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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)

VOLUNTARY ANNOUNCEMENT DISTRIBUTION AGREEMENT WITH DAMIANI

Reference is made to the announcement of the Company dated 7 February 2011 in relation to the entering into the Memorandum of Understanding with DAMIANI by the Company.

The Board is pleased to announce that, on 15 May 2012, Shenzhen Qijingda entered into the Distribution Agreement with DAMIANI. Pursuant to the Distribution Agreement, Shenzhen Qijingda has been appointed by DAMIANI as the distributor for distributing, advertising, promoting and sale of jewellery items and watches which bear the trademark of “DAMIANI” in exclusivity through the Outlets in the Territory during the Term. It is agreed that Shenzhen Qijingda shall open at least 80 Outlets in the Territory by the end of the Term.

Shenzhen Qijingda will further explore the feasibility of distribution of other products which bear the trademarks owned by DAMIANI and extending the distribution of the products of DAMIANI to other areas including Hong Kong, Macao and Taiwan.

To the best of the knowledge, information and belief having made all reasonable enquiries by the Directors, DAMIANI and its ultimate beneficial owner(s) are third parties independent of the Company and not connected persons (as defined in the Listing Rules) of the Company.

REASONS FOR ENTERING INTO THE DISTRIBUTION AGREEMENT

DAMIANI is a leading Italian luxury jewellery brand established in 1924. It is renowned for its design, quality of the gems and superb manufacturing techniques and has won over 18 Diamonds International Awards sponsored by the Diamond Information Centre.

The Board is of the view that, the entering into the Distribution Agreement will add synergy to the Company’s jewellery retail business and business co-operation with international reputable brands of jewellery and watches, which, in turn, will broaden the source of income of the Company and return to its shareholders.

DEFINITIONS

“Board”	the board of directors of the Company
“Company”	Ming Fung Jewellery Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 860)
“DAMIANI”	DAMIANI International B.V., a company incorporated in the Netherlands
“Directors”	the directors of the Company
“Distribution Agreement”	a legally binding distribution agreement entered into between Shenzhen Qijingda and DAMIANI on 15 May 2012
“Group”	the Company and its subsidiaries
“Memorandum of Understanding”	a non-legally binding memorandum of understanding entered into between the Company and DAMIANI on 1 February 2011
“Outlets”	“shop in shop” or “corner” outlets to be established in multibrand stores established by the Distributor or the Group in the Territory
“Shenzhen Qijingda”	Shenzhen Qijingda Trade Co. Ltd (深圳市琪晶達貿易有限公司), a subsidiary owned as to 90% by the Company established in Shenzhen, the People’s Republic of China. It is engaged in the business of distributing, advertising, promoting and sale of jewellery and watch items
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Term”	the period from 15 May 2012 to 31 March 2017, which is capable of being extended by mutual agreement between Shenzhen Qijingda and DAMIANI
“Territory”	the People’s Republic of China

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

Hong Kong, 29 May 2012

As at the date hereof, the Board comprises three executive directors, namely, Mr. Wong Chi Ming, Jeffry, Mr. Chung Yuk Lun and Mr. Yu Fei, Philip; and three independent non-executive directors, namely, Mr. Chan Man Kiu, Mr. Tam Ping Kuen, Daniel and Mr. Jiang Chao.

* For identification purpose only