

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

If you are in doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Grand Ming Group Holdings Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



佳明
GRAND MING

GRAND MING GROUP HOLDINGS LIMITED

佳明集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1271)

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE FINAL DIVIDEND FOR THE
YEAR ENDED 31 MARCH 2014**

14 August 2014

DEFINITIONS

In this circular, unless the context requires otherwise, the expressions as stated below will have the following meanings:

“AGM”	the annual general meeting of the Company held at the Queensway & Victoria Room, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 31 July 2014 at 10:00 a.m.;
“Board”	the board of directors of the Company;
“Bonus Shares”	the Shares proposed to be issued by the Company to the Shareholders by way of bonus on the basis of one bonus Share for every ten existing Shares held by the Shareholders whose names are on the register of members of the Company on the Record Date;
“Bonus Shares Issue”	the issue of Bonus Shares;
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
“Company”	Grand Ming Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange;
“Directors”	directors of the Company;
“Election Form”	the form of election in relation to the Scrip Dividend Scheme;
“Eligible Shareholders”	Shareholders whose names appeared on the register of members of the Company on the Record Date (except Shareholders with registered addresses in the State of California of the United States);
“Final Dividend”	the final dividend of HK4.6 cents per Share for the year ended 31 March 2014 payable on or about 22 September 2014 to Shareholders whose names appeared on the register of members of the Company on the Record Date;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	8 August 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;

DEFINITIONS

“New Share(s)”	new Share(s) credited as fully paid to be issued under the Scrip Dividend Scheme;
“Record Date”	7 August 2014, being the date for determining Shareholders who qualify for the Final Dividend;
“Scrip Dividend Scheme”	the scrip dividend scheme proposed by the Board and announced in the results announcement of the Company dated 3 June 2014 which offers Shareholders a scrip alternative whereby Shareholders may elect to receive the Final Dividend wholly or partly by the allotment of New Shares in lieu of cash;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

LETTER FROM THE BOARD



GRAND MING GROUP HOLDINGS LIMITED

佳明集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1271)

Executive Directors:

Mr. CHAN Hung Ming (*Chairman*)
Mr. LAU Chi Wah
Mr. YUEN Ying Wai
Mr. KWAN Wing Wo

Registered Office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent Non-executive Directors:

Mr. TSUI Ka Wah
Mr. KAN Yau Wo
Mr. MOK Kwai Pui Bill
Mr. LEE Chung Yiu Johnny

*Head Office and Principal Place
of Business in Hong Kong:*

19th Floor
Eastern Commercial Centre
395–399 Hennessy Road
Hong Kong

14 August 2014

To the Shareholders

Dear Sir or Madam,

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE FINAL DIVIDEND FOR THE
YEAR ENDED 31 MARCH 2014**

INTRODUCTION

On 3 June 2014, the Company announced that the Board recommended the payment of the Final Dividend and the Bonus Shares Issue to Shareholders whose names appear on the register of members of the Company on the Record Date. Eligible Shareholders may elect to receive the Final Dividend in cash, or in the form of fully paid New Shares in lieu of cash, or partly in cash and partly in the form of fully paid New Shares under the Scrip Dividend Scheme. At the AGM, among other things, the Final Dividend with scrip option and the Bonus Shares Issue were approved by the Shareholders.

The purpose of this circular is to provide you with the procedures which apply in relation to the Scrip Dividend Scheme and the action which should be taken by the Shareholders in relation thereto.

LETTER FROM THE BOARD

PARTICULARS OF THE SCRIP DIVIDEND SCHEME

Eligible Shareholders may elect to receive the Final Dividend in one of the following ways:

- (a) cash of HK4.6 cents per Share; or
- (b) an allotment of such number of New Shares having a market value (as calculated below) equal to, save for adjustment for fractions, the amount of Final Dividend which Shareholders would otherwise be entitled to receive in cash; or
- (c) partly cash and partly New Shares.

The New Shares will, on issue, rank pari passu in all respects with the existing Shares except that they shall not be entitled to the Final Dividend and the Bonus Shares Issue.

BASIS OF ALLOTMENT OF NEW SHARES

For the purpose of calculating the number of New Shares to be allotted pursuant to the Scrip Dividend Scheme, the market value of a New Share, which is calculated as equivalent to the average closing price of one Share as quoted on the Stock Exchange for the five consecutive trading days commencing from 4 August 2014 to 8 August 2014 (both days inclusive), is HK\$3.936 per Share (the "Average Closing Price"). Accordingly, the number of New Shares which the Eligible Shareholders are entitled to receive in respect of the Shares registered in their names as at the Record Date is calculated as follows:

$$\begin{array}{l} \text{Number of New} \\ \text{Shares to be} \\ \text{received} \end{array} = \begin{array}{l} \text{Number of Shares held on} \\ \text{the Record Date and elected} \\ \text{for the New Shares} \end{array} \times \frac{\text{HK\$0.046 (Final Dividend per Share)}}{\text{HK\$3.936 (Average Closing Price)}}$$

The number of New Shares to be issued to the Eligible Shareholders will be rounded down to the nearest whole number of New Shares. The Board considered that in view of the Average Closing Price, the fractional amount of which would be insignificant in terms of the fractional entitlement to the New Shares to be received by individual shareholders. Therefore, fractional entitlements to the New Shares in respect of choices (b) and (c) above will be disregarded and the benefit thereof will accrue to the Company.

ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will give the Shareholders an opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. It will also benefit the Company to the extent that cash which would otherwise have been paid to the Shareholders who elect to receive the New Shares, in whole or in part in lieu of cash dividend, will be retained for use as working capital of the Company.

EFFECT OF THE SCRIP DIVIDEND SCHEME

Based on 400,000,000 Shares in issue as at the Record Date, if all Shareholders elect to receive the Final Dividend in cash, the total cash dividend payable by the Company would be HK\$18,400,000. If all Eligible Shareholders elect to receive all of their entitlement to the Final

LETTER FROM THE BOARD

Dividend in the form of New Shares in lieu of cash and based on the Average Closing Price, the maximum number of New Shares to be issued under the Scrip Dividend Scheme would be 4,674,796 Shares, representing approximately 1.17% of the total number of issued shares of the Company as at the Latest Practicable Date and approximately 1.16% of the total number of issued shares of the Company immediately after the issue of such New Shares.

Shareholders should note that the New Shares to be issued under the Scrip Dividend Scheme may give rise to disclosure requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). **Shareholders who are in any doubt as to how these provisions may affect them as a result of the issue of the New Shares are recommended to seek their own professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.**

ELECTION FORM

An Election Form is enclosed with this circular for use by the Eligible Shareholders who wish to receive the Final Dividend wholly in New Shares or partly in cash and partly in New Shares. Please read carefully the instructions below and the instructions printed on the Election Form.

If you wish to receive your Final Dividend wholly in cash, you do not need to take any action and DO NOT return the Election Form. Shareholders who do not make an election to receive their Final Dividend in New Shares will receive the Final Dividend in cash.

If you wish to receive your Final Dividend wholly in New Shares, please just SIGN, DATE and RETURN the Election Form.

If you wish to receive your Final Dividend partly in cash and partly in New Shares, you should fill in Box C of the Election Form the number of registered Shares you held on the Record Date for which you wish your Final Dividend to be paid in New Shares and then SIGN, DATE and RETURN the Election Form.

If you do not specify the number of Shares in respect of which you wish to receive New Shares, or if you elect to receive New Shares in respect of a greater number of Shares than your registered holding as at the Record Date, you will be deemed to have exercised your election to receive only New Shares in respect of all the Shares registered in your name on the Record Date. Therefore, you will receive only New Shares for the Final Dividend.

The enclosed Election Form should be completed in accordance with the instructions printed thereon and return the same to the Company's branch share registrars and transfer office in Hong Kong, Tricor Investor Services Limited ("the Company's Registrar"), Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, **by 4:30 p.m. on 29 August 2014.** The deadline for submission of Election Forms will be adjusted if there is a tropical cyclone warning signal no. 8 or above, or a "black" rainstorm warning:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on 29 August 2014. Instead the deadline for submission of Election Forms will be 5:00 p.m. on the same business day; or

LETTER FROM THE BOARD

- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 29 August 2014. Instead the deadline for submission of Election Forms will be rescheduled to 4:00 p.m. on the next business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

Failure to complete and return the Election Form in accordance with the instructions printed thereon will result in the relevant Eligible Shareholder's Final Dividend being paid wholly in the form of cash. Election in respect of the Final Dividend cannot be in any way withdrawn, revoked, superseded, or altered after the relevant Election Form is signed and lodged with the Company's Registrar. No acknowledgement of receipt of the Election Form will be issued.

SHAREHOLDERS RESIDENT OUTSIDE HONG KONG

Based on the register of members of the Company as at the Record Date, no Shareholder had a registered address outside Hong Kong. Accordingly, the Company is not aware of any Shareholder who shall be excluded from the receipt of the New Shares. None of this circular, the Election Form nor the New Shares will be registered or filed under the securities laws or equivalent legislation of any jurisdiction outside Hong Kong. It is the responsibility of any Shareholder wishing to receive New Shares for the Final Dividend to satisfy himself/herself/itself as to full observance of the laws of any relevant territory, including obtaining any governmental or other consents which may be required. In this respect, Shareholders should consult their professional advisers as to whether any governmental or other consents are required or other formalities need to be observed to enable them to receive the New Shares in satisfaction of the Final Dividend. No person resident in any territory outside Hong Kong and no person receiving in any territory outside Hong Kong a copy of this circular and/or the Election Form may treat the same as an invitation to him/her/it to receive the New Shares unless in the relevant territory such invitation could lawfully be made to him/her/it without having to comply with any unfulfilled registration or other legal requirements.

BOOK CLOSURE PERIOD

The register of members of the Company was closed from 6 August 2014 to 7 August 2014, both days inclusive, for the purpose of determining Shareholders who qualify for the Final Dividend and the Bonus Shares Issue.

CONDITIONS OF SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the New Shares.

In the unlikely event that above condition is not satisfied, the Scrip Dividend Scheme will not become effective and the Election Forms will be void, and the Final Dividend will then be paid wholly in cash.

SHARE CERTIFICATES AND STOCK EXCHANGE LISTING

Application has been made to the Listing Committee of the Stock Exchange for a listing of and permission to deal in the New Shares. It is expected that the share certificates for the New Shares and cheques for cash dividends will be sent by ordinary mail to Shareholders at

LETTER FROM THE BOARD

their own risk on 22 September 2014. The first day of dealings in the New Shares on the Stock Exchange is expected to be on 23 September 2014. All certificates for the New Shares are non-renounceable.

The Shares are listed on and dealt in the Stock Exchange. No part of Shares or debt securities of the Company is listed or dealt in or on any other stock exchange and the Company is not currently seeking the listing or permission to deal in its securities on any other stock exchange.

CENTRAL CLEARING AND SETTLEMENT SYSTEM

Subject to the granting of the listing of, and permission to deal in, New Shares to be issued under the Scrip Dividend Scheme on the Stock Exchange, such New Shares to be issued by the Company will be admitted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by Hong Kong Securities Clearing Company Limited. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek the advice of their stockbroker or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

GENERAL

New Shares issued to the Eligible Shareholders pursuant to an election to receive some or all of their Final Dividend in New Shares may be allotted in odd lots (of fewer than a board lot of 4,000 Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of New Shares issued in odd lots. Eligible Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

Whether or not it is to your advantage to receive cash or the New Shares, in whole or in part, depends upon your own individual circumstances, and the decision in this regard and all effects resulting therefrom are the sole responsibility of each Shareholder. If you are in doubt as to what to do, you should consult your professional advisers.

Shareholders who are trustees are recommended to take professional advice as to whether the choice of New Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

Yours faithfully,
By order of the Board
Grand Ming Group Holdings Limited

Chan Hung Ming
Chairman