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3D-GOLD JEWELLERY HOLDINGS LIMITED

金至尊珠寶控股有限公司

(formerly known as Hang Fung Gold Technology Limited
恆豐金業科技有限公司*)

(incorporated in Bermuda with limited liability)

(Provisional Liquidators Appointed)

(Subject to Scheme of Arrangement)

(Stock Code: 870)

ANNOUNCEMENT

PURSUANT TO RULE 3.7 OF THE CODE ON TAKEOVERS AND MERGERS

IN RESPECT OF EXPIRY OF 2009 EXCLUSIVITY AGREEMENT

POSSIBLE NOTIFIABLE TRANSACTION

NEW EXCLUSIVITY AGREEMENT

On 16 May 2011, Billion Expand Limited, a wholly-owned subsidiary of the Company, and the Vendor entered into the MOU in respect of the Proposed Acquisition. As set out in the MOU, the Company intends to acquire the entire interest of the Target Group from the Vendor at a consideration of HK\$60 million. The Target Group is principally engaged in retailing and wholesaling of jewellery in Hong Kong and the PRC and providing jewellery processing and repairing services.

On 16 May 2011, the Provisional Liquidators, the Company, WPL, Radford (as guarantor of WPL), HEHL, CVL (as guarantor of HEHL), and the Investor entered into the New Exclusivity Agreement. Under the New Exclusivity Agreement, the Company and the Provisional Liquidators undertake to the New Investors that they will not offer to any other party discussion or negotiation relating to the acquisition of a controlling interest in the Company before the expiry of an exclusivity period as set out in the New Exclusivity Agreement.

As set out in the announcement of the Company dated 8 October 2010, the Investor and the Provisional Liquidators have different interpretations on the exclusivity period defined under the 2009 Exclusivity Agreement. To facilitate the New Restructuring Proposal, the parties agree, on no admission on which interpretation is correct basis, that the exclusivity period under the 2009 Exclusivity Agreement was expired and the terms contained therein including the Previous Restructuring Agreement will not be proceeded further by the Investor.

A resumption proposal in respect of the New Restructuring Proposal was submitted by the Company to the Stock Exchange on 16 May 2011.

Investors and shareholders of the Company should note that the Company has not entered into any legally-binding documentation for the Subscription and the Proposed Acquisition and even if and when any documentation is entered into, there is no assurance that the Subscription, the Proposed Acquisition and the New Restructuring Proposal will complete. The New Investors, the Investor and the Company have not agreed on any definitive terms in respect of the Subscription. At this stage, the Company cannot determine whether or not there will be any implications under the Takeovers Code relating to the Subscription.

Further announcement(s) will be made in respect of further progress in this regard as and when required under the Takeovers Code and/or the Listing Rules.

At the request of the Company, trading in the Shares has been suspended since 2:30 p.m. on 30 September 2008 and shall remain suspended until further notice.

Reference is made to the announcements of 3D-GOLD Jewellery Holdings Limited (formerly known as Hang Fung Gold Technology Limited) (Provisional Liquidators Appointed) (Subject to Scheme of Arrangement) dated 6 February 2009, 3 August 2009, 1 December 2010 and 11 April 2011.

Proposed Acquisition

On 16 May 2011, Billion Expand Limited, a wholly-owned subsidiary of the Company, and the Vendor entered into the MOU in respect of the Proposed Acquisition. As set out in the MOU, the Company intends to acquire the entire interest of the Target Group from the Vendor at a consideration of HK\$60 million. The consideration of HK\$60 million shall be payable by the Group as follows:

- (i) HK\$5 million shall be in cash and payable within 3 months from the date of definitive agreements in relation to the Proposed Acquisition (the "Deposit Payment") or such other date as may be agreed between the parties;

- (ii) HK\$30 million shall be in the form of a promissory note repayable one year from its issue date to be issued by the Company on completion of the Proposed Acquisition (which will only be converted into the Convertible Preference Shares if conditions for issuance of the Convertible Preference Shares are satisfied); and
- (iii) HK\$25 million shall be in cash and payable within 6 months after the date of Deposit Payment or such other date as may be agreed between the parties.

The Proposed Acquisition will constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. The Company will comply with applicable reporting, announcement and shareholders' approval requirements.

The Target Group is principally engaged in retailing and wholesaling of jewellery in Hong Kong and the PRC and providing jewellery processing and repairing services. Further information in respect of the Proposed Acquisition will be announced by the Company when a definitive agreement regarding the Proposed Acquisition has been entered into.

To the best of the Provisional Liquidators' knowledge, information and belief having made all reasonable enquiries, the Vendor is a third party independent of the Company and its connected persons.

New Exclusivity Agreement

On 16 May 2011, the Provisional Liquidators, the Company, WPL, Radford (as guarantor of WPL), HEHL, CVL (as guarantor of HEHL), and the Investor entered into the New Exclusivity Agreement. Under the New Exclusivity Agreement, the Company and the Provisional Liquidators undertake to the New Investors that they will not offer to any other party discussion or negotiation relating to the acquisition of a controlling interest in the Company before (i) the Provisional Liquidators have given a written notice to the New Investors rejecting the New Restructuring Proposal; (ii) the listing of the Shares having been cancelled; or (iii) 31 December 2011, whichever is the earliest.

The New Investors agree that they shall negotiate in good faith with the Company with a view to implement the New Restructuring Proposal. It is currently contemplated that the New Restructuring Proposal would involve, among other things, a capital restructuring, the Subscription, the Proposed Acquisition and schemes of arrangement. The New Investors have agreed to pay HK\$20 million to an escrow agent as earnest money, out of which HK\$5 million is non-refundable and payable upon execution of the New Exclusivity Agreement.

As set out in the announcement of the Company dated 8 October 2010, the Investor and the Provisional Liquidators have different interpretations on the exclusivity period defined under the 2009 Exclusivity Agreement. To facilitate the New Restructuring Proposal, the parties agree, on no admission on which interpretation is correct basis, that the exclusivity period under the 2009 Exclusivity Agreement was expired and the terms contained therein including the Previous Restructuring Agreement will not be proceeded further by the Investor.

The New Investors agree to provide to the Company a working capital loan of HK\$30 million as may be required by the Group for the costs and consideration in connection with the Proposed Acquisition and for the Group's working capital.

To the best of the Provisional Liquidators' knowledge, information and belief having made all reasonable enquiries, the New Investors, the Investor and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

To the best of the Provisional Liquidators' knowledge, information and belief having made all reasonable enquiries, the Vendor is a third party independent of the New Investors, the Investor and their respective connected persons.

A resumption proposal in respect of the New Restructuring Proposal was submitted by the Company to the Stock Exchange on 16 May 2011.

Investors and shareholders of the Company should note that the Company has not entered into any legally-binding documentation for the Subscription and the Proposed Acquisition and even if and when any documentation is entered into, there is no assurance that the Subscription, the Proposed Acquisition and the New Restructuring Proposal will complete. The New Investors, the Investor and the Company have not agreed on any definitive terms in respect of the Subscription. At this stage, the Company cannot determine whether or not there will be any implications under the Takeovers Code relating to the Subscription.

Further announcement(s) will be made in respect of further progress in this regard as and when required under the Takeovers Code and/or the Listing Rules.

At the request of the Company, trading in the shares of the Company has been suspended since 2:30 p.m. on 30 September 2008 and shall remain suspended until further notice.

As at the date of this announcement, the board of directors of the Company comprises three executive directors, namely, Ms. Chan Yam Fai, Jane, Ms. Ng Yee Mei and Mr. Yeung Hon Yuen.

DEFINITIONS

“2009 Exclusivity Agreement”	a conditional agreement dated 28 July 2009 entered into by the Provisional Liquidators, the Company and the Investor which sets out certain terms and conditions upon which the Investor is entitled to participate in the restructuring of the Company
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“Company”	3D-GOLD Jewellery Holdings Limited (formerly known as Hang Fung Gold Technology Limited) (Provisional Liquidators Appointed) (subject to Scheme of Arrangement), a company incorporated in Bermuda, the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under Rule 1.01 of the Listing Rules, as extended by Rule 14A.11 of the Listing Rules
“Convertible Preference Shares”	such convertible preference shares of HK\$0.01 each in the capital of the Company
“CVL”	Capital VC Limited (Stock code: 2324), the shares of which are listed on the Main Board of the Stock Exchange
“Group”	the Company and its subsidiaries
“HEHL”	Huge Energy Holdings Limited, a wholly-owned subsidiary of CVL and is one of the New Investors
“HKRH”	Hong Kong Resources Holdings Company Limited (Stock code: 2882), the shares of which are listed on the Main Board of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investor”	China Gold Silver Group Company Limited, a wholly-owned subsidiary of HKRH
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange
“MOU”	the memorandum of understanding entered into between Billion Expand Limited, a wholly-owned subsidiary of the Company, and the Vendor in respect of the Proposed Acquisition on 16 May 2011
“New Exclusivity Agreement”	a conditional agreement entered into by the Provisional Liquidators, the Company, the New Investors, CVL, Radford and the Investor which sets out certain terms and conditions upon which the New Investors are entitled to participate in the New Restructuring Proposal on 16 May 2011
“New Investors”	WPL and HEHL

“New Restructuring Proposal”	possible transactions which may involve, among other things, a capital restructuring, the Subscription, the Proposed Acquisition and schemes of arrangement with a view to resuming trading in the Shares on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this proposal, shall exclude Hong Kong, Macau and Taiwan
“Previous Restructuring Agreement”	the conditional restructuring agreement in relation to the Company and its subsidiaries, entered into by the Company, the Provisional Liquidators and the Investor on 23 December 2008 as amended by the supplemental deed entered into by the Provisional Liquidators, the Company, the Investor and the guarantors on 16 March 2009
“Proposed Acquisition”	the proposed acquisition of the entire interest in the Target Company by Billion Expand Limited, a wholly-owned subsidiary of the Company, from the Vendor at a consideration of HK\$60 million
“Provisional Liquidators”	Messrs. Darach E. Haughey, Yeung Lui Ming and Edmond Wah Bon Ching of Deloitte Touche Tohmatsu of 35 th Floor, One Pacific Place, 88 Queensway, Hong Kong
“Radford”	Radford Capital Investment Limited (Stock code: 901), the shares of which are listed on the Main Board of the Stock Exchange
“Share(s)”	ordinary share(s) in the capital of the Company which have a nominal value of HK\$0.1 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	possible subscription of new Shares and Convertible Preference Shares by the New Investors and the Investor
“Takeovers Code”	the Code on Takeovers and Mergers
“Target Company”	a company incorporated in the British Virgin Islands which is principally engaged in investment holding
“Target Group”	Target Company and its wholly-owned subsidiaries which are principally engaged in retailing and wholesaling of jewellery in Hong Kong and the PRC and providing jewellery processing and repairing services
“Vendor”	the vendor of the Target Group

“WPL”

Winning Point Limited, a wholly-owned subsidiary of Radford and is one of the New Investors

For and on behalf of
3D-GOLD Jewellery Holdings Limited
(Provisional Liquidators Appointed)
(Subject to Scheme of Arrangement)
Darach Haughey
Yeung Lui Ming
Edmond Wah Bon Ching

*Joint and Several Provisional Liquidators
Acting as agents for and on behalf of
3D-GOLD Jewellery Holdings Limited
without personal liability*

Hong Kong, 18 May 2011

** For identification purposes only*

The Provisional Liquidators jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any of the statements in this announcement misleading.