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DISCLOSEABLE TRANSACTION – ACQUISITION OF PROPERTY

The Board announces that on 9 October 2009 the Purchaser, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement for Sale and Purchase with the Vendor in relation to the acquisition of the Property for an aggregate consideration of HK\$128,880,000.

As the applicable percentage ratio for the Acquisition under the Listing Rules is more than 5% and less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the disclosure requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that the Purchaser, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement for Sale and Purchase with the Vendor on 9 October 2009 in relation to the Acquisition for an aggregate consideration of HK\$128,880,000.

THE PROVISIONAL AGREEMENT FOR SALE AND PURCHASE

Date

9 October 2009

Parties

Purchaser: Rich Top Development Limited, a wholly-owned subsidiary of the Company, or its nominees

Vendor: Baldwin Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules). The Vendor is principally engaged in property investment.

Property to be acquired

The Property is located at Office Unit on the 5th Floor, Low Block, Grand Millennium Plaza, No. 181 Queen's Road Central, Hong Kong (with an aggregate gross floor area of approximately 15,451 square feet) together with two car-parking spaces.

The Property currently comprises six Office Units, three of which are subject to the tenancy agreements as below:

1. Office Unit No. 503 on 5th Floor, Low Block, Grand Millennium Plaza, No. 181 Queen's Road Central, Hong Kong for a fixed term of 3 years from 4 October 2007 to 3 October 2010 (both days inclusive). The existing rental income of the tenancy is HK\$79,587.20 per month, exclusive of rates, management fee and air-conditioning charges; and
2. Office Units Nos. 505-506 on 5th Floor, Low Block, Grand Millennium Plaza, No. 181 Queen's Road Central, Hong Kong for a fixed term of 3 years from 11 May 2008 to 10 May 2011 (both days inclusive). The existing rental income of the tenancy is HK\$234,000 per month, exclusive of rates, management fee and air-conditioning charges.

The information of the net profits (both before and after taxation and extraordinary items) attributable to the Property for the two years ended 31 December 2008 was not made available to the Group.

Consideration

The Consideration is HK\$128,880,000 which has been or will be paid by the Purchaser to the Vendor in the following manner:—

- HK\$3,000,000 has been paid upon signing the Provisional Agreement for Sale and Purchase on 9 October 2009;
- HK\$21,585,750 will be paid upon signing the formal agreement in respect of the Acquisition on or before 22 October 2009; and
- HK\$104,294,250 will be paid upon completion of the Acquisition on or before 27 November 2009.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser by reference to information available to the Company based on discussions made with its property agent and banker about the valuation of the Property and the recent transactions of property market in Hong Kong.

The Consideration will be financed by internal resources of the Group and bank financing.

Completion

On or before 27 November 2009

REASON FOR THE ACQUISITION

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.

It is currently expected that the Group will move into and occupy Office Units 501, 501A and 502 of this Property as its new headquarter, taking up a total gross floor area of approximately 7,227 square feet. This Acquisition will further demonstrate the Group's long-term commitment to China and Hong Kong economy. As the Group's new headquarter, the Property in Central district will strengthen the Group's image and support the Group's plans for expansion across the Asia Pacific region. In addition, having considered the robust property market in Hong Kong, the Board considers that the Acquisition will broaden the fixed asset base of the Group and therefore benefit the Group. Depending on the development and needs of the Group, the Group may also use the other three Office Units as its office premises in future.

The Board considers that the terms of the Acquisition are fair and reasonable in the current property market conditions, and are in the interests of the Group and the shareholders of the Company as a whole.

IMPLICATION UNDER THE LISTING RULES

As the applicable percentage ratio for the Acquisition under the Listing Rules is more than 5% and less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the disclosure requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor pursuant to the Provisional Agreement for Sale and Purchase
“Board”	the board of Directors
“China”	the People's Republic of China
“Company”	Ming Fai International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Consideration”	the consideration of the Property to be purchased
“Directors”	the directors of the Company

“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
“Property”	a property located at Office Unit on the 5th Floor, Low Block, Grand Millennium Plaza, No. 181 Queen’s Road Central, Hong Kong together with two car-parking spaces
“Provisional Agreement for Sale and Purchase”	the provisional agreement for sale and purchase entered into between the Purchaser and the Vendor on 9 October 2009 in relation to the Acquisition
“Purchaser”	Rich Top Development Limited, a wholly-owned subsidiary of the Company and incorporated in Hong Kong with limited liability or its nominees
“Shareholder(s)”	the holder(s) of the Share(s)
“Shares”	ordinary shares with a nominal value of HK\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Baldwin Limited

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

Hong Kong, 9 October 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, Mr. HUNG Kam Hung Allan and Mr. MA Chun Fung Horace.

* *For identification only*