

17 July 2014

**High Concentration of Shareholding
in
Mingfa Group (International) Company Limited (Stock Code: 846)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Mingfa Group (International) Company Limited (“the Company”) in the hands of a limited number of shareholders as at 23 June 2014.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company (“Shares”) could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that as at 23 June 2014, a group of 11 shareholders held an aggregate of 846,516,000 Shares, representing 13.89% of the issued Shares. Such shareholding, together with 5,100,000,000 Shares (representing 83.69% of the issued Shares) held by the Company’s substantial shareholder and director, represented 97.58% of the issued Shares as at 23 June 2014. Therefore, only 146,935,026 Shares (representing 2.42% of the issued Shares) were held by other shareholders.

As at 23 June 2014, the shareholding structure of the Company was as follows:-

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Galaxy Earnest Limited (Note 1)	5,086,500,000	83.47
Mr. Wong Wun Ming (Note 2)	13,500,000	0.22
A group of 11 shareholders	846,516,000	13.89
Other shareholders	146,935,026	2.42
Total	6,093,451,026	100.00

Note 1: Galaxy Earnest Limited is wholly-owned by Growing Group Limited, Gainday Holdings Limited, Tin Sun Holdings Limited and Better Luck Group Limited in the respective proportions of 55%, 15%, 15% and 15%. As such, pursuant to the Securities and Futures Ordinance (“SFO”), Growing Group Limited is deemed to have the same interest in the Company in which Galaxy Earnest Limited is currently interested. Mr. Wong Wun Ming owns 100% interest in the issued share capital of Growing Group Limited and therefore he is deemed to be interested in these 5,086,500,000 Shares pursuant to the SFO.

Galaxy Earnest Limited have pledged (1) an aggregate of 1,246,094,000 Shares, which represents approximately 20.45% of the total issued share capital of the Company, to note holders pursuant to a share charge executed in May 2012 involving 587,915,000 Shares and pursuant to a note purchase agreement executed in December 2013 involving 658,179,000 Shares; these shares are held by Cinda



International Securities Limited as a security agent; and (2) an aggregate of 300,000,000 Shares, which represents approximately 4.92% of the total issue share capital of the Company, to Haitong International Finance Company Limited pursuant to a facility agreement signed in May 2013.

Note 2: Mr. Wong Wun Ming is the Chairman and Executive Director of the Company.

During the period from 30 May 2014 to 25 June 2014, the share price of the Company increased 50.0% from the closing price of \$1.86 on 29 May 2014 to the closing price of \$2.79 on 25 June 2014. As at 16 July 2014, the share price closed at \$2.15, representing an increase of 15.6% from the closing price of \$1.86 on 29 May 2014.

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