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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)*

**ANNOUNCEMENT OF UNAUDITED RESULTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2002,  
POSTPONEMENT OF RELEASE THE AUDITED FINAL RESULTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2002 AND  
DESPATCH OF 2002 ANNUAL REPORT AND FINANCIAL STATEMENTS**

The meeting of the board of directors of the Company to approve the release of the audited final results of the Company and its subsidiaries for the year ended 30 September 2002 scheduled for 28 January 2003 has been postponed to on or before 28 February 2003.

The announcement of the audited final results of the Group for the year ended 30 September 2002 and the despatch of the 2002 annual report including the audited financial statements of the Company will be postponed to on or before 3 March 2003 and 10 March 2003 respectively.

The delay in publication of the audited annual results of the Company and its subsidiaries and the despatch of the 2002 annual report including the audited financial statements constitute breaches of paragraphs 8(1), 8(2) and 11(1) of the Listing Agreement. The Stock Exchange reserves its right to take appropriate action against the Company and/or its directors.

**The Company advises its shareholders and potential investors to exercise caution when dealing in the shares of the Company.**

## **POSTPONEMENT OF RELEASE THE AUDITED FINAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2002 AND DESPATCH OF 2002 ANNUAL REPORT AND FINANCIAL STATEMENTS**

The board of directors (the “Directors”) of Ming Fung Jewellery Group Limited (the “Company”) announces that on 27 January 2003 they have agreed with Ernst & Young, the auditors of the Company that more time will be required by Ernst & Young to complete certain audit procedures (including outstanding audit work on the testing of system of internal controls, alternative audit procedures for unconfirmed balances and subsequent event review procedures) and to obtain certain audit confirmation replies, (including certain bank confirmations in respect of bank fixed deposit, debtors confirmation, creditors confirmation and deposit paid to suppliers confirmation), in order for them to finalise auditing the final results (the “Final Results”) of the Company and its subsidiaries (together, the “Group”) for the year ended 30 September 2002. In the circumstances, the meeting of the Directors for approving the Final Results originally scheduled for 28 January 2003, the publication of the Final Results in the newspapers and the despatch of the 2002 annual report and audited financial statements of the Company and the Group will be delayed.

Due to the intervening of the Chinese New Year holidays and subject to the finalisation of the audit of the Final Results by the auditors on or before 28 February 2003, the Directors expect that (i) the Final Results will be available for the Directors to consider and approve on or before 28 February 2003; (ii) the announcement of the Final Results will be made on or before 3 March 2003; (iii) the 2002 annual report and audited financial statements of the Company will be despatched on or before 10 March 2003; and (iv) the annual general meeting of the Company will be held on or about 4 April 2003.

The Directors confirmed that as at the date of this Announcement and so far as the Directors are aware, there are no circumstances which shall be brought to the attention of the shareholders of the Company and the Company has not been notified by the auditors of the Company that the Final Results will be qualified.

The delay in publication of the audited Final Results and the despatch of the 2002 annual report and the audited financial statements constitute breaches of paragraphs 8(1), 8(2) and 11(1) of the Listing Agreement. The Stock Exchange reserves its right to take appropriate action against the Company and/or its directors for the above-mentioned breaches.

## UNAUDITED CONSOLIDATED RESULTS OF THE GROUP FOR THE YEAR ENDED 30 SEPTEMBER 2002

The Directors announce that the unaudited final results of the Group for the year ended 30 September 2002, which have been reviewed by two members of the audit committee of the Directors (namely, Messrs. Lee Pak Chung and Chan Bing Kwong Henry), and which may or may not be subject to material changes upon the completion of the audit of such results, are as follows:

	<i>Notes</i>	<b>Unaudited 2002 HK\$'000</b>	<b>Audited 2001 HK\$'000</b>
Turnover		<b>267,158</b>	195,684
Cost of sales		<b>(186,721)</b>	(136,104)
Gross profit		<b>80,437</b>	59,580
Other revenue		<b>533</b>	439
Selling and distribution expenses		<b>(16,943)</b>	(11,287)
Administrative expenses		<b>(11,259)</b>	(9,121)
Other operating expenses		<b>(3,739)</b>	(2,829)
Profit from operating activities		<b>49,029</b>	36,782
Finance costs		<b>(532)</b>	(523)
Profit before tax		<b>48,497</b>	36,259
Tax	2	<b>(7,815)</b>	(5,891)
Net profit from ordinary activities attributable to shareholders		<b><u>40,682</u></b>	<u>30,368</u>
Dividends	3	<u>—</u>	<u>14,000</u>
Earnings per share – Basic	4	<b><u>HK7.7 cents</u></b>	<u>HK5.8 cents</u>

Notes:

### 1. Basis of presentation

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 30 January 2002. Pursuant to a reorganization scheme (the “group reorganization”) to rationalize the structure of the Group in preparation for the listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited on 3 September 2002, the Company became the holding company of the Group on 12 August 2002.

The consolidated results of the Group have been prepared using the merger basis of accounting as a result of the group reorganization completed on 12 August 2002. Under this basis, the Company has been treated as the holding company of its subsidiaries for the financial years presented, rather than from the date of its acquisition of the subsidiaries. Accordingly, the consolidated results of the Group for the two years ended 30 September 2002 and 2001 include the results of the Company and its subsidiaries with effect from 1 October 2000 or since their respective dates of incorporation/establishment, where this is a shorter period.

### 2. Tax

	<b>Unaudited 2002 HK\$’000</b>	Audited 2001 HK\$’000
Current year provision:		
Hong Kong	—	42
Macau	<u>7,815</u>	<u>5,849</u>
Tax charge for the year	<u><u>7,815</u></u>	<u><u>5,891</u></u>

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong in respect of the year (2001: 16%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Macau complementary tax has been calculated at the rate of 15.75% (2001: 15.75%) on the estimated assessable profits of Brilliant Jewellery Trading Limited, a wholly-owned subsidiary of the Company, in respect of the year.

No provision for deferred tax has been made as the Group did not have any significant unprovided deferred tax liabilities in respect of the year (2001: Nil).

### 3. Dividends

	<b>Unaudited 2002 HK\$’000</b>	Audited 2001 HK\$’000
Interim	<u>—</u>	<u>14,000</u>

The interim dividends declared and paid for the year ended 30 September 2001 was paid by a subsidiary of the Company to its then shareholders prior to the group reorganization as set out in note 1.

#### **4. Earnings per share**

The calculation of basic earnings per share is based on the Group's net profit from ordinary activities attributable to shareholders for the year of approximately HK\$40,682,000 (2001: HK\$30,368,000) and the pro forma weighted average number of 531,397,260 (2001: 520,000,000) ordinary shares in issue during the year.

There were no potential dilutive ordinary shares in existence for the years ended 30 September 2002 and 2001 and, accordingly, no diluted earnings per share amounts have been presented for either of the two years.

The Directors forecasted a net profit from ordinary activities attributable to shareholders but before extraordinary items of HK\$38 million for the year ended 30 September 2002 in the prospectus issued by the Company on 22 August 2002. The unaudited consolidated results of the Group for the year ended 30 September 2002 exceeded the aforesaid forecast by approximately HK\$2.7 million.

Shareholders of the Company and potential investors are reminded to exercise caution in relation to the unaudited final results above, as they are unaudited figures only and may be different from the audited Final Results.

### **GENERAL**

The Directors confirmed that they have not been dealing in any shares of the Company since 28 December 2002 and has undertaken that they will not deal in any shares of the Company until the Final Results are published.

**The Company advises its shareholders and potential investors to exercise caution when dealing in the Company's shares.**

By Order of the Board  
**WONG Chi Ming, Jeffry**  
*Chairman*

Hong Kong, 28 January 2003

*\* For identification only*

Please also refer to the publish version of this announcement in the Standard.