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LARRY JEWELRY INTERNATIONAL COMPANY LIMITED

俊文寶石國際有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 8351)

TERM SHEET IN RELATION TO THE SALES AND PURCHASE OF THE CONVERTIBLE BONDS AND CONTINUED SUSPENSION OF TRADING

This announcement is made by Larry Jewelry International Company Limited (the “**Company**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the inside information provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

Reference is made to the announcements of the Company dated 31 March 2020, 3 April 2020, 17 April 2020, 14 May 2020, 5 June 2020, 7 July 2020, 31 July 2020, 4 August 2020, 14 August 2020, 1 September 2020, 30 October 2020, 13 November 2020, 26 November 2020, 31 December 2020, 13 January 2021, 29 January 2021, 18 February 2021, 1 March 2021, 31 March 2021 and 30 April 2021 (the “**Announcements**”) in relation to, among other things, the updates on the appointment of the Receivers in respect of the Charged Shares. Unless otherwise defined, capitalized terms used herein shall bear the same meanings as those defined in the Announcements.

TERM SHEET IN RELATION TO THE SALES AND PURCHASE OF THE CONVERTIBLE BONDS

On 10 May 2021, the Company (as issuer) entered into a term sheet (the “**Term Sheet**”) with the Appointer (as transferor), Right Select International Limited (the “**Receiving Agent**”, as receiving agent) and 龔振俠 (Mr. Gong Zhenxia*) (the “**Transferee**”, as transferee), in relation to the possible acquisition of the 6.5% convertible bonds of the Company in an aggregate principal amount of HK\$100 million issued on 31 July 2017 (the “**Convertible Bonds**”) by the Transferee from the Appointer (the “**Acquisition**”).

As at the date of this announcement, the outstanding principal and interest of the Convertible Bonds are HK\$100 million and approximately HK\$1.64 million respectively.

THE TERM SHEET

The principal terms of the Term Sheet are set out below:

Date

10 May 2021

Parties

- (1) the Appointer;
- (2) the Receiving Agent;
- (3) the Transferee; and
- (4) the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, each of the Appointer, the Receiving Agent and the Transferee and their respective ultimate beneficial owners are third parties independent of the Company and its connected person(s) (as defined in the GEM Listing Rules).

Conditions precedent

The completion of the Acquisition shall be subject to the following conditions precedent:

- (a) the Acquisition complies with all applicable laws (including the GEM Listing Rules); and
- (b) the Transferee has obtained all relevant approvals for transferring the Convertible Bonds.

The Appointer has the right to waive any of the above conditions precedent.

Undertakings of the Appointer

The Appointer undertakes to withdraw the appointment of the Receivers in respect of the Charged Shares (as defined in the announcement of the Company dated 26 November 2020) of certain subsidiaries of the Company within 5 business days upon settlement of the payment of 50% of the consideration (pursuant to the payment condition under the formal sales and purchase agreement) from the Transferee.

Sale and purchase of the Convertible Bonds

The Term Sheet is non-legally binding. The formal sale and purchase agreement of the Convertible Bonds shall be signed on or before 31 May 2021.

WARNINGS

The Term Sheet may or may not lead to the entering of the formal sale and purchase agreement and the Acquisition may or may not proceed.

Further announcement(s) will be issued by the Company as and when appropriate if there is any material development in respect of the Acquisition.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares of the Company on the Stock Exchange has been suspended from 9:00 a.m. on 17 August 2020, and will remain suspended until further notice.

By order of the Board
Larry Jewelry International Company Limited
Lan Yang
Executive Director

Hong Kong, 11 May 2021

As at the date of this announcement, the Board comprises Mr. Lan Yang as an executive Director, Ms. Lai Pik Chi Peggy as a non-executive Director and Mr. Lin Qiu Fa, Mr. Chung Kwok Pong and Mr. Ke Jun 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 respects 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 website of GEM (www.hkgem.com) for at least 7 days from its date of publication and on the website of the Company at www.larryjewelryinternational.com.

** For identification purpose only.*