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(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3828)

CONNECTED TRANSACTION – PURCHASE OF EQUIPMENT

On 15 September 2009, the Purchaser, an indirect non-wholly owned subsidiary of the Company, entered into the S&P Agreement with the Seller, for purchase of the Equipment at the consideration of RMB5 million (equivalent to approximately HK\$5.7 million).

The Seller is a substantial shareholder of the Purchaser and a connected person under the Listing Rules. The S&P Agreement constitutes a connected transaction of the Company under the Listing Rules.

As each of the relevant percentage ratios is less than 2.5%, the connected transaction is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

THE S&P AGREEMENT

Date: 15 September 2009

Parties:

Purchaser: Cinese Textile Ltd. (梧州市金富盈酒店紡織用品有限公司), an indirect 51%-owned subsidiary of the Company

Seller: Wuzhou Guanghua Textile Product Co. Ltd. (梧州市光華紡織製品有限責任公司), holding 30% interest in the Purchaser

The Seller is principally engaged in textile manufacturing.

* *For identification only*

Equipment to be purchased:

- (a) 4 Sulzer Textil TPS600 Jacquard Rapier Machine (Of Width 3.8M) (門幅3.8米提花劍杆機)
- (b) 16 TP629 Pignone Jacquard Looms Dobby Rapier (209提花緞檔劍杆織機)
- (c) 8 Vamatey SP251 Rapier Machine (206主機劍杆織機)
- (d) 1 M Mortamet Vileurbanne France Towel Cutting Machine (割絨機)
- (e) 3 Warping Machines (整經機及拉經機)
- (f) 5 Rotary Traverse (松式絡筒機)

According to the information provided by the Seller, the Equipment was purchased in January 2009 and has not been used by the Seller since the purchase.

Consideration:

RMB5 million (equivalent to approximately HK\$5.7 million) inclusive of 17% value added tax.

According to the information provided by the Seller, the original purchase cost of the Equipment paid by Seller was RMB2.58 million (equivalent to approximately HK\$2.94 million) and as at 31 August 2009, the unaudited net asset value of the Equipment was RMB2.48 million (equivalent to approximately HK\$2.83 million). The Directors confirm that the Consideration was determined after arm's length negotiations between the parties by reference to the market value of similar type of equipment. The Consideration will be funded by internal resources of the Group.

Payment Terms:

The Consideration will be paid within 10 days after delivery and completion of 30-day testing of the Equipment to the satisfaction of the Purchaser.

IMPLICATION UNDER THE LISTING RULES

The Seller holding 30% interest of the Purchaser, an indirect non-wholly owned subsidiary of the Company, is a substantial shareholder of the Purchaser and a connected person under the Listing Rules. The S&P Agreement constitutes a connected transaction of the Company under the Listing Rules.

As each of the relevant percentage ratios is less than 2.5%, the connected transaction is only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

REASON FOR THE PURCHASE

The Group is principally engaged in supplying and manufacturing amenity products and accessories to internationally recognized or branded operators in the hotel, hospitality and travel industries. As part of its business extension strategy, the Purchaser was established by the Company and two other independent third parties in June 2009 and is principally engaged in supplying and manufacturing textile products for hotels. The Equipment is to be used by the Purchaser to manufacture textile products for the Group's hotel customers.

Having considered the valuation assessment of the Equipment by an independent asset valuation firm in Wuzhou, the PRC, which was RMB6,076,400 (equivalent to approximately HK\$6,927,100) as at 31 August 2009, the Directors (including the independent non-executive Directors) are of the view the purchase of the Equipment is in the interests of the Company and the S&P Agreement is on normal commercial terms and in the ordinary and usual course business of the Group, and the terms of which are fair and reasonable so far as the Shareholders of the Company are concerned.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	Ming Fai International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the main board of the Stock Exchange
“Consideration”	the total consideration of the equipment to be purchased
“Directors”	the directors of the Company
“Equipment”	the equipment to be purchased by the Purchaser under the S&P Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People's Republic of China

“Purchaser”	Cinese Textile Ltd. (梧州市金富盈酒店紡織用品有限公司)
“RMB”	Renminbi yuan, the lawful currency of the PRC
“S&P Agreement”	an agreement dated 15 September 2009 entered into between the Purchaser and the Seller in relation to the purchase of the Equipment
“Shares”	ordinary shares with a nominal value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Seller”	Wuzhou Guanghua Textile Product Co. Ltd. (梧州市光華紡織製品有限責任公司)

By order of the Board
Ming Fai International Holdings Limited
CHING Chi Fai
Chairman

Hong Kong, 15 September 2009

As at the date of this announcement, the executive Directors are Mr. CHING Chi Fai, Mr. CHING Chi Keung, Mr. LIU Zigang, Mr. LEE King Hay and Ms. CHAN Yim Ching; the non-executive Directors are Mr. NG Bo Kwong and Mr. CHING Chau Chung; and the independent non-executive Directors are Mr. SUN Kai Lit, Cliff BBS, JP, Mr. HUNG Kam Hung Allan and Mr. MA Chun Fung Horace.

In this announcement, RMB has been translated into HK\$ at the rate of RMB1 = HK\$1.14.