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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)



**HENGDELI HOLDINGS
LIMITED**

亨得利控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3389)

JOINT ANNOUNCEMENT

COOPERATION AGREEMENT

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

Reference is made to the joint announcement of Hengdeli and Ming Fung dated 16 August 2010 in relation to the Memorandum of Understanding (as defined therein) for joint development of luxury jewellery retail business in the Greater China Region.

The Hengdeli Board and the Ming Fung Board are pleased to announce that on 25 October 2010, Hengdeli and Ming Fung entered into the legally binding Cooperation Agreement in relation to the above joint development of luxury jewellery retail business.

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Reference is made to the joint announcement of Hengdeli and Ming Fung dated 16 August 2010 in relation to the Memorandum of Understanding (as defined therein) for joint development of luxury jewellery retail business in the Greater China Region.

The Hengdeli Board and the Ming Fung Board are pleased to announce that on 25 October 2010, Hengdeli and Ming Fung entered into the legally binding Cooperation Agreement in relation to the above joint development of luxury jewellery retail business. Pursuant to the Cooperation Agreement, the following arrangements have been agreed:

1. Ming Fung shall provide the luxury jewellery products on consignment basis to Hengdeli, and such products shall be sold at the special counters in Hengdeli's retail outlets. The operation expenses including rental of the special counters, salary and wages of staff, electricity and water expenses etc., shall be borne by Hengdeli. Ming Fung shall bear the costs of inventory and tax expenses etc; and
2. Ming Fung shall open its own retail outlets which shall be managed by Hengdeli. Hengdeli shall also be responsible for selection of locations, renting of outlets, obtaining the relevant governmental approvals, hiring and training of staff and other day-to-day operation and management matters. Ming Fung shall be responsible for the rental expenses, salary and wages of staff and other operational costs.

The sales revenue will be settled on monthly basis. Hengdeli will be paid according to the different predetermined commission rates calculated based on the after tax sales revenue figures under the two cooperation arrangements described above.

DEFINITIONS

“Cooperation Agreement”	the cooperation agreement dated 25 October 2010 pursuant to which Ming Fung and Hengdeli have agreed to cooperate for joint development of luxury jewellery retail business in the Greater China Region
“Greater China Region”	include People’s Republic of China, Hong Kong Special Administrative Region and Macau Special Administrative Region
“Hengdeli”	Hengdeli Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Hengdeli Board”	the board of directors of Hengdeli
“Ming Fung”	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
“Ming Fung Board”	the board of directors of Ming Fung
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

By order of the Board
Hengdeli Holdings Limited
Zhang Yuping
Chairman

Hong Kong, 25 October 2010

As at the date of this announcement, the Ming Fung 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.

As at the date of this announcement, the Hengdeli Board comprises three executive directors, namely, Mr. Zhang Yuping, Mr. Song Jianwen and Mr. Huang Yonghua; three non-executive Directors, namely, Mr. Chen Sheng, Mr. Shen Zhiyuan and Mr. Shi Zhongyang; and three independent non-executive directors, namely Mr. Cai Jianmin, Mr. Wong Kam Fai William and Mr. Liu Xueling.