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(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3828)

DISCLOSEABLE TRANSACTIONS AND CONNECTED TRANSACTIONS

DISPOSAL OF 14% ISSUED SHARE CAPITAL OF ALL TEAM TO THE MANAGEMENT PERSONNEL AND EMPLOYEES OF ALL TEAM GROUP

The Board announces that on 15 August 2011, Ming Fai Holdings and All Team, both being wholly-owned subsidiaries of the Company entered into the SP Agreements with Mr. Leung, Ms. Guo, Ms. Wu and the Employee Purchasers respectively. Pursuant to the SP Agreements, Ming Fai Holdings has agreed to sell a total of 14% of the issued share capital of All Team for a total consideration of RMB35,000,000.

As the relevant applicable percentage ratio of the disposal of the Sale Shares by the Group exceeds 5% but less than 25%, the entering into the SP Agreements, the Shareholders' Agreement and the Share Charges constitutes a discloseable transaction under the Listing Rules.

Mr. Leung is an executive Director of the Company while Ms. Guo is the director of subsidiaries of the Company and Ms. Wu is an associate of Ms. Guo, so each of them is a connected person of the Group under the Listing Rules.

As the relevant percentage ratios in respect of the disposal of the Sale Shares 1, Sale Shares 2 and Sale Shares 3 in aggregate exceed 0.1% but less than 5%, the entering into the SP Agreement 1, SP Agreement 2 and SP Agreement 3, the Shareholders' Agreement, Share Charge 1, Share Charge 2, and Share Charge 3 by the Group is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Leung is considered to be interested in the disposal of the Sale Shares and he has abstained from voting for the Board resolutions proposed to approve such disposal.

The Board announces that on 15 August 2011, Ming Fai Holdings and All Team, both being wholly-owned subsidiaries of the Company entered into the SP Agreements with Mr. Leung, Ms. Guo, Ms. Wu and the Employee Purchasers respectively. Pursuant to the SP Agreements, Ming Fai Holdings has agreed to sell a total of 14% of the issued share capital of All Team for a total consideration of RMB35,000,000.

THE SP AGREEMENTS

SP Agreement 1

Date: 15 August 2011

Parties:

- (1) Ming Fai Holdings, a wholly owned subsidiary of the Company;
- (2) Mr. Leung, an executive Director of the Company and thus a connected person of the Group;
- (3) All Team, an indirect wholly owned subsidiary of the Company.

Sale and Purchase of 4% of issued share capital of All Team

Pursuant to the SP Agreement 1, Ming Fai Holdings agreed to sell and Mr. Leung agreed to purchase the Sale Shares 1, representing 4% of the issued share capital of All Team.

Consideration

The consideration for the Sale Shares 1 is RMB10,000,000, which was determined after arm's length negotiation between the parties based on the consideration in the amount of RMB250,000,000 in respect of the acquisition of the entire issued share capital and the shareholders' loan of All Team which was completed on 31 August 2010.

SP Agreement 2

Date: 15 August 2011

Parties:

- (1) Ming Fai Holdings, a wholly owned subsidiary of the Company;
- (2) Ms. Guo, a director of subsidiaries of the Company and thus a connected person of the Group;
- (3) All Team, an indirect wholly owned subsidiary of the Company.

Sale and Purchase of 4% of issued share capital of All Team

Pursuant to the SP Agreement 2, Ming Fai Holdings agreed to sell and Ms. Guo agreed to purchase the Sale Shares 2, representing 4% of the issued share capital of All Team.

Consideration

The consideration for the Sale Shares 2 is RMB10,000,000, which was determined after arm's length negotiation between the parties based on the consideration in the amount of RMB250,000,000 in respect of the acquisition of the entire issued share capital and the shareholders' loan of All Team which was completed on 31 August 2010.

SP Agreement 3

Date: 15 August 2011

Parties:

- (1) Ming Fai Holdings, a wholly owned subsidiary of the Company;
- (2) Ms. Wu, an associate of Ms. Guo and thus a connected person of the Group;
- (3) All Team, an indirect wholly owned subsidiary of the Company.

Sale and Purchase of 4% of issued share capital of All Team

Pursuant to the SP Agreement 3, Ming Fai Holdings agreed to sell and Ms. Wu agreed to purchase the Sale Shares 3, representing 4% of the issued share capital of All Team.

Consideration

The consideration for the Sale Shares 3 is RMB10,000,000, which was determined after arm's length negotiation between the parties based on the consideration in the amount of RMB250,000,000 in respect of the acquisition of the entire issued share capital and the shareholders' loan of All Team which was completed on 31 August 2010.

Four separate Employee SP Agreements

Date: 15 August 2011

Parties:

- (1) Ming Fai Holdings, a wholly owned subsidiary of the Company;
- (2) each of the Employee Purchasers;
- (3) All Team, an indirect wholly owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Employee Purchasers is a third party independent of the Company and connected persons of the Company.

Sale and Purchase of a total of 2% of issued share capital of All Team

Pursuant to each of the Employee SP Agreements, Ming Fai Holdings agreed to sell and each of the Employee Purchasers agreed to purchase the Employee Sale Shares, representing 0.5% of the issued share capital of All Team.

Consideration

The consideration for the Employee Sale Shares is RMB1,250,000, which was determined after arm's length negotiation between the parties based on the consideration in the amount of RMB250,000,000 in respect of the acquisition of the entire issued share capital and the shareholders' loan of All Team which was completed on 31 August 2010.

Payment of the Consideration under the SP Agreements

The consideration for each tranche of the Sale Shares 1, Sale Shares 2 and Sale Shares 3 will be satisfied in the following manner:

- (a) 10% of the consideration shall be paid to Ming Fai Holdings upon the signing of the relevant SP Agreements as deposit;
- (b) 40% of the consideration shall be paid to Ming Fai Holdings on completion in such manner as may be required by Ming Fai Holdings; and
- (c) the balance of the consideration shall be paid to Ming Fai Holdings on or before the date after one calendar year from the date of the relevant SP Agreements in such manner as may be required by Ming Fai Holdings.

The consideration for the Employee Sale Shares will be satisfied in the following manner:

- (a) 1.6% of the consideration shall be paid to Ming Fai Holdings upon the signing of the Employee SP Agreements as deposit;
- (b) 14.4% of the consideration shall be paid to Ming Fai Holdings on completion in such manner as may be required by Ming Fai Holdings;
- (c) 20% of the consideration shall be paid to Ming Fai Holdings on or before the date after one calendar year from the date of the Employee SP Agreements in such manner as may be required by Ming Fai Holdings;
- (d) 12.8% of the consideration shall be paid to Ming Fai Holdings on or before the date after two calendar years from the date of the Employee SP Agreements in such manner as may be required by Ming Fai Holdings;
- (e) 12.8% of the consideration shall be paid to Ming Fai Holdings on or before the date after three calendar years from the date of the Employee SP Agreements in such manner as may be required by Ming Fai Holdings;
- (f) 12.8% of the consideration shall be paid to Ming Fai Holdings on or before the date after four calendar years from the date of the Employee SP Agreements in such manner as may be required by Ming Fai Holdings;
- (g) 12.8% of the consideration shall be paid to Ming Fai Holdings on or before the date after five calendar years from the date of the Employee SP Agreements in such manner as may be required by Ming Fai Holdings; and
- (h) the balance of the consideration shall be paid to Ming Fai Holdings on or before the date after six calendar years from the date of the Employee SP Agreements in such manner as may be required by Ming Fai Holdings;

Conditions Precedent of the SP Agreements

Completion of each of the SP Agreements is conditional upon all of the following conditions precedent being fulfilled on or before completion:

- (a) all necessary approvals or consents (if any) of the relevant governmental or regulatory authorities or third party for the transactions contemplated in the relevant SP Agreements having been obtained; and
- (b) all the representations, undertakings, confirmation and warranties given by Ming Fai Holdings under the relevant SP Agreements remaining true and accurate and are not misleading in any material respect.

Shareholders' Agreement and Share Charges

It is a term of each of the SP Agreements that the relevant purchasers shall on completion execute: (i) the Shareholders' Agreement in relation to the financing, operations and management of All Team and All Team Group; and (ii) a share charge (collectively, the "**Share Charges**") in favour of Ming Fai Holdings in respect of the Sale Shares to be purchased by such relevant purchaser to secure his payment obligation.

Pursuant to the Shareholders' Agreement, Mr. Leung, Ms. Guo, Ms. Wu and the Employee Purchasers undertakes with the others that save and except the Share Charges and except in accordance with the provisions of the Shareholders' Agreement or with the prior written consent of Ming Fai Holdings, he will not:-

- (a) grant any option over or charge or otherwise dispose of or encumber or permit or suffer to be charged or otherwise disposed of or encumbered the whole or any part of the legal and/or beneficial interest in All Team; or
- (b) sell or transfer the whole or any part of his legal or beneficial interest in All Team.

Notwithstanding the aforesaid, each of Mr. Leung, Ms. Guo, Ms. Wu and the Employee Purchasers proposing to transfer all or part of his Shares in All Team ("**the Purchasers**") shall give notice in writing ("**a Transfer Notice**") to All Team that he desires to transfer the same ("**the Sale Shares**") on the 30th day of June or 31st day of December in each year. The Sale Shares shall only be sold to Ming Fai Holdings at the Transfer Price.

Except with the written consent of Ming Fai Holdings, a Transfer Notice shall be irrevocable. Ming Fai Holdings shall be bound to complete the sale and purchase of the Sale Shares at the Transfer Price within 90 days after being served with the Transfer Notice.

Furthermore, upon the occurrence of any of the following events, Ming Fai Holdings shall be entitled to serve a written notice (the "**Termination Notice**") to the other shareholders of All Team to terminate the Shareholders' Agreement. The Termination Notice shall take effect forthwith upon the receipt of such notice by the other shareholders of All Team (the "**Receiving Shareholder**") whereupon the Shareholders' Agreement shall terminate:

- (a) if a petition is presented or a proceeding is commenced or an order is made or an effective resolution is passed for the winding-up, insolvency, administration, reorganisation, reconstruction, dissolution or bankruptcy of the Receiving Shareholder or for the appointment of a liquidator, receiver, administrator, trustee or similar officer of the Receiving Shareholder or of all or any part of its business or assets; if the Receiving Shareholder stops or suspends payments to its creditors generally or is unable or admits its inability to pay its debts as they fall due or seeks to enter into any composition or other arrangement with its creditors or is declared or becomes bankrupt or insolvent; or if a creditor takes possession of all or any part of the business or assets of the Receiving Shareholder or any execution or other legal process is enforced against the business or any substantial asset of the Receiving Shareholder and is not discharged within 14 days;

- (b) if the Receiving Shareholder is in material breach of its obligations under the Shareholders' Agreement and such breach, if capable of remedy, has not been remedied at the expiry of sixty days following written notice to that effect having been served on the Receiving Shareholder by Ming Fai Holdings indicating the specifying the breach and the request to remedy the breach;
- (c) in the event the shareholders of All Team cannot agree on a matter which is considered by Ming Fai Holdings or all of the shareholders of All Team to be material in the context of All Team where such disagreement has persisted for not less than 90 days;
- (d) the Receiving Shareholder at his own volition terminates his employment with the All Team Group Company;
- (e) the Receiving Shareholder ceases to be employed by the All Team Group Company because he
 - (i) commits any serious or persistent breach or non-observance of any of the provisions of the employment contract and/or the memorandum and articles of association of the All Team Group Company;
 - (ii) is guilty of any grave misconduct or wilful neglect in connection with or affecting the business of the All Team Group Company;
 - (iii) becomes of unsound mind or be committed to any mental institution; or
 - (iv) is convicted of any criminal offence (other than an offence which in the reasonable opinion of the All Team Group Company does not affect his position within the All Team Group Company) or otherwise so conducts himself as to bring himself or the All Team Group Company or any holding, subsidiary or associate company, firm or person of the All Team Group Company into disrepute; and/or
- (f) an event of force majeure has occurred and has not ceased within six months.

Upon receiving the Termination Notice, the Receiving Shareholder shall sell all (but not just part of) its shareholding in All Team to Ming Fai Holdings. The consideration payable for the shares of the Receiving Shareholder in All Team shall be the Transfer Price. The Transfer Price shall be calculated as follows:

$$\text{Transfer Price} = \text{Unit Transfer Price} \times \text{the total number of shares in All Team to be sold by the relevant Purchasers or the Receiving Shareholder (as applicable)}$$

The Unit Transfer Price means the unit transfer price for each share of All Team, which shall be determined according to the formula below:

$$A = B + C - D$$

where:

- A = Unit Transfer Price;
- B = the consideration paid or payable by the relevant Purchasers or the Receiving Shareholder (as applicable) in respect of each share of All Team according to the relevant SP Agreement;
- C = the net profit (loss) after taxation of the All Team Group per share based on the financial statements of All Team Group prepared under generally accepted accounting principles in Hong Kong from 15 August 2011 to the date when the relevant Purchasers or the Receiving Shareholder (as applicable) ceases to be a shareholder of All Team;
- D = any dividend paid or payable by the All Team for each share of All Team from 15 August 2011 to the date when the Purchasers or the Receiving Shareholder (as applicable) ceases to be a shareholder of All Team.

At the request of Ming Fai Holdings and at the cost of All Team, Ming Fai Holdings could request its auditors to perform certain specified procedures to examine the mathematical accuracy of the formula.

REASONS FOR THE TRANSACTION

The Group is principally engaged in the manufacturing and supplies of quality amenity products and accessories to internationally recognized or branded operators in the hotel, hospitality and travel industries within and outside the PRC.

All Team Group is principally engaged in the manufacturing and distribution of cosmetics and fashion accessories in the PRC. On 31 August 2010, the Group acquired the entire issued share capital and the shareholders' loan of All Team for a consideration of RMB250,000,000 (approximately HK\$284,975,000).

As at 31 December 2010, the net liability value of All Team was approximately HK\$46,258,000. The net profit before and after taxation of All Team for the period from 31 August 2010 (the date when the Group acquired the entire issued share capital and the shareholders' loan of All Team) to 31 December 2010 were HK\$18,916,000 and HK\$15,184,000 respectively. Subject to audit, it is expected that there will be no material impact on the income statement and the net asset value of the Group arising from the disposal of Sale Shares. Subsequent to the disposal of Sale Shares, 86% of the net profit of All Team will be recognised in the consolidated income statement of the Group. The Directors currently intend to apply the proceeds as general working capital of the Company.

The disposal of the Sale Shares will provide the Group with a positive cashflow and serves as an incentive to the Directors and employees of the Group to contribute to the growth and development of the Group as a whole. The Directors (including the independent non-executive Directors) are of the view that the terms of each of the SP Agreements were concluded after arm's length negotiations on normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

After completion of the disposal of the Sale Shares, All Team will continue to be a subsidiary of the Company which will indirectly hold 86% of the issued share capital of All Team through Ming Fai Holdings.

LISTING RULES IMPLICATIONS

As the relevant applicable percentage ratio of the disposal of the Sale Shares by the Group exceeds 5% but less than 25%, the entering into the SP Agreements, the Shareholders' Agreement and the Share Charges constitute a discloseable transaction under the Listing Rules.

Mr. Leung is an executive Director of the Company while Ms. Guo is the director of subsidiaries of the Company and Ms. Wu is an associate of Ms. Guo, so each of them is a connected person of the Group under the Listing Rules.

As the relevant percentage ratios in respect of the disposal of the Sale Shares 1, Sale Shares 2 and Sale Shares 3 in aggregate exceed 0.1% but less than 5%, the entering into the SP Agreement 1, SP Agreement 2 and SP Agreement 3, the Shareholders' Agreement, Share Charge 1, Share Charge 2 and Share Charge 3 by the Group is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Leung is considered to be interested in the disposal of the Sale Shares and he has abstained from voting for the Board resolutions proposed to approve such disposal.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“All Team”	All Team Group Limited, a company incorporated in the British Virgin Islands and is indirectly wholly-owned by the Company through Ming Fai Holdings;
“All Team Group”	All Team and its subsidiaries, and “All Team Group Company” shall mean any of them and other subsidiaries of All Team from time to time

“Associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Employee Purchasers”	four employees of All Team Group
“Employee Sale Shares”	0.5% of total number of issued share capital of All Team
“Employee SP Agreements”	the sale and purchase agreements dated 15 August 2011 between Ming Fai Holdings, the relevant Employee Purchasers and All Team in relation to the sale and purchase of the Employee Sale Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ming Fai Holdings”	Ming Fai Holdings Limited, a company incorporated in the British Virgin Islands and is wholly owned by the Company
“Mr. Leung”	Mr. Leung Ping Shing, an executive Director of the Company
“Ms. Guo”	Ms. Guo Hui Min, a director of a subsidiary of the Company
“Ms. Wu”	Ms. Wu Jie, an associate of Ms. Guo and a connected person of the Group
“PRC”	the People’s Republic of China and for the purpose of this announcement, excludes Hong Kong, Taiwan and Macau
“Sale Shares 1”	4% of the total number of issued share capital of All Team
“Sale Shares 2”	4% of the total number of issued share capital of All Team
“Sale Shares 3”	4% of the total number of issued share capital of All Team

“Sale Shares”	collectively the Sale Shares 1, Sale Shares 2, Sale Shares 3 and the four tranches of Employee Sale Shares, representing in aggregate 14% of the issued share capital of All Team
“Share Charge 1”	the Share Charge in respect of Sale Shares 1
“Share Charge 2”	the Share Charge in respect of Sale Shares 2
“Share Charge 3”	the Share Charge in respect of Sale Shares 3
“Shareholder(s)”	shareholder(s) of the Company
“Shareholders’ Agreement”	the shareholders’ agreement to be executed by Ming Fai Holdings, Mr. Leung, Ms. Guo, Ms. Wu, the Employee Purchasers and All Team upon completion of the disposal of the Sale Shares in such form and substance as may be designated by Ming Fai Holdings
“SP Agreement 1”	the sale and purchase agreement dated 15 August 2011 between Ming Fai Holdings, Mr. Leung and All Team in relation to the sale and purchase of the Sale Shares 1
“SP Agreement 2”	the sale and purchase agreement dated 15 August 2011 between Ming Fai Holdings, Ms. Guo and All Team in relation to the sale and purchase of the Sale Shares 2
“SP Agreement 3”	the sale and purchase agreement dated 15 August 2011 between Ming Fai Holdings, Ms. Wu and All Team in relation to the sale and purchase of the Sale Shares 3
“SP Agreements”	collectively the SP Agreement 1, SP Agreement 2, SP Agreement 3, and the four Employee SP Agreements
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 15 August 2011

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, Ms. CHAN Yim Ching and Mr. LEUNG Ping Shing; the non-executive Director is Mr. NG Bo Kwong; 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 purpose only*