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MING FUNG JEWELLERY GROUP LIMITED

明豐珠寶集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 860)

2013 INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 MARCH 2013

The board (“Board”) of directors (“Directors”) of Ming Fung Jewellery Group Limited (“Company”) is pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 31 March 2013, which have been reviewed by the Company’s audit committee.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	For the six months ended 31 March	
		2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Turnover	3	465,417	348,098
Cost of sales		<u>(338,259)</u>	<u>(251,234)</u>
Gross profit		127,158	96,864
Other revenue	3	1,083	706
Selling and distribution expenses		<u>(33,671)</u>	<u>(22,269)</u>
Administrative expenses		<u>(17,624)</u>	<u>(13,280)</u>
Profit from operating activities	5	76,946	62,021
Finance costs	6	<u>(2,147)</u>	<u>—</u>
Profit before tax		74,799	62,021
Tax	7	<u>(17,304)</u>	<u>(13,418)</u>
Profit for the period		<u>57,495</u>	<u>48,603</u>
Other comprehensive income:			
Exchange difference arising on translation of foreign operations		<u>7,034</u>	<u>3,187</u>
Total comprehensive income for the period		<u><u>64,529</u></u>	<u><u>51,790</u></u>

		For the six months ended 31 March	
		2013	2012
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
	<i>Notes</i>		
Profit for the period attributable to:			
Equity holders of the Company		57,402	48,837
Non-controlling interests		93	(234)
		<u>57,495</u>	<u>48,603</u>
Total comprehensive income for the period attributable to:			
Equity holders of the Company		62,271	50,958
Non-controlling interests		2,258	832
		<u>64,529</u>	<u>51,790</u>
Earnings per share attributable to shareholders			
	9		
Basic		<u>HK1.3 cents</u>	<u>HK1.3 cents</u>
Diluted		<u>HK1.3 cents</u>	<u>HK1.3 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 March 2013 (Unaudited) HK\$'000	As at 30 September 2012 (Audited) HK\$'000
	<i>Notes</i>		
Non-current Assets			
Intangible assets	<i>10</i>	407,291	407,733
Exploration and evaluation assets	<i>11</i>	105,479	101,294
Property, plant and equipment		75,328	80,501
Goodwill		778,370	778,370
		<u>1,366,468</u>	<u>1,367,898</u>
Current Assets			
Inventories		1,360,356	1,302,273
Trade receivables	<i>12</i>	211,875	226,555
Prepayments, deposits and other receivables		98,153	103,799
Cash and cash equivalents		317,864	344,899
		<u>1,988,248</u>	<u>1,977,526</u>
Current Liabilities			
Trade payables	<i>13</i>	92,270	125,134
Other payables and accruals		28,338	40,434
Borrowings		27,522	39,318
Tax payables		89,354	87,835
		<u>237,484</u>	<u>292,721</u>
Net Current Assets		<u>1,750,764</u>	<u>1,684,805</u>
Total assets less current liabilities		3,117,232	3,052,703
Non-current liabilities			
Deferred tax liabilities		138,413	138,413
Net Assets		<u>2,978,819</u>	<u>2,914,290</u>
EQUITY			
Equity attributable to the Company's equity holders			
Share capital	<i>14</i>	43,660	43,660
Reserves		2,799,141	2,736,870
		<u>2,842,801</u>	<u>2,780,530</u>
Non-controlling interests		136,018	133,760
		<u>2,978,819</u>	<u>2,914,290</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with the Hong Kong Accounting Standard (“HKAS”) No. 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). These condensed consolidated financial statements are unaudited but have been reviewed by the Company’s audit committee.

These condensed consolidated financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities, which (where appropriate) were measured at fair value, as explained in the Group’s audited consolidated financial statements for the year ended 30 September 2012. The accounting policies and basis of presentation used in the preparation of these condensed consolidated financial statements are consistent with those adopted in the preparation of the Group’s audited consolidated financial statements for the year ended 30 September 2012.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current period, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets

The application of the new and revised HKFRSs in the current period has had no material effect on the Group’s financial performance and the positions for the current and prior periods and/or disclosures set out in the condensed consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle ¹
Amendments to HKFRS 1	First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans ¹
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities ¹
HKFRS 9	Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ²
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance ¹
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities ³
HKFRS 10	Consolidated Financial Statements ¹
HKFRS 11	Joint Arrangements ¹
HKFRS 12	Disclosure of Interests in Other Entities ¹
HKFRS 13	Fair Value Measurement ¹
HKAS 19 (as revised in 2011)	Employee Benefits ¹
HKAS 27 (as revised in 2011)	Separate Financial Statements ¹
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ¹
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ³
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine ¹

¹ Effective for annual periods beginning on or after 1 January 2013

² Effective for annual periods beginning on or after 1 January 2015

³ Effective for annual periods beginning on or after 1 January 2014

The directors of the Company anticipate that the application of these new and revised HKFRSs will have no material impacts on the financial statements of the Group.

3. TURNOVER AND OTHER REVENUE

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and after eliminations of all significant intra-Group transactions during the period.

An analysis of turnover and other revenue is as follows:

	For the six months ended 31 March	
	2013	2012
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Turnover – sale of goods	465,417	348,098
Other revenue		
Interest income	1,083	437
Gain on disposal of subsidiaries	–	269
	1,083	706
	466,500	348,804

4. SEGMENT INFORMATION

The Group's operating segments are structured and managed separately according to the nature of their operations and the products they provided. Each of the Group's operating segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other operating segments. Summary details of the operating segments are as follows:

- (a) Exports segment is export of manufactured jewellery products and writing instruments;
- (b) Domestic segment is trading of jewellery products for the Group's retail and wholesale business in Mainland China; and
- (c) Mining segment comprised the mining, exploration and sale of gold resources.

4. SEGMENT INFORMATION (CONTINUED)

Operating segments

The following table presents revenue and results for the Group's operating segments:

For the six months ended 31 March 2013:

	Exports (Unaudited) HK\$'000	Domestic (Unaudited) HK\$'000	Mining (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
Segment revenue:				
Sales to external customers	<u>16,921</u>	<u>448,496</u>	<u>–</u>	<u>465,417</u>
Segment results	<u>(1,745)</u>	<u>86,343</u>	<u>(621)</u>	<u>83,977</u>
Unallocated revenue				<u>1,083</u>
Unallocated expenses				<u>(8,114)</u>
Profit from operating activities				<u>76,946</u>
Finance costs				<u>(2,147)</u>
Profit before tax				<u>74,799</u>
Tax				<u>(17,304)</u>
Profit for the period				<u>57,495</u>

For the six months ended 31 March 2012:

	Exports (Unaudited) HK\$'000	Domestic (Unaudited) HK\$'000	Mining (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
Segment revenue:				
Sales to external customers	<u>43,944</u>	<u>304,154</u>	<u>–</u>	<u>348,098</u>
Segment results	<u>309</u>	<u>71,846</u>	<u>(793)</u>	<u>71,362</u>
Unallocated revenue				<u>706</u>
Unallocated expenses				<u>(10,047)</u>
Profit from operating activities				<u>62,021</u>
Finance costs				<u>–</u>
Profit before tax				<u>62,021</u>
Tax				<u>(13,418)</u>
Profit for the period				<u>48,603</u>

5. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities is arrived at after charging:

	For the six months ended 31 March	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Cost of inventories sold	338,259	251,234
Depreciation	5,017	4,064
Minimum lease payments under operating leases on leasehold land and buildings	2,593	2,198
Staff costs (excluding directors' remuneration):		
Wages, salaries and other benefits	10,680	8,139
Retirement benefits scheme contributions	874	672
Directors' remuneration	567	642
	<u>359,989</u>	<u>264,947</u>

6. FINANCE COSTS

	For the six months ended 31 March	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Interest on bank loans wholly repayable within 5 years	2,147	–
	<u>2,147</u>	<u>–</u>

7. TAX

The amount of tax charged to the condensed consolidated statement of comprehensive income represents:

	For the six months ended 31 March	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Current period provision:		
Hong Kong Profits Tax (a)	659	–
Overseas taxation (b)	15,689	13,418
Under-provision in previous years:		
Penalty surcharge and interest	956	–
Tax charge for the period	<u>17,304</u>	<u>13,418</u>

(a) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the six months ended 31 March 2013 (for the six months ended 31 March 2012: Nil).

(b) Overseas taxation is related to PRC tax which is calculated at the prevailing tax rate on the assessable profits based on existing legislation, interpretations and practices in respect thereof.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the Group's subsidiaries in the PRC is 25% from 1 January 2008 onwards.

One of the subsidiaries was subject to PRC Enterprise Income Tax at preferential rates ranging from 22% to 24% for the period.

8. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 31 March 2013 (for the six months ended 31 March 2012: Nil).

9. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS

The calculation of basic earnings per share is based on the profit for the period attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares in issue during the period, as adjusted to reflect the consolidation of shares during the period.

The calculation of diluted earnings per share is based on the profit for the period attributable to ordinary shareholders of the Company adjusted to reflect the interest on the share options, where applicable. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares, as adjusted for the consolidation of shares during the period.

The calculations of basic and diluted earnings per share amounts are based on:

	For the six months ended 31 March	
	2013	2012
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Earnings		
Profit attributable to ordinary shareholders of the Company, used in the basic and diluted earnings per share calculation	57,402	48,837
	Number of shares For the six months ended 31 March	
	2013	2012
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	4,366,027,293	3,649,886,309
Effect of dilution – weighted average number of ordinary shares: Share options	Nil	34,213,127
Weighted average number of ordinary shares in issue during the period used in the diluted earnings per share calculation	4,366,027,293	3,684,099,436

The computation of diluted earnings per share does not assume the exercise of the Company's options and warrants because the exercise price of those options and warrants was higher than the average market price of shares for the period ended 31 March 2013.

10. INTANGIBLE ASSETS

	Mining rights <i>HK\$'000</i>	Distribution rights <i>HK\$'000</i>	Trademarks <i>HK\$'000</i>	Group total <i>HK\$'000</i>
Cost				
At 30 September and at 1 October 2012 (Audited)	344,400	53,535	46,360	444,295
Exchange translation	5,320	827	(418)	5,729
At 31 March 2013 (Unaudited)	349,720	54,362	45,942	450,024
Accumulated amortisation and impairment loss				
At 30 September and at 1 October 2012 (Audited)	(20,400)	(16,162)	–	(36,562)
Amortisation for the period	–	(6,135)	–	(6,135)
Exchange translation	(17)	(19)	–	(36)
At 31 March 2013 (Unaudited)	(20,417)	(22,316)	–	(42,733)
Net book value				
At 31 March 2013 (Unaudited)	329,303	32,046	45,942	407,291
At 30 September 2012 (Audited)	324,000	37,373	46,360	407,733

11. EXPLORATION AND EVALUATION ASSETS

	<i>HK\$'000</i>
Exploration license	
At 1 October 2012 and 30 September 2012 (Audited)	101,294
Additions	4,185
At 31 March 2013 (Unaudited)	105,479

12. TRADE RECEIVABLES

The Group normally allows credit terms to established customers ranging from 30 to 120 days.

An aging analysis of the trade receivables for the period end, based on the date of recognition of the sale, is as follows:

	31 March 2013 (Unaudited) <i>HK\$'000</i>	30 September 2012 (Audited) <i>HK\$'000</i>
1 – 30 days	73,891	10,065
31 – 60 days	63,756	111,218
61 – 90 days	50,477	90,559
91 – 120 days	23,751	14,713
	211,875	226,555

13. TRADE PAYABLES

The Group normally obtains credit terms ranging from 30 to 180 days from its suppliers.

An aging analysis of the trade payables for the period end, based on the date of receipt of goods purchased, is as follows:

	31 March 2013 (Unaudited) HK\$'000	30 September 2012 (Audited) HK\$'000
1 – 30 days	20,314	15,560
31 – 60 days	13,151	25,535
61 – 90 days	11,089	25,716
91 – 180 days	47,716	58,323
	92,270	125,134

14. SHARE CAPITAL

	Number of shares '000	Nominal Value HK\$'000
Authorised ordinary shares of HK\$0.01 each At 1 October 2012 and 30 September 2012 (Audited) and 31 March 2013 (Unaudited)	10,000,000	100,000
Issued and fully paid: At 1 October 2012 and 30 September 2012 (Audited) and 31 March 2013 (Unaudited)	4,366,027	43,660

15. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 March 2013 (30 September 2012: Nil).

16. OPERATING LEASE ARRANGEMENTS

As at 31 March 2013, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	31 March 2013 (Unaudited) HK\$'000	30 September 2012 (Audited) HK\$'000
Within 1 year	4,840	5,221
In 2 to 5 years, inclusive	1,562	718
	6,402	5,939

17. CAPITAL COMMITMENTS

	31 March 2013 (Unaudited) HK\$'000	30 September 2012 (Audited) HK\$'000
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of: Leasehold improvement	<u>–</u>	<u>3,158</u>

18. RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation

Remuneration for the directors of the Company (being the key management personnel) as disclosed in Note 5.

(b) Transactions with related parties

Details of the transactions with related parties during the period:

	31 March 2013 (Unaudited) HK\$'000	30 September 2012 (Audited) HK\$'000
Sales of goods to the subsidiaries of Hengdeli Holdings Limited (<i>Note</i>)	18,524	–
Rental expenses paid to the subsidiaries of Hengdeli Holdings Limited (<i>Note</i>)	<u>717</u>	<u>–</u>

Note: Hengdeli Holdings Limited is the substantial shareholder of the Company. Such transactions constituted as connected transactions under the listing rules.

The above transactions were made based on normal commercial terms agreed between the relevant parties.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group's turnover for the six months ended 31 March 2013 increased by 33.7% from approximately HK\$348.1 million last year to approximately HK\$465.4 million. The increase was mainly attributable to the growth of domestic sales. Profit attributable to shareholders was approximately HK\$57.4 million, representing a 17.5% increase as compared to HK\$48.8 million in the corresponding period in 2012. Basic earnings per share was HK1.3 cents (2012: HK1.3 cents).

During the period under review, domestic sales reached another record high of approximately HK\$448.5 million, representing an increase of 47.5% as compared to approximately HK\$304.2 million for the six months ended 31 March 2012. Export sales dropped 61.5% from HK\$43.9 million for the six months ended 31 March 2012 to HK\$16.9 million for the six months ended 31 March 2013. Domestic sales continued to be the key revenue contributor, taking up 96.4% of total sales, while export sales accounted for the balance 3.6% as compared to 87.4% and 12.6%, respectively, during the same period last year.

During the period, the selling and distribution expenses of the Group increased 51.2% to approximately HK\$33.7 million, as compared to HK\$22.3 million from the corresponding period last year, which is in line with the increase in domestic sales. The Group's administrative expenses thus increased 32.7% to approximately HK\$17.6 million as compared to approximately HK\$13.3 million for the same period last year. Accordingly, the Group recorded an operating profit of approximately HK\$76.9 million for the period under review, representing a 24.1% increase when compared with that of the previous year.

Business Review

During the period under review, the global economy was volatile and unstable. The pace of economic recovery in the United States remained slow while Europe continued to face the issue of sovereign debt crisis. On the other hand, the emerging economies had to cope with the threat of economic downturn. In particular, the pace of economic growth in PRC continued to slow down. In spite of the slower growth momentum of China's economy, the Group recorded a satisfactory growth in domestic sales, which was mainly driven by the successful strategic acquisitions in the past couple years and the continuous enhancement of PRC retail network.

Follow the completion of the acquisition of OMAS Internation S.A. in 2012, the Group dedicated to develop the new "OMAS" jewellery and luxury accessories line through the Group's world class designer with the impression of "OMAS = A world of Colours and Diamonds". In December 2012, OMAS has successfully held "Special Olympics 2012 Partnership Announcement Ceremony", Special Olympics Global Ambassador Yao Ming and his wife Ye Li attended the signing ceremony of the partnership announcement between OMAS and the Special Olympics. The ceremony attracted over 50 reporters to join in, and made it one of the most eye-catching events in Hangzhou in recent year. The Group also made use of this special occasion to launch its first multiple-brands fine jewellery flagship store in Hangzhou Dragon Hotel. In addition to "OMAS", the store also offered products from a range of luxury brands such as "Gucci", "Damiani", "Pomellato", "Pasquale Bruni" and "Salvini" in dedicated zones.

FUTURE PLANS AND PROSPECTS

Supported by the rising wealth of growth middle class in China, the Group maintains a cautiously optimistic outlook on the luxury retail market, and confident that China will continue to fuel luxury market growth with jewellery, watches and accessories to be the most lucrative sectors in the luxury goods industry. While enjoying the extensive retail networks provided by Hengdeli, and LVMH's the vast global network and profound expertise in the high-end luxury retail business, The Group will continue to expand its sales outlets and consistently be on the lookout for strategic merger and acquisition opportunities in order to strengthen its distribution network and enhance relationships with international brands.

As for the gold mining business, the Group cooperated with a PRC based leading professional mining institution which started to produce in the gold mines located in Chi Feng City, Inner Mongolia Autonomous Region, PRC. It is expected that the gold mines will start revenue contribution in the near future. As for the Chi Zhou Gold Mines, the Group continue to carry out the detailed exploration work and in the process to obtain the exploitation licenses.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2013, the Group maintained a strong and healthy financial position. Bank balances and cash on hand of the Group as at 31 March 2013 amounted to HK\$317.9 million (30 September 2012: HK\$344.9 million), which were mainly denominated in US dollars, Hong Kong dollars and RMB. The Group's current assets and current liabilities were approximately HK\$1,988.2 million and HK\$237.5 million respectively (30 September 2012: current assets HK\$1,977.5 million; current liabilities HK\$292.7 million).

Increase in inventories was in line with the increase in the turnover in domestic retail and wholesale sales for the period because more inventories were reserved for customer orders. The Group's inventory turnover, trade receivables turnover and trade payables turnover periods were 736 days, 83 days and 50 days, respectively. These turnover periods are consistent with the respective policies of the Group on credit terms granted to customers and credit terms obtained from suppliers.

EMPLOYEES AND EMPLOYMENT POLICIES

As at 31 March 2013, the Group had a staff roster of 224 (2012: 201). The remuneration of employees was in line with market trench and commensurate to the levels of pay in the industry and to the performance of individual employees that are regularly reviewed each year.

The Group has established a share option scheme for its employees and other eligible participants with a view to providing an incentive to or as a reward for their contribution to the Group.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.

CORPORATE GOVERNANCE

None of the directors of the Company is aware of information that would reasonably indicate that the Company is not, or was not during the six months ended 31 March 2013 in compliance with the code provisions of the Corporate Governance Code (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) except the following deviations:

Code Provision A.2.1

Mr. Wong Chi Ming, Jeffrey (“Mr. Wong”) is the Chairman of the Company and co-founder of the Company. Mr. Wong has extensive experience in the jewellery industry who is responsible for the overall strategic planning and policy making of the Group.

The Company has no such title as the chief executive officer and therefore the daily operation and management of the Company is monitored by the executive directors as well as the senior management.

The Board is of the view that although there is no chief executive officer, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals and meet from time to time to discuss issues affecting the operation of the Company.

Code Provision E.1.2

The Chairman attended 2013 annual general meeting (“2013 AGM”) to answer questions and collect views of shareholders. Though some directors were unable to attend 2013 AGM due to other business engagements, their representative, the company secretary and the auditors had attended the meeting to answer questions at the meeting.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules regarding securities transactions by its directors. The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code. All the Directors confirmed that they have fully complied with the required standard set out in the Model Code during the period.

AUDIT COMMITTEE

The Company has an audit committee which was established, for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls. Currently the audit committee comprises the three independent non-executive Directors of the Company. The unaudited interim report for the period has been reviewed and approved by the audit committee.

APPRECIATION

On behalf of the Board, I would like to express our appreciation to all our management and staff members for their ongoing contribution and hard work. We would also like to thank our shareholders for their continuing support.

On behalf of the Board
Ming Fung Jewellery Group Limited
Wong Chi Ming, Jeffry
Chairman

Hong Kong, 31 May 2013

As at the date of this announcement, the Company's executive directors are Mr. Wong Chi Ming, Jeffry, Mr. Chung Yuk Lun and Mr. Yu Fei, Philip and the independent non-executive directors are Mr. Jiang Chao, Mr. Chan Man Kiu and Mr. Tam Ping Kuen, Daniel.

* *For identification purpose only*