating subsidiary of HKRH which conducts its jewellery retail and franchise businesses under the brand name of “3D-Gold” in Hong Kong, Macau and other regions in the PRC, entered into the CGS Agreement; and (ii) the HKRH controlling shareholder executed the HKRH CS undertaking.

Pursuant to the CGS Agreement:

1. HKRH agreed to sell and Luk Fook agreed to purchase 50% of the issued share capital of CGS, at the consideration which is estimated to be approximately HK\$282.7 million.
2. Upon completion, Luk Fook, HKRH and CGS will enter into the Shareholders’ Deed to govern the relationships among shareholders of CGS and the CGS Group. Pursuant to the Shareholders’ Deed, (i) HKRH and Luk Fook shall each provide funding of at least HK\$100 million to CGS for the purpose of general working capital and business expansion of CGS; (ii) Each of HKRH and Luk Fook shall appoint an equal number of directors. Chairman of the CGS Board shall be appointed by HKRH and entitled to a casting vote. Chief executive officer of the CGS Group, whom has the overall management power, shall be appointed by Luk Fook; (iii) Exit mechanism is available in a deadlock situation when there is substantial disagreement at board level or shareholder meeting of CGS; (iv) Upon occurrence of spin off of CGS, Luk Fook or the parent company of Luk Fook shall be the single largest shareholder of the entire voting capital of the listed CGS vehicle.
3. HKRH will issue, and Luk Fook will subscribe for, the HKRH convertible bonds in the principal amount of HK\$57,080,000 convertible into HKRH shares at the HKRH conversion price of HK\$0.18 per HKRH conversion share. Upon full conversion of the HKRH convertible bonds, a total of 317,111,111 HKRH conversion shares will be issued to Luk Fook, representing approximately 9.99% of the existing issued share capital of HKRH, and approximately 9.09% of the issued share capital of HKRH as enlarged by the issue of the HKRH conversion shares.
4. CGS will grant the CGS share option to Luk Fook. Assuming full exercise of the CGS share option, a total of 205 CGS share option shares will be issued to Luk Fook based on the initial CGS share option exercise price, representing approximately 6.15% of the existing issued share capital of CGS, and approximately 5.48% of the issued share capital of CGS as enlarged by the issue of the existing CGS conversion shares and the CGS share option shares.
5. Subject to and upon completion, CGS and Maxigood Enterprises Limited (“Maxigood”), a

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wholly-owned subsidiary of Luk Fook Holdings, will enter into the Supply Agreement. Pursuant to the Supply Agreement, Maxigood (for itself and as an agent for and on behalf of each of the subsidiaries of Luk Fook Holdings) shall supply to CGS (for itself and as an agent for and on behalf of each of its subsidiaries), and CGS shall purchase from Maxigood, raw materials and/or finished goods in respect of platinum and gold jewellerys and gold ornaments, gem-set jewellerys, jadeites, gemstones and other accessory items. The maximum amount payable by CGS to Maxigood pursuant to the Supply Agreement is estimated to be no more than HK\$260,000,000, HK\$520,000,000 and HK\$780,000,000 for each of the three years ending 30 June 2014, 2015, and 2016, respectively.

6. Subject to and upon completion, Luk Fook's related company and a member of the CGS Group will enter into the Competitiveness Enhancement Agreement. Pursuant to the Competitiveness Enhancement Agreement, Luk Fook's related company shall provide to member(s) of the CGS Group such services and assistance that enhance and improve operation efficiency and competitiveness, and improve product quality and standards of the businesses of the CGS Group, under the brand or trade names of "3D-GOLD", "金至尊", "La Milky Way" and "銀河明星" and other brand(s) currently owned or licensed to CGS Group, and such other business or activities, brand(s) and territories as the shareholders of CGS may agree from time to time from the completion date to 30 June 2016. The maximum amount payable by the CGS Group to Luk Fook Group is estimated to be no more than HK\$10,000,000 for each of the three years ending 30 June 2014, 2015, and 2016, respectively.

Upon completion, as CGS will continue to be accounted for as a subsidiary of HKRH and will be owned as to 50% by each of HKRH and Luk Fook, Luk Fook together with its associates will become connected persons of HKRH.

Mr. Wong Wai Sheung, Chairman and Chief Executive of the Group, said, "We are delighted to announce the acquisition of 50% interest in CGS. This is certainly a milestone in building a solid foundation for further growth of the Luk Fook Group. With Luk Fook Group's expertise in jewellery retail sector as well as brand management, we believe that the cooperation of two prominent brands with resemble business and operating strategies will produce synergy effect to facilitate both parties' development in the long run, enhance competitiveness of Luk Fook Group and achieve further economies of scale to reach a win-win situation. Undoubtedly, our expertise will benefit HKRH and CGS in further developing the brand name of "3D-Gold". Adhering to our corporate vision, 'Brand of Hong Kong, Sparkling the World', Luk Fook Group will continue to stand by our firm commitment, so as to expand our ventures worldwide and bring sustainable returns to our shareholders"

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About Luk Fook Holdings (International) Limited (Stock Code: 0590)

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 1,250 shops in Mainland China, Hong Kong, Macau, Singapore, the United States, Canada and Australia. 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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