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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)

PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

The Board proposes that every ten issued and unissued Shares of HK\$0.01 each in the share capital of the Company be consolidated into one Consolidated Share of HK\$0.10 each. Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Consolidated Shares regardless of the number of share certificates held by such holder.

The Board also proposes to change the board lot size from 30,000 Existing Shares to 3,000 Consolidated Shares upon the Share Consolidation becoming effective.

CONDITIONS OF THE SHARE CONSOLIDATION

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of the necessary ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

* *for identification purpose only*

EFFECTS OF THE SHARE CONSOLIDATION

As at the date of this announcement, the authorized share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares of par value of HK\$0.01 each, of which 6,549,040,939 Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and on the basis that no further Shares will be allotted and issued or repurchased prior thereto, the authorized share capital of the Company will remain at HK\$100,000,000 but will be divided into 1,000,000,000 Consolidated Shares of par value of HK\$0.10 each, of which 654,904,093 Consolidated Shares will be in issue.

	As at the date of this announcement	Immediately upon the Share Consolidation becoming effective
Nominal value of each Share	HK\$0.01	HK\$0.10
Number of authorized Shares	10,000,000,000 Shares	1,000,000,000 Consolidated Shares
Amount of authorized share capital	HK\$100,000,000	HK\$100,000,000
Number of the issued Shares	6,549,040,939	654,904,093
Issued and fully paid-up share capital	HK\$65,490,409.39	HK\$65,490,409.30

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other in accordance with the articles of association of the Company.

As at the date of this announcement, the Company has no outstanding derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

Other than the expenses, including professional fees and printing charges, to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or result in any change in the rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

LISTING APPLICATION

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective. All necessary arrangements will be made for the Consolidated Shares to be admitted into the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited. The Share Consolidation will be conducted in accordance with the provisions in the articles of association of the Company.

CHANGE OF BOARD LOT SIZE

The Board also proposes to change the board lot size for trading in the Shares from 30,000 Existing Shares to 3,000 Consolidated Shares upon the Share Consolidation becoming effective.

REASONS FOR THE SHARE CONSOLIDATION AND THE CHANGE IN BOARD LOT SIZE

The Board is of the opinion that the Share Consolidation will bring about a corresponding increase in the trading price of the Consolidated Shares and enable the Company to comply with the trading requirements of the Listing Rules. The Change in Board Lot Size will maintain the trading amount for each board lot at an optimal level. Accordingly, the Board is of the view that the Share Consolidation and the Change in Board Lot Size are in the interest of the Company and the Shareholders as a whole.

ARRANGEMENT ON ODD LOT

In order to facilitate the trading of odd lots of the Consolidated Shares, the Company will appoint a securities firm to provide matching service, on a best effort basis, for the sale and purchase of odd lots of Consolidated Shares arising from the Share Consolidation. Details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders.

EXCHANGE OF SHARE CERTIFICATES

Subject to the Share Consolidation becoming effective, Shareholders may submit share certificates for Existing Shares to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, between Monday, 8 September 2014 and Monday, 20 October 2014 (both dates inclusive) during the business hours, to exchange, at the expense of the Company, for certificates of the Consolidated Shares. It is expected that the new certificates for the Consolidated Shares will

be available for collection within 10 business days after the submission of the existing share certificates to the branch share registrar for exchange. Thereafter, the existing share certificates for the Shares will not be accepted for delivery, trading and settlement purposes but will remain effective as documents of legal title and will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by Stock Exchange) per existing share certificate cancelled or new share certificate issued (whichever is the higher) by shareholders.

EXPECTED TIMETABLE

The expected timetable of the proposed Share Consolidation and the Change in Board Lot Size is as follows:

2014

Despatch date of circular with notice of the EGM	on or before Wednesday, 13 August
Latest time for lodging forms of proxy for the EGM	11:00 a.m. on Wednesday, 3 September
Date and time of the EGM	11:00 a.m. on Friday, 5 September
Announcement of the voting results of the EGM	Friday, 5 September
Effective date of the Share Consolidation	Monday, 8 September
First day of free exchange of existing share certificates for new share certificates for Consolidated Shares	Monday, 8 September
Dealing in Consolidated Shares commences	9:00 a.m. on Monday, 8 September
Original counter for trading in existing shares in board lots of 30,000 temporarily closes	9:00 a.m. on Monday, 8 September

- Temporary counter for trading in Consolidated Shares in board lots of 3,000 (in the form of existing share certificates) opens 9:00 a.m. on Monday, 8 September
- Original counter for trading in Consolidated Shares in board lots of 3,000 (in the form of new share certificates for Consolidated Shares) re-opens 9:00 a.m. on Tuesday, 23 September
- Parallel trading in the Consolidated Shares in the forms of new share certificates and existing share certificates commences 9:00 a.m. on Tuesday, 23 September
- Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares 9:00 a.m. on Tuesday, 23 September
- Temporary counter for trading Consolidated Shares in board lots of 3,000 (in the form of existing share certificates) closes 4:00 p.m. on Wednesday, 15 October
- Parallel trading in the Consolidated Shares in the forms of existing share certificates and the new share certificates ends 4:00 p.m. on Wednesday, 15 October
- Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares 4:00 p.m. on Wednesday, 15 October
- Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares Monday, 20 October

GENERAL

The Share Consolidation is subject to the Shareholders' approval at the EGM and no Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation. A circular containing further details of the Share Consolidation, the Change in Board Lot Size and the notice of the EGM will be dispatched to the Shareholders as soon as practicable.

DEFINITIONS

The following defined terms are used in this announcement:

“associates”	as defined in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day on which the Stock Exchange is open for the business of dealing in securities
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 30,000 Existing Shares to 3,000 Consolidated Shares as referred to in this announcement
“Company”	Ming Fung Jewellery Group Limited, a company incorporated under the laws of the Cayman Islands, the shares of which are listed on the Stock Exchange (Stock Code: 860)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company after the Share Consolidation becoming effective
“Directors”	directors of the Company
“EGM”	the extraordinary general meeting to be convened and held to consider and, if thought fit, approve among other things the Share Consolidation
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company as at the date of this announcement
“Group”	the Company and its subsidiaries

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	the Existing Share(s) or the Consolidated Share(s), as the case may be
“Share Consolidation”	the proposed consolidation of every 10 issued and unissued shares into one Consolidated Share in the issued and unissued share capital of the Company
“Shareholders”	Shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board
Ming Fung Jewellery Group Limited
Wong Chi Ming, Jeffry
Chairman

Hong Kong, 25 July 2014

As at the date hereof, the Company’s executive directors are Mr. Wong Chi Ming, Jeffry and Mr. Yu Fei, Philip and independent non-executive directors are Ms. Chu Wai Fan, Mr. Tam Ping Kuen, Daniel and Mr. Jiang Chao.