
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Ming Fai International Holdings Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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**MAJOR TRANSACTION
DISPOSAL OF A SUBSIDIARY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM to be held at Unit D3, 8/F, TML Tower, No. 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong on 3 November 2016 at 10:00 a.m. for considering, among others, the ordinary resolution for approving the Disposal is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed therein. Such form of proxy is also published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.mingfaigroup.com).

Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying proxy form to the branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and the return of the proxy form will not preclude you from attending and voting in person in the EGM or any adjourned meeting if you so wish.

14 October 2016

* For identification purpose only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall 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, the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	Completion of the Disposal
“Completion Date”	the date of Completion, being 30 November 2016 or such other date as parties may mutually agree in writing
“Conditions”	the conditions precedent to Completion
“Consideration”	consideration payable by the Purchaser to the Vendor for the sale and purchase of the Sale Shares and the Sale Loan pursuant to the Sale and Purchase Agreement
“CPL”	Chartered Properties Limited, a company incorporated in Hong Kong with limited liabilities
“Deposits”	collectively, the Initial Deposit and the Further Deposit
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares and the Sale Loan subject to such terms and conditions as set out in the Sale and Purchase Agreement
“EGM”	the extraordinary general meeting of the Company to be held at Unit D3, 8/F, TML Tower, No. 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong on 3 November 2016 at 10:00 a.m. for the purpose of approving, <i>inter alia</i> , the Disposal and the transaction contemplated under the Sale and Purchase Agreement
“Further Deposit”	the sum of HK\$26,300,000 (being inclusive of the Initial Deposit) paid by the Purchaser to the Vendor’s solicitors as stakeholders upon the signing of the Sale and Purchase Agreement
“Group”	the Company and its subsidiaries from time to time

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Director’s knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons of the Company in accordance with the Listing Rules
“Initial Deposit”	the sum of HK\$10,000,000 paid by the Purchaser to the Vendor’s solicitors on 1 August 2016
“Latest Practicable Date”	7 October 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information
“Letter of Intent”	the letter of intent entered into between the Vendor and the Purchaser dated 1 August 2016
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	commercial properties with gross floor area of approximately 15,451 square feet and two car parking spaces in Hong Kong located at office units 501, 502, 503, 505 and 506 on the 5th Floor, Low Block, Grand Millennium Plaza, No. 181 Queen’s Road Central, Hong Kong and car parking spaces numbers 331 and 332 on the 3rd Floor, High Block, Grand Millennium Plaza, No. 183 Queen’s Road Central, Hong Kong
“Purchaser”	Target Insurance Company, Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Target Insurance (Holdings) Limited, the issued shares of which are listed on the main board of Stock Exchange (Stock Code: 6161)
“Sale and Purchase Agreement”	the agreement entered into between the Vendor and the Purchaser dated 29 August 2016 for, among other things, the sale and purchase of the Sale Shares and the Sale Loan
“Sale Loan”	all the loans advanced by the Vendor to CPL and currently due and owing by CPL to the Vendor or the outstanding thereof as at the Completion Date

DEFINITIONS

“Sale Shares”	100,000 ordinary shares representing the entire issued share capital of CPL, owned entirely by the Vendor
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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
“Vendor”	East Pearl Assets Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

LETTER FROM THE BOARD



Executive Directors:

Mr. CHING Chi Fai (*Chairman*)
Mr. CHING Chi Keung
Mr. LIU Zigang
Mr. CHING Tsun Wah
Mr. KEUNG Kwok Hung

Registered Office:

P.O. Box 309GT
Ugland House
South Church Street
George Town, Grand Cayman
Cayman Islands

Non-executive Director:

Ms. CHAN Yim Ching

*Head office and principal place
of business in Hong Kong:*

Unit D3, 8/F, TML Tower
No. 3 Hoi Shing Road
Tsuen Wan, New Territories
Hong Kong

Independent non-executive Directors:

Mr. HUNG Kam Hung Allan
Mr. MA Chun Fung Horace
Mr. NG Bo Kwong
Mr. SUN Yung Tson Eric

14 October 2016

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
DISPOSAL OF A SUBSIDIARY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

I. INTRODUCTION

References are made to the announcements dated 1 August 2016 and 29 August 2016 respectively regarding the Disposal.

The Board is pleased to announce that on 29 August 2016, (after trading hours of the Stock Exchange), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser in relation to the Disposal, superseding the Letter of Intent. Pursuant to the Sale and Purchase Agreement, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Shares and the Sale Loan for a Consideration of HK\$263,000,000 in cash.

* For identification purpose only

LETTER FROM THE BOARD

As one of the applicable percentage ratios (as defined in the Listing Rules) calculated in accordance with Rule 14.07 of the Listing Rules exceed 25% but are less than 75%, the Disposal constitutes a major transaction of the Company and is therefore subject to reporting, announcement, circular and Shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

The purposes of this circular are to provide you with further details of the Disposal, including the financial and general information of the Group and the notice of EGM.

II. SALE AND PURCHASE AGREEMENT

Set out below are the principal terms of the Sale and Purchase Agreement:

- Date** : 29 August 2016
- Parties** : (1) Vendor, an indirect wholly-owned subsidiary of the Company
(2) Purchaser
(3) The Company
(4) CPL

Assets to be disposed of

The assets to be disposed of comprise the Sale Shares and the Sale Loan, subject to existing tenancies in respect of the Property.

The Sale Shares represent the entire issued share capital of CPL. The Sale Loan represent all amounts of the outstanding shareholders' loans owing from CPL to the Vendor as at the Completion Date. The amount of the Sale Loan as at the Latest Practicable Date is approximately HK\$105,347,000 which was advanced to CPL for the purpose of acquiring the Property and for repayment of bank borrowings of the Property. It is expected that there will be no significant change in the amount of Sale Loan upon Completion. Apart from the Sale Loan, there are no other shareholders' loans owing from CPL to the Group.

CPL is incorporated in Hong Kong with limited liabilities and is an indirect wholly-owned subsidiary of the Company, which in turn, owns the entire interest in the Property which comprises commercial properties with gross floor area of approximately 15,451 square feet and two car parking spaces in Hong Kong located at office units 501, 502, 503, 505 and 506 on the 5th Floor, Low Block, Grand Millennium Plaza, No. 181 Queen's Road Central, Hong Kong and car parking spaces numbers 331 and 332 on the 3rd Floor, High Block, Grand Millennium Plaza, No. 183 Queen's Road Central, Hong Kong respectively, all of which are subject to existing tenancy arrangements. The principal activity of CPL is holding of the Property.

The Property was acquired by CPL in 2009, part of which was utilized as head office and principal place of business of the Company in Hong Kong from 2009 to 2012 and the remaining part was used as investment property. Since it ceased to be the head office and

LETTER FROM THE BOARD

principal place of business of the Company in Hong Kong in 2012, the entire Property became solely an investment property for generating rental income. The Property was valued at HK\$197,600,000 as at 31 December 2015 and currently generates gross rental income of HK\$585,007 per month.

According to the valuation of Asset Appraisal Limited set out in Appendix II to this circular, the valuation of the Property was approximately HK\$260,000,000 as at 30 September 2016. Please refer to Appendix II of this circular which set out the valuation report of the Property for details. As at 31 December 2015, being the date to which the latest audited financial statements were made up, the Property was valued at HK\$197,600,000. The difference between the valuation of the Property as at 31 December 2015 and that as at 30 September 2016 was due to the increase of the market value of the Property. Set forth below is the reconciliation of the carrying value of the Property as at 31 December 2015 to its market value as at 30 June 2016 and subsequently to its market value as at 30 September 2016:

	<i>HK\$</i>
Carrying value as at 31 December 2015 (audited)	197,600,000
Fair value gain for the period from 31 December 2015 to 30 June 2016	52,400,000
Valuation as at 30 June 2016 (unaudited)	250,000,000
Fair value gain for the period from 1 July 2016 to 30 September 2016	10,000,000
Carrying value as at 30 September 2016 (unaudited)	260,000,000
Valuation as at 30 September 2016 as per Appendix II	260,000,000

Existing tenancies of the Property

Office unit 501 of the Property is currently leased to an Independent Third Party for a fixed term of 3 years commencing from 27 March 2015.

Office units 502, 503, 505 and 506 of the Property are currently leased to an Independent Third Party for a fixed term of 3 years commencing from 4 October 2014.

Car parking spaces numbers 331 and 332 of the Property are currently leased to an Independent Third Party for a fixed term of 1 year commencing from 1 March 2016.

The following information is extracted from the audited financial statements of CPL for the two financial years ended 31 December 2014 and 2015:

	2015	2014
	<i>HK\$</i>	<i>HK\$</i>
Net asset value	67,636,963	65,817,471
Net profits before taxation	1,963,776	1,732,287
Net profits after taxation	1,819,492	1,571,788

LETTER FROM THE BOARD

Consideration and payment terms

The Consideration for the Disposal is HK\$263,000,000 in cash of which the consideration for the Sale Loan shall be an amount equal to the amount of the Sale Loan on the Completion Date on a dollar-for-dollar basis and the consideration for the Sale Shares shall be HK\$263,000,000 less the amount of the Sale Loan.

The Consideration has been/shall be payable by the Purchaser in the following manner:

- (1) a Further Deposit of HK\$26,300,000 (inclusive of the Initial Deposit of HK\$10,000,000 paid on 1 August 2016 upon the signing of the Letter of Intent) has been paid to the Vendor's solicitors as stakeholders upon the signing of the Sale and Purchase Agreement; and
- (2) the remaining balance of the Consideration shall be paid to the Vendor in one lump sum upon Completion.

The Consideration was arrived at after arm's length negotiation between the Purchaser and the Vendor after taking into account the recent market conditions of the property market in Hong Kong.

Conditions

Completion of the Disposal is conditional upon, among others, (a) (if required) the approval of the Disposal by the Shareholders at the EGM to be convened or the obtaining of written approval in lieu of the abovementioned EGM in accordance with the requirements of the Listing Rules; and (b) any other necessary approval from the Stock Exchange, on or before the Completion Date.

If the Conditions cannot be fulfilled on or before Completion Date, the Sale and Purchase Agreement will become null and void and of no further effect and the Vendor shall return the Deposits to the Purchaser without any interest and none of the parties shall have any claim against the other for costs, damages, compensation and otherwise, save for any claim by the relevant party against the other party arising from an antecedent breach of the Sale and Purchase Agreement by the other part.

Guarantee

The Company as the guarantor agreed to guarantee the performance of all obligations of the Vendor under the Sale and Purchase Agreement.

Completion

Subject to fulfilment of the Conditions, Completion shall take place on or before 30 November 2016.

LETTER FROM THE BOARD

III. INFORMATION OF THE PURCHASER

The Purchaser is principally engaged in writing motor insurance business. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties of and not connected with the Company or any of its subsidiaries and its connected persons (as defined under the Listing Rules) as at the Latest Practicable Date.

IV. REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in manufacturing and distribution of amenity products and distribution and retail business of cosmetics and fashion accessories.

The Vendor, an indirect wholly-owned subsidiary of the Company, is an investment holding company which owns the entire issued share capital of CPL whose major asset comprises the Property.

The Directors considered that the Disposal enables the Company to realize cash and unlock the value in its investment in the Property at fair market value.

The Directors considered that the Sale and Purchase Agreement is of normal commercial terms, fair and reasonable, and the Disposal is in the interests of the Company and its Shareholders as a whole.

V. FINANCIAL EFFECTS OF THE DISPOSAL

Following Completion, CPL will cease to be a subsidiary of the Company and the financial results of CPL will cease to be consolidated into those of the Company.

Based on the unaudited financial information of CPL as at 31 August 2016, the net book value of CPL after taking into account of the revaluation of the Property up to 30 June 2016 was approximately HK\$122,195,000. The excess of the Consideration over the net book value of CPL as at 31 August 2016 after taking into account of the revaluation of the Property up to 30 June 2016 was approximately HK\$140,805,000, exclusive of the Sale Loan of approximately HK\$105,347,000. The Directors have compared the said net book value with the Consideration of HK\$263,000,000 and considered the Consideration as fair and reasonable.

Upon Completion, the consolidated total assets of the Company will be increased by approximately HK\$11,553,000 and the consolidated total liabilities of the Company will be decreased by approximately HK\$23,904,000.

The Disposal is expected to realize an unaudited net gain of approximately HK\$10,633,000 for the Group which excluded the fair value gains as a result of the revaluation of the Property, being the difference between (i) the Consideration of HK\$263,000,000; and (ii) the adjusted net asset value of CPL based on the management accounts of CPL as of 30 June 2016 and together with the related legal costs, commission and expenses of the Disposal of approximately HK\$252,367,000.

LETTER FROM THE BOARD

Shareholders and potential investors of the Company should note that the above expectation is for illustrative purpose only. The actual accounting gain or loss in connection with the Disposal is dependent on the net carrying value of CPL as at the Completion Date in the consolidated financial statements of the Group for the year ended 31 December 2016 and may be different from the amount calculated above.

VI. USE OF PROCEEDS

The proceeds of the Disposal will be partially used for repaying the bank borrowing of the Property. The net proceeds to be received by the Vendor from the Disposal will improve the overall cash position of the Group for general working capital purpose as well as for possible future opportunities that may arise. However, the Directors have not identified any target for acquisitions or any concrete investment plan as at the Latest Practicable Date.

VII. IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in the Listing Rules) calculated in accordance with Rule 14.07 of the Listing Rules exceed 25% but are less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to approval by the Shareholders at the EGM.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution for approving the Disposal at the EGM.

VIII. EGM

The Company will convene the EGM at Unit D3, 8/F, TML Tower, No. 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong on 3 November 2016 at 10:00 a.m. at which resolution will be proposed for the purpose of considering and if thought fit, approving, among others, the Sales and Purchase Agreement and the transactions contemplated thereunder. The notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular of the Company. A form of proxy for use in connection with the EGM is enclosed herewith.

Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible to the Company's branch registrar in Hong Kong at Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and in any event by no later than 48 hours before the time appointed for the holding of the EGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish. If you attend and vote at the EGM, the authority of your proxy will be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the EGM will be by poll.

LETTER FROM THE BOARD

IX. RECOMMENDATIONS

The Board considers that the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to approve the Sale and Purchase Agreement and the transactions respectively contemplated thereunder at the EGM.

X. FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By Order of the Board
Ming Fai International Holdings Limited
CHING Chi Fai
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for the three financial years ended 31 December 2013, 2014 and 2015 are disclosed in the following annual reports of the Company published on both the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.mingfaigroup.com>):

Annual report of the Company for the year ended 31 December 2013 (pages 43–115):

<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0416/LTN20140416479.pdf>

Annual report of the Company for the year ended 31 December 2014 (pages 45–123):

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0420/LTN20150420619.pdf>

Annual report of the Company for the year ended 31 December 2015 (pages 51–120):

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0425/LTN20160425431.pdf>

2. INDEBTEDNESS STATEMENT

(i) Borrowings

As at the close of business on 31 August 2016, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had aggregate outstanding secured borrowings which comprise secured bank loans of approximately HK\$49,020,000.

(ii) Pledge of assets and other securities

As at the close of business on 31 August 2016, being the latest practicable date for the purpose of this indebtedness statement, the Group's bank borrowings were secured by investment properties under (a) assets held-for-sale (i.e. the Property) and (b) property, plant and equipment. The carrying values of the Group's investment properties under (a) assets held-for-sale (i.e. the Property) and (b) property, plant and equipment which were pledged to secure the Group's bank borrowings, amounted to approximately HK\$250,000,000 and HK\$59,660,000, respectively. The Group's secured bank borrowings bear contractual interest rate at one month Hong Kong Inter-bank Offered Rate ("HIBOR") plus 0.75% per annum and HK\$ Prime Rate less 1.75% per annum (whichever it is lower) and at one month HIBOR plus 1.7% per annum or the cost of the bank for funding the facility (whichever it is higher).

(iii) Other borrowings and payables

As at the close of business on 31 August 2016, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had other borrowings and payables to non-controlling interests of approximately HK\$14,500,000. The amounts are unsecured, interest free and repayable on demand.

Save as aforesaid and apart from intra-group liabilities and normal trade payables, the Group did not, at the close of business on 31 August 2016, have any mortgages, charges, debt securities, debts, securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other material contingent liabilities.

The Directors confirm that there was no material change in the indebtedness status of the Group since 31 August 2016 up to the Latest Practicable Date.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, after taking into account the present available banking facilities, the internal resources of the Group, the Consideration expected to be received and in the absence of the unforeseen circumstances, the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, they were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2015, being the date to which the latest published audited financial statements were made up.

5. FINANCIAL AND TRADING PROSPECTS

The Group is principally engaged in manufacturing and distribution of amenity products and distribution and retail business of cosmetics and fashion accessories. The Disposal has increased sources of funding to facilitate the development of the Group's existing and potential projects, and prepare for other future opportunities that may arise. During the current financial year, the Directors expect that with cash and available credit facilities, the Group's financial position will remain stable and the Group's revenue of the current year will not be materially impacted after the Disposal. The Group will closely monitor the market situations and trends and will continue to strengthen its established markets. The Group will seek cooperation and development opportunities with an aim of maximizing the investment returns for its Shareholders.

The following is the text of a letter, summary of value and valuation certificate, prepared for the purpose of incorporation in this circular received from Asset Appraisal Limited, an independent valuer, in connection with its valuation as at 30 September 2016 of the property interests held by the Group.



Asset Appraisal Limited
中誠達資產評估顧問有限公司

Rm 901, 9/F., On Hong Commercial Building
145 Hennessy Road, Wanchai, Hong Kong
香港灣仔軒尼詩道145號
安康商業大廈9字樓901室
Tel : (852) 2529 9448 Fax : (852) 3544 5854

14 October 2016

The Board of Directors

Ming Fai International Holdings Limited

Unit D3, 8/F

TML Tower

No. 3 Hoi Shing Road

Tsuen Wan, New Territories

Hong Kong

Dear Sirs,

Re: Valuation of property interest situated in Hong Kong

In accordance with the instructions from Ming Fai International Holdings Limited (referred to as the “Company”) to value the property interests (referred to as the “property”) situated in Hong Kong, we confirm that we have carried out inspections of the property, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the property as at 30 September 2016 (the “Valuation Date”).

Basis of Valuation

Our valuation of the property represents the market value which is defined by the International Valuation Standard and followed by the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Valuation Methodology

The property is valued by the comparison method where comparison based on prices realised or market prices of comparable properties is made. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values.

Assumptions

No allowance has been made in our report for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoing of an onerous nature, which could affect its value.

Our valuation has been made on the assumption that owner sell the property on the market in their existing states without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the values of the property.

Other assumptions for our valuation (if any) would be stated out in the footnotes of the valuation certificate attached herewith.

Titleship

We have caused searches to be made at the appropriate Land Registry for the property. However, we have not verified ownerships of the property or to verify the existence of any amendments which do not appear on the copies handed to us. All documents have been used for reference only.

Limiting Conditions

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the property but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

The property was inspected on 30 August 2016 by Mr. TSE Wai Leung, who is a member of the Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors. We have inspected the exterior and, where possible, the interior of the property. However, no structural survey has been made for them. In the course of our inspection, we did not note any apparent defects. We are not, however, able to report whether the buildings and structures inspected by us are free of rot, infestation or any structural defect. No test was carried out on any of the building services and equipment.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

In valuing the property, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

Unless otherwise stated, all monetary sums stated in this report are in Hong Kong Dollar (HK\$).

Valuation certificate is attached herewith.

Yours faithfully,
for and on behalf of
Asset Appraisal Limited

Sandra Lau
MHKIS AAPI RPS(GP)
Director

Sandra Lau is a member of the Hong Kong Institute of Surveyors, an Associate of the Australian Property Institute and a Registered Professional Surveyor in General Practice. She is on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Valuation Forum and has over 10 years' experience in valuation of properties in Hong Kong, in Macau and in the PRC.

VALUATION CERTIFICATE

Property interests to be disposed of by the Company

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2016
Office Unit on 5th Floor of Low Block Grand Millennium Plaza No. 181 Queen's Road Central and Car Parking Space Nos. 331 and 332 on 3rd Floor of High Block (COSCO Tower) Grand Millennium Plaza No. 183 Queen's Road Central No. 33 Wing Lok Street Hong Kong	Grand Millennium Plaza is a commercial development consists of two office towers. The two office towers, namely High Block and Low Block respectively, were completed in 1998. The Low Block is a 29-storey commercial building. The property comprises all office spaces on 5th Floor of the Low Block and 2 car parking spaces on 3rd Floor of High Block.	As advised by the Company, office units on 5th Floor were subject to various tenancy agreements for a term of 3 years commencing on 27 March 2015 and 4 October 2014 expiring on 26 March 2018 and 3 October 2017 with total monthly rent of HK\$576,607 exclusive of rates, government rent, management fees, air conditioning charge, utility charges and other outgoings.	HK\$260,000,000
1114/116009th equal and undivided shares of and in the Remaining Portion of Inland Lot No. 8911	The gross floor area of the property is approximately 15,451 square feet. The property is held under Conditions of Exchange No. UB12479 for a term commencing on 25 June 1997 and expiring on 30 June 2047 at a government rent of 3% of the rateable value for the time being of the property per annum.	Car Parking Spaces Nos.331 and 332 of the property was subject to a license for a term commencing on 1 March 2016 and expiring on 28 February 2017 at a monthly license fee of HK\$8,400 inclusive of rates and management fees.	

Notes:

1. The registered owner of the property is Chartered Properties Limited vide memorial no. 09122400460020 dated 27 November 2009.
2. The following encumbrances are registered in the land registry against the property:
 - a. Deed of Mutual Covenant and Management Agreement in favour of Urban Property Management Limited "The Manager" vide memorial no. UB7369240 dated 19 November 1997.
 - b. Occupation Permit (H18/98) vide memorial no. UB7486509 dated 26 March 1998
 - c. Mortgage in favour of Bank of China (Hong Kong) Limited for the consideration of all moneys vide memorial no. 09122400460037 dated 27 November 2009.
 - d. Assignment of rentals in favour of Bank of China (Hong Kong) Limited vide memorial no. 09122400460041 dated 27 November 2009.

3. The property falls within an area zoned “Commercial (1)” under Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/29.

4. Pursuant to a sale and purchase agreement entered into between East Pearl Assets Limited, an indirect wholly owned subsidiary of the Company (as the “Vendor”) and Target Insurance Company, Limited (as the “Purchaser”) on 29 August 2016, the Vendor agreed to sell and the Purchaser agreed to purchase the sale shares and the sale loan (“Assets”) in Chartered Properties Limited (“CPL”) representing the entire issued share capital of CPL and all amounts of the outstanding shareholders’ loans owing from CPL to the Vendor as at the completion date at a consideration of HK\$263,000,000. As confirmed by the Company, the aforesaid share transfer is scheduled to be completed on or before 30 November 2016.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTEREST

(i) Directors' and chief executive officer's interests in securities

As at the Latest Practicable Date, the interests and short positions of the Directors, chief executive and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) as recorded in the register maintained by the Company under Section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code"), are as follows:

Long position in ordinary Shares of HK\$0.01 each in the Company

Name of Director	Nature of interests	Interest in number of Shares	Approximate percentage of shareholding of the Company
Mr. CHING Chi Fai	Corporate (Note 1)	165,166,600	23.28%
	Personal (Note 2 & Note 7)	15,444,000	2.18%
Mr. CHING Chi Keung	Corporate (Note 3)	32,499,600	4.58%
	Personal (Note 7)	4,000,000	0.56%
Mr. LIU Zigang	Corporate (Note 4)	20,057,200	2.83%
	Personal (Note 7)	4,000,000	0.56%
Mr. CHING Tsun Wah	Personal (Note 5 & Note 7)	3,168,930	0.45%
	Family (Note 6)	775,000	0.11%
Mr. KEUNG Kwok Hung	Personal (Note 7)	1,158,000	0.16%
Ms. CHAN Yim Ching	Corporate (Note 3)	32,499,600	4.58%
	Personal (Note 7)	2,300,000	0.32%
Mr. HUNG Kam Hung Allan	Personal (Note 7)	600,000	0.08%
Mr. MA Chun Fung Horace	Personal	600,000	0.08%
Mr. NG Bo Kwong	Personal	600,000	0.08%

Notes:

1. These Shares are owned by Prosper Well International Limited (“Prosper Well”), which is wholly-owned by Mr. CHING Chi Fai.
2. Mr. CHING Chi Fai held 14,844,000 Shares and options to subscribe for 600,000 Shares.
3. These Shares are owned by Targetwise Trading Limited, which is owned as to 50% and 50% by Mr. CHING Chi Keung and Ms. CHAN Yim Ching respectively.
4. These Shares are owned by Favour Power Limited, which is wholly-owned by Mr. LIU Zigang.
5. Mr. CHING Tsun Wah held 2,393,930 Shares and options to subscribe for 775,000 Shares.
6. Ms. SO Wai Yin Tracy held options to subscribe for 775,000 Shares. Mr. CHING Tsun Wah, being Ms. SO’s spouse, was deemed to be interested in the 775,000 Shares held by Ms. SO by virtue of Part XV of the SFO.
7. Options granted to the above Directors under the Share Option Scheme as at the Latest Practicable Date are set out below:

Name of Director	Date of grant	Exercise period	Exercise price HK\$	Number of outstanding options
Mr. CHING Chi Fai	04-09-2012	04-09-2012 to 22-06-2019	0.62	300,000
	04-09-2012	23-06-2013 to 22-06-2019	0.62	300,000
Mr. CHING Chi Keung	04-09-2012	04-09-2012 to 22-06-2019	0.62	2,000,000
	04-09-2012	23-06-2013 to 22-06-2019	0.62	2,000,000
Mr. LIU Zigang	04-09-2012	04-09-2012 to 22-06-2019	0.62	2,000,000
	04-09-2012	23-06-2013 to 22-06-2019	0.62	2,000,000
Mr. CHING Tsun Wah	04-09-2012	09-09-2012 to 08-09-2021	0.62	387,500
	04-09-2012	09-09-2013 to 08-09-2021	0.62	387,500
Mr. KEUNG Kwok Hung	04-09-2012	09-09-2012 to 08-09-2021	0.62	579,000
	04-09-2012	09-09-2013 to 08-09-2021	0.62	579,000
Ms. CHAN Yim Ching	04-09-2012	04-09-2012 to 22-06-2019	0.62	300,000
	04-09-2012	23-06-2013 to 22-06-2019	0.62	2,000,000
Mr. HUNG Kam Hung Allan	04-09-2012	04-09-2012 to 22-06-2019	0.62	300,000
	04-09-2012	23-06-2013 to 22-06-2019	0.62	300,000

As at the Latest Practicable Date, save as disclosed above, none of the Directors or the chief executive of the Company or their respective spouse or children under 18 years of age had any interests in the equity or debt securities of the Company or its associated corporations which were required to be notified to the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(ii) Directors' service contracts

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group, excluding contracts expiring or which may be terminated by the employer within a year without payment of any compensation (other than statutory compensation).

(iii) Interests in the Group's assets, contracts or arrangement significant to the Group

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2015, the date to which the latest published audited financial statements of the Group were made up.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which has been entered into by the Company or any member of the Group that is subsisting at the date of this circular and is significant in relation to the business of the Group.

(iv) Substantial shareholders' and other persons' interests in securities

As at the Latest Practicable Date, according to the register kept by the Company under section 336 of the SFO, the persons other than a Director or chief executive of the Company who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Long position in ordinary Shares of HK\$0.01 each in the Company

Name of substantial shareholders	Capacity/ nature of interest	Number of shares	Approximate percentage of shareholding of the Company
Prosper Well International Limited	Beneficial owner	165,166,600 <i>(Note 1)</i>	23.28%
Ms. LO Kit Ling	Family interest	180,610,600 <i>(Note 1)</i>	25.46%
Ms. PO Fung Kiu	Family interest	36,499,600 <i>(Note 2)</i>	5.15%
Mr. David Michael WEBB	Beneficial owner and interest of controlled corporation	63,592,000 <i>(Note 3)</i>	8.96%

Notes:

1. 165,166,600 Shares were owned by Prosper Well, which is wholly-owned by Mr. CHING Chi Fai (the chairman and an executive Director). Mr. CHING Chi Fai also beneficially owned 14,844,000 Shares and held share options to subscribe for 600,000 Shares. Ms. LO Kit Ling, being Mr. CHING Chi Fai's spouse, was deemed to be interested in the 180,610,600 Shares in which Mr. CHING Chi Fai had interests by virtue of Part XV of the SFO.
2. Ms. PO Fung Kiu, being Mr. CHING Chi Keung's spouse, was deemed to be interested in the 36,499,600 Shares in which Mr. CHING Chi Keung had interests by virtue of Part XV of the SFO.
3. 41,418,000 Shares were held by Preferable Situation Assets Limited, which is wholly-owned by Mr. David Michael WEBB who also beneficially owned 22,174,000 Shares.

As at the Latest Practicable Date, so far as is known to the Directors, the register of substantial shareholders maintained under Section 336 of the SFO showed that the Company had not been notified of any substantial Shareholders' interests and short positions, being 10% or more of the Company's issued share capital, other than those of the Directors and the chief executive as disclosed above.

(v) Directors' interests in competing business

As at the Latest Practicable Date, so far as the Directors are aware of, none of the Directors or their respective associates was interested in any business which competes or was likely to compete, either directly or indirectly, with the business of the Group.

3. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

4. EXPERT'S QUALIFICATIONS AND CONSENT

The following is the qualification of the expert who has been named in this circular or has given opinion or advice which is contained in this circular.

Name	Qualification
Asset Appraisal Limited	Independent professional property valuer

The expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or valuation report and the references to its name in the form and context in which it appears.

As at the Latest Practicable Date, the expert was not beneficially interested in any direct or indirect shareholdings in any member of the Group, or any right to subscribe for or to nominate persons to subscribe for shares in any members of the Group, or any interests, directly or indirectly, in any assets which have been acquired or disposed of by or leased to or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2015, the date to which the latest published audited financial statements of the Group were made up.

5. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by members of the Group within two years immediately preceding the date of this circular which are or may be material:

- (a) the Letter of Intent;
- (b) the Sale and Purchase Agreement; and
- (c) seven sale and purchase agreements dated 21 July 2015 for acquisition of six properties and a car parking space in Tsuen Wan area of Hong Kong for use as the Company's head office.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection from 9:00 a.m. to 1:00 p.m. and from 2:00 p.m. to 6:00 p.m. on any weekdays (except for Saturday and public holidays at the Unit D3, 8/F, TML Tower, No. 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong for a period of 14 days from the date of this circular:

- (i) the memorandum and articles of association of the Company;
- (ii) the service contracts referred to in the section headed “Disclosure of Interests — Directors’ service contracts” in this Appendix;
- (iii) the material contracts referred to in the section headed “Material Contracts” in this Appendix;
- (iv) the valuation certificate and report of the Property included in Appendix II to this circular;
- (v) the written consent referred to under the section headed “Expert’s Qualifications and Consent” in this Appendix;
- (vi) the annual reports of the Company for the two years ended 31 December 2014 and 2015; and
- (vii) this circular.

7. MISCELLANEOUS

- (i) The registered office of the Company is at P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands;
- (ii) The head office and principal place of business of the Company in Hong Kong is at Unit D3, 8/F, TML Tower, No. 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong;
- (iii) The Company’s principal share registrar and transfer office is Royal Bank of Canada Trust Company (Cayman) Limited at 4th Floor, Royal Bank House, 24 Shedden Road, George Town, Grand Cayman KY1-1110, Cayman Islands. The Company’s Hong Kong branch share registrar and transfer office is Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong;

- (iv) as at the date of this circular, the Board comprises Mr. CHING Chi Fai (Chairman), Mr. CHING Chi Keung, Mr. LIU Zigang, Mr. CHING Tsun Wah and Mr. KEUNG Kwok Hung as executive Directors; Ms. CHAN Yim Ching as non-executive Director and Mr. HUNG Kam Hung Allan, Mr. MA Chun Fung Horace, Mr. NG Bo Kwong and Mr. SUN Yung Tson Eric as independent non-executive Directors;
- (v) the company secretary of the Company is Mr. KEUNG Kwok Hung, a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants; and
- (vi) the English text of this circular shall prevail over the Chinese text in case of inconsistency.

NOTICE OF EGM



NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of Ming Fai International Holdings Limited (the “**Company**”) will be held at Unit D3, 8/F, TML Tower, No. 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong on 3 November 2016 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution of the Company (unless otherwise defined, capitalized terms used herein shall have the same meanings as ascribed to them in the circular of the Company dated 14 October 2016):

ORDINARY RESOLUTION

“**THAT** the terms and conditions of the Sale and Purchase Agreement in relation to the sale and purchase of all the Sale Shares and Sale Loan of CPL between East Pearl Assets Limited as Vendor and Target Insurance Company, Limited as Purchaser dated 29 August 2016 and the transactions contemplated thereunder be and are hereby approved and the execution of the Sale and Purchase Agreement by a Director be and is hereby approved, confirmed and ratified in all respects; and the Directors (or any one of them) be and is/are hereby authorized to do such acts or things and execute such documents (and, where necessary, to affix the seal of the Company in accordance with the articles of association of the Company) which in his/their opinion may be necessary, desirable or expedient to carry out or to give effect to the Sale and Purchase Agreement and the transactions contemplated under the Sale and Purchase Agreement and to agree to such variations, amendments, supplements or waivers of matters relating thereto as are, in the opinion of the Directors, in the interest of the Company.”

By Order of the Board

KEUNG Kwok Hung

Executive Director and Company Secretary

Hong Kong, 14 October 2016

*Head office and principal place
of business in Hong Kong:*

Unit D3, 8/F, TML Tower
No. 3 Hoi Shing Road
Tsuen Wan, New Territories
Hong Kong

Registered Office:

P.O. Box 309GT
Ugland House
South Church Street
George Town, Grand Cayman
Cayman Islands

* *For identification purpose only*

NOTICE OF EGM

Notes:

- (1) A form of proxy for use at the EGM or any adjournment thereof is enclosed.
- (2) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead at any one general meeting (or at any one class meeting). The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing, or if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
- (3) In order to be valid, the form of proxy completed in accordance with the instructions set out therein, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude a member of the Company from attending and voting in person at the meeting or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.
- (4) In case of joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting personally or by proxy, then one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.
- (5) As at the date of this notice, the Board comprises Mr. CHING Chi Fai, Mr. CHING Chi Keung, Mr. LIU Zigang, Mr. CHING Tsun Wah and Mr. KEUNG Kwok Hung as executive Directors; Ms. CHAN Yim Ching as non-executive Director and Mr. HUNG Kam Hung Allan, Mr. MA Chun Fung Horace, Mr. NG Bo Kwong and Mr. SUN Yung Tson Eric as independent non-executive Directors.