明輝國際控股有限公司*
Ming Fai International Holdings Limited

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 3828)

2009 INTERIM RESULTS ANNOUNCEMENT AND UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS AND RESUMPTION OF TRADING

The board of directors (the "Board") of Ming Fai International Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six month ended 30 June 2009 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2009

		(Unaudited) Six months ended 30 June	
		2009	2008
	Note	***HK$'000***	*HK$'000*
Revenue	*3*	**345,792**	393,877
Cost of sales	*4*	**(241,128)**	(284,268)
Gross profit		**104,664**	109,609
Distribution costs	*4*	**(30,219)**	(27,748)
Administrative expenses	*4*	**(26,206)**	(20,566)
Other income		**2,562**	7,612
Operating profit		**50,801**	68,907
Finance costs		**(462)**	(2,651)
Share of profit of an associated company		**114**	78
Profit before income tax		**50,453**	66,334
Income tax expenses	*5*	**(10,726)**	(12,353)
Profit for the period		**39,727**	53,981

	Note	(Unaudited) Six months ended 30 June **2009** *HK$'000*	2008 *HK$'000*
Other comprehensive (loss)/income			
Currency translation differences		**(88)**	4,160
Total comprehensive income for the period		**39,639**	58,141
Profit/(loss) attributable to:			
Equity holders of the Company		**40,033**	53,981
Minority interest		**(306)**	–
		39,727	53,981
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		**39,946**	58,141
Minority interest		**(307)**	–
		39,639	58,141
Earnings per share attributable to equity holders of the Company			
(Expressed in HK$)			
– Basic	*6*	**0.07**	0.09
– Diluted	*6*	**0.07**	0.09
Dividends	*7*	**0.03**	–

CONDENSED CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2009

	Note	(Unaudited) 30 June 2009 HK$'000	(Audited) 31 December 2008 HK$'000
ASSETS			
Non-current assets			
Leasehold land and land use rights		**15,062**	15,245
Property, plant and equipment		**138,906**	134,850
Intangible assets		**521**	523
Investment in an associated company		**392**	278
Deferred income tax assets		**6,924**	6,214
Total non-current assets		**161,805**	157,110
Current assets			
Inventories		**71,443**	84,795
Trade and bills receivables	*8*	**135,441**	181,602
Amount due from an associated company		**1,052**	1,037
Prepaid income tax		**4,759**	6,666
Deposits, prepayments and other receivables		**25,692**	31,360
Restricted cash		**73**	65,888
Cash and cash equivalents		**497,665**	482,704
Total current assets		**736,125**	854,052
Total assets		**897,930**	1,011,162
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital		**6,000**	6,000
Share premium		**408,242**	408,242
Other reserves		**318,357**	296,292
Proposed interim/final dividend	*7*	**18,000**	50,400
		750,599	760,934
Minority interest		**2,473**	–
Total equity		**753,072**	760,934

	Note	(Unaudited) 30 June 2009 HK$'000	(Audited) 31 December 2008 HK$'000
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**252**	343
Total non-current liabilities		**252**	343
Current liabilities			
Trade payables	*9*	**60,038**	82,968
Loan from a minority shareholder		**580**	495
Accruals and other payables		**79,258**	95,667
Current income tax liabilities		**4,730**	7,022
Borrowings		**–**	63,460
Derivative financial instruments		**–**	273
Total current liabilities		**144,606**	249,885
Total liabilities		**144,858**	250,228
Total equity and liabilities		**897,930**	1,011,162
Net current assets		**591,519**	604,167
Total assets less current liabilities		**753,324**	761,277

NOTES:

1 BASIS OF PREPARATION

These condensed consolidated financial information for the six months ended 30 June 2009 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, 'Interim financial reporting' issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

These condensed financial information is presented in thousands of units of Hong Kong dollars (HK$'000), unless otherwise stated.

2 ACCOUNTING POLICIES

Except as described below, the accounting policies and methods of computations adopted in the preparation of this unaudited condensed consolidated financial information are consistent with those of the annual financial statements for the year ended 31 December 2008, as described in the annual report for the year ended 31 December 2008.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2009.

- HKAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

  Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

  The Group has elected to present one performance statement: a statement of comprehensive income. The financial information have been prepared under the revised disclosure requirements.

- HKFRS 8, 'Operating segments'. HKFRS 8 replaces HKAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. The financial information have been prepared under the new requirement.

  Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the board of directors that makes strategic decisions.

- Amendment to HKFRS 7, 'Financial instruments: disclosures'. The amendment increases the disclosure requirements about fair value measurement and amends the disclosure about liquidity risk. The amendment introduces a three-level hierarchy for fair value measurement disclosures about financial instruments and requires some specific quantitative disclosures for those instruments classified in the lowest level in the hierarchy. These disclosures will help to improve comparability between entities about the effects of fair value measurements. In addition, the amendment clarifies and enhances the existing requirements for the disclosure of liquidity risk primarily requiring a separate liquidity risk analysis for derivative and non-derivative financial liabilities. It also requires a maturity analysis for financial assets where the information is needed to understand the nature and context of liquidity risk. The Group will make additional relevant disclosures in its financial statements ending 31 December 2009.

- Amendment to HKFRS 2, 'Share-based payment'. The amended standard deals with vesting conditions and cancellations. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. As such these features would need to be included in the grant date fair value for transactions with employees and others providing similar services, that is, these features would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The amended standard does not have a material impact on the Group's financial statements.

  All 'non-vesting conditions' and vesting conditions that are market conditions shall be taken into account when estimating the fair value of the equity instruments granted.

  All cancellations are accounted for as an acceleration of vesting and the amount that would otherwise have been recognised over the remainder of the vesting period is recognised immediately.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but are not currently relevant for the Group:

- HKAS 23 (amendment), 'Borrowing costs'.
- HKAS 32 (amendment), 'Financial instruments: presentation'.
- HK(IFRIC) 9 (amendment), 'Reassessment of embedded derivatives' and HKAS 39 (amendment), 'Financial instruments: Recognition and measurement'.
- HK(IFRIC) 13, 'Customer loyalty programmes'.
- HK(IFRIC) 15, 'Agreements for the construction of real estate'.
- HK(IFRIC) 16, 'Hedges of a net investment in a foreign operation'.
- HKAS 39 (amendment), 'Financial instruments: Recognition and measurement'.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 January 2009 and have not been early adopted:

Amendment to HKAS 39	'Financial instruments: Recognition and measurement' on eligible hedged items, effective for annual periods beginning on or after 1 July 2009
HKFRS 3 (revised)	'Business combinations' and consequential amendments to HKAS 27, 'Consolidated and separate financial statements', HKAS 28, 'Investments in associates' and HKAS 31, 'Interests in joint ventures', effective for annual periods beginning on or after 1 July 2009
HK(IFRIC) 17	'Distributions of non-cash assets to owners', effective for annual periods beginning on or after 1 July 2009
HK(IFRIC) 18	'Transfers of assets from customers', effective for annual periods beginning on or after 1 July 2009

HKICPA's improvements to HKFRS published in May 2009:

Amendment to HKFRS 2	'Share-based payments', effective for annual periods beginning on or after 1 July 2009
Amendment to HKFRS 5	'Non-current assets held for sale and discontinued operations', effective for annual periods beginning on or after 1 January 2010
Amendment to HKFRS 8	'Operating segments', effective for annual periods beginning on or after 1 January 2010
Amendment to HKAS 1	'Presentation of financial statements', effective for annual periods beginning on or after 1 January 2010
Amendment to HKAS 7	'Statement of cash flows', effective for annual periods beginning on or after 1 January 2010
Amendment to HKAS 17	'Leases', effective for annual periods beginning on or after 1 January 2010
Amendment to HKAS 36	'Impairment of assets', effective for annual periods beginning on or after 1 January 2010
Amendment to HKAS 38	'Intangible assets', effective for annual periods beginning on or after 1 July 2009
Amendment to HKAS 39	'Financial instruments: recognition and measurement', effective for annual periods beginning on or after 1 January 2010
Amendment to HK(IFRIC) 9	'Reassessment of embedded derivatives', effective for annual periods beginning on or after 1 July 2009
Amendment to HK(IFRIC) 16	'Hedges of a net investment in a foreign operation', effective for annual periods beginning on or after 1 July 2009

Management is assessing the impact of the above amendments to standards and interpretations, which have been issued but are not effective for 2009, on the Group's operations.

3 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the board of directors (the "Board"). The Board reviews the Group's internal reporting in order to assess performance and allocate resources. The Board has determined the operating segment based on these reports.

The Group primarily operates in Hong Kong and the People's Republic of China ("PRC"). The Group principally engaged in the manufacturing and sales of amenity products, therefore the Board considered that the Group operates in a single business segment. From geographical perspective, the Board assesses the performance based on the Group's revenue by geographical location in which the customer is located. Assets are allocated based on where the assets are located.

The Board assesses the performance of the operating segment based on a measure of segment profit/(loss) before income tax. This measurement basis excludes the effects of non-recurring expenditure from the operating segments.

The segment information is presented on consolidation basis, therefore, no inter-segment transaction for the six months ended 30 June 2009 and 2008 is presented.

In allocating the depreciation and amortisation charges, the Board apportion the charges with reference to respective segment revenue, as this result in a fair representation of performance. Other information provided to the management is measured in a manner consistent with that in the financial information.

	North America *HK$'000*	Europe *HK$'000*	PRC *HK$'000*	Hong Kong *HK$'000*	Australia *HK$'000*	Other Asia Pacific countries *(note i)* *HK$'000*	Others *(note ii)* *HK$'000*	Total *HK$'000*
Six months ended 30 June 2009								
Total revenue	**137,191**	**55,732**	**67,514**	**37,030**	**5,137**	**42,176**	**1,012**	**345,792**
Depreciation and amortisation	**(4,587)**	**(1,864)**	**(2,257)**	**(1,238)**	**(172)**	**(1,410)**	**(34)**	**(11,562)**
Finance income	**–**	**–**	**662**	**690**	**–**	**2**	**–**	**1,354**
Finance costs	**–**	**–**	**(462)**	**–**	**–**	**–**	**–**	**(462)**
Share of profit from an associated company	**–**	**–**	**–**	**–**	**–**	**114**	**–**	**114**
Segment profit/(loss) before income tax	**24,605**	**9,043**	**8,647**	**4,993**	**(700)**	**3,642**	**223**	**50,453**
Income tax expenses								**(10,726)**
Profit for the period								**39,727**
Six months ended 30 June 2008								
Total revenue	153,534	70,605	66,683	44,179	19,870	34,978	4,028	393,877
Depreciation and amortisation	(4,167)	(1,916)	(1,810)	(1,199)	(539)	(949)	(109)	(10,689)
Finance income	–	–	1,395	4,147	–	–	–	5,542
Finance costs	–	–	(2,651)	–	–	–	–	(2,651)
Share of profit from an associated company	–	–	–	–	–	78	–	78
Segment profit before income tax	31,287	11,654	7,864	10,683	2,068	1,347	1,431	(66,334)
Income tax expenses								(12,353)
Profit for the period								53,981

	North America HK$'000	Europe HK$'000	PRC HK$'000	Hong Kong HK$'000	Australia HK$'000	Other Asia Pacific countries *(note i)* HK$'000	Others *(note ii)* HK$'000	Total HK$'000
As at 30 June 2009								
Total assets	50,538	20,253	308,054	490,165	3,832	24,223	865	897,930
Include:								
Investment in an associated company	–	–	–	–	–	392	–	392
Additions to non-current assets (other than financial instruments and deferred tax assets)	–	–	15,469	75	6	13	–	15,563
As at 31 December 2008								
Total assets	65,239	36,620	381,794	492,989	11,094	21,078	2,348	1,011,162
Include:								
Investment in an associated company	–	–	–	–	–	278	–	278
Additions to non-current assets (other than financial instruments and deferred tax assets)	–	–	21,219	2,684	376	619	–	24,898

Notes:

(i) Other Asia Pacific countries mainly include Japan, United Arab Emirates, Thailand, Philippines, Malaysia, Singapore, Fiji and New Zealand.

(ii) Others mainly include South Africa, Egypt, Morocco and Nigeria.

The Group is domiciled in Hong Kong and PRC. The result of its revenue from external customers in Hong Kong and PRC for the six months ended 30 June 2009 is approximately HK$104,544,000 (for the six months ended 30 June 2008: approximately HK$110,862,000), and the total of its revenue from external customers from other countries is approximately HK$241,248,000 (2008: approximately HK$283,015,000).

At 30 June 2009, the total of non-current assets other than financial instruments and deferred tax assets (there are no employment benefit assets and rights arising under insurance contracts) located in Hong Kong and PRC are approximately HK$153,453,000 (At 31 December 2008: approximately HK$149,484,000), and the total of these non-current assets located in other countries is approximately HK$1,036,000 (At 31 December 2008: approximately HK$1,134,000).

4 EXPENSES BY NATURE

Expenses/(gains) included in cost of sales, distribution costs and administrative expenses are presented as follows:

	(Unaudited) Six months ended 30 June	
	2009	2008
	HK$'000	*HK$'000*
Changes in inventories	**173,531**	209,260
Auditor's remuneration	**551**	581
Amortisation of leasehold land and land use rights	**180**	160
Depreciation of property, plant and equipment	**11,327**	10,477
Amortisation of intangible assets	**55**	52
Operating lease rental in respect of buildings	**1,500**	1,065
Provision for obsolete inventories	**667**	1,810
Provision for impairment of trade and bills receivables	**2,768**	1,298
Write-off of bad debts	**26**	34
Employee benefit expenses	**58,994**	55,447
Transportation expenses	**14,336**	12,868
Exchange losses/(gains)	**1,826**	(3,717)
Advertising costs	**751**	1,245

5 INCOME TAX EXPENSES

The amount of income tax charged/(credited) to the condensed consolidated statement of comprehensive income represents:

	(Unaudited) Six months ended 30 June	
	2009	2008
	HK$'000	*HK$'000*
Current income tax:		
– Hong Kong profits tax	**8,963**	12,812
– PRC enterprise income tax	**2,584**	497
– Singapore income tax	**(20)**	(127)
	11,527	13,182
Deferred income tax	**(801)**	(829)
	10,726	12,353

Hong Kong profits tax is calculated at 16.5% (2008: 16.5%) on the estimated assessable profits for the period.

Overseas tax is calculated based on the estimated taxable income and the income tax rates prevailing in their countries of operation. The new Foreign Enterprise Income Tax Law in the PRC became effective since 1 January 2008 and the tax rate applicable to a subsidiary in Shenzhen has been adjusted to 20% (2008: 18%).

6 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company of HK$40,033,000 (2008: HK$53,981,000) by weighted average number of 600,000,000 (2008: 600,000,000) ordinary shares in issue during the period.

(b) Diluted

Diluted earnings per share is the same as basic earnings per share for the six months ended 30 June 2009 since all potential ordinary shares are anti-dilutive. For the six months ended 30 June 2008, diluted earnings per share was also the same as basic earnings per share as there was no potential dilutive ordinary share outstanding.

7 DIVIDENDS

The Board has resolved to pay an interim dividend of HK$0.03 per share, amounting to a total dividend of HK$18,000,000, in respect of the six months ended 30 June 2009 (2008: Nil).

For the year ended 31 December 2008, a final dividend of HK$0.084 per share, amounting to a total dividend of HK$50,400,000, was proposed by the Board on 12 March 2009, which was approved by the Company's shareholders on 5 May 2009 and payable on 15 May 2009.

8 TRADE AND BILLS RECEIVABLES

	(Unaudited) 30 June 2009 *HK$'000*	(Audited) 31 December 2008 *HK$'000*
Trade receivables	**137,768**	181,299
Bills receivables	**6,639**	6,508
	144,407	187,807
Less: provision for impairment of receivables	**(8,966)**	(6,205)
Trade and bills receivables, net	**135,441**	181,602

Ageing analysis of trade and bills receivables as at 30 June 2009 and 31 December 2008 is as follows:

	(Unaudited) **30 June** **2009** ***HK$'000***	(Audited) 31 December 2008 *HK$'000*
Current	**75,948**	99,379
1 – 30 days	**32,827**	43,570
31 – 60 days	**11,029**	18,745
61 – 90 days	**5,430**	9,305
91 – 180 days	**7,768**	9,699
Over 180 days	**11,405**	7,109
	144,407	187,807

The credit period granted by the Group ranges from 15 days to 120 days.

9 TRADE PAYABLES

The ageing analysis of trade payables is as follows:

	(Unaudited) **30 June** **2009** ***HK$'000***	(Audited) 31 December 2008 *HK$'000*
Current	**38,978**	51,372
1 – 30 days	**15,678**	25,035
31 – 60 days	**840**	2,828
61 – 90 days	**571**	379
Over 90 days	**3,971**	3,354
	60,038	82,968

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The Group's financial performance for the first half of 2009 remained solid despite the global economic downturn. Under a recessionary environment, the Group's revenue decreased by 12.2% to HK$345.8 million as compared with HK$393.9 million in the corresponding period. As a result of the reduction in worldwide business and travelling activities throughout the period under review, the general demand for amenity products and accessories remained soft.

Profit attributable to equity holders of the Company for the six months ended 30 June 2009 was HK$40.0 million, as compared to HK$54.0 million over the same period last year. Basic earnings per share was HK6.7 cents (2008: HK9.0 cents).

The overall gross profit margin for the period increased by 2.5% to 30.3% from 27.8% for the six months ended 30 June 2008 which was achieved through the Group's persistent cost control initiative.

The consolidated net asset value decreased to HK$753.1 million as at 30 June 2009 from HK$760.9 million as at 31 December 2008.

The Board has resolved to pay an interim dividend of HK3.0 cents per share in respect of the six months ended 30 June 2009 (2008: Nil).

Set out below are the unaudited consolidated financial highlights of the Group for the six months ended 30 June 2009 and 30 June 2008:

	2009	2008
	HK$ million	*HK$ million*
Revenue	**345.8**	393.9
Gross profit	**104.7**	109.6
Profit attributable to equity holders of the Company	**40.0**	54.0
Net asset value as at 30 June 2009 and 31 December 2008	**753.1**	760.9
Basic earnings per share (HK cents)	**6.7**	9.0
Dividend per share (HK cents)	**3.0**	nil

BUSINESS REVIEW

The Group's performance reveals its ability to deliver profit, generate cash and make returns to its shareholders even in this unprecedented adverse economic environment. In view of the Group's solid capital structure and high liquidity, the Board has approved an interim dividend of HK3.0 cents per share, with an aggregate value of HK$18.0 million.

With strong financial positions, the Group is well positioned for the upturn. Mainland China remains key to the Group's growth strategy. During the period under review, the Group has continued to invest in Mainland China to expand its business and the range of services that it can offer to customers:

- A 51% owned subsidiary in Guangxi province of the PRC is scheduled to supply towels and other linens to the Group's customers in the fourth quarter of this year; and

- Construction of the Group's laundry plant in Jiangsu Province of the PRC is scheduled to open in the mid of 2010.

During the period, the Group has secured new contracts from two international hotel chain groups both mainly focus in Asia Pacific region. The Group continues to make efforts in expanding our market share in China. In the first half of 2009, the Group has secured contracts with various individual hotels including but not limited to Chateau Changyu AFIP Beijing, Erdos Hotel, and New Century Hotels and Resorts.

In Hong Kong, further efforts have been put by the Group in penetrating the local market by securing orders with various individual hotels or hotel groups.

For international airline customers, the Group has successfully secured orders from United Airlines, Northwest Airlines, Austrian Airlines AG, Aeroflot – Russian Airlines, Air Zealand and Czech Airlines through various distributors. These customers together with the forgoing business developments will contribute substantially to the growth of the Group.

The Group is committed to the principle of sustainable development. In this respect, the Group sets environmental policies and finds solutions to develop products that help minimize the environmental impacts. The Group has successfully attained Ecocert and European Union ECO LABEL certification, and is proud to be the first hotel amenities supplier in Asia attaining these certificates. The Group has further strengthened its leading position in the industry. Producing superior quality eco-friendly products is the Group's commitment to the community.

PROSPECTS

Whilst the Group remains cautious on the market in the near term, the Group is confident on the long-term economic prospects of Hong Kong and China. After decelerating sharply in the second half of 2008, China has reported an encouraging set of macro data recently, showing early signs of stabilization in the faltering economy. The Group believes the fundamental of the Hong Kong economy remains strong as evidenced by its robust property market and low public leverage. Despite the appearance of "green shoots" and continuous loose monetary policies by various governments and central banks, the fundamentals of US and Europe economies remain uncertain.

Moving forward, the Group will continue to focus on its core business by soliciting orders from existing and new customers as well as to develop new product lines. Sustainable development and the ability to generate long-term growth for its shareholders are also the Group's priority. Despite in this tough time, the Group will continue its strategy of capturing acquisitions opportunities in the emerging markets, particularly China, by deploying its strong balance sheet so as to grow its earning base, broaden its product range and diversify its businesses.

LIQUIDITY AND FINANCIAL RESOURCES

As 30 June 2009, the Group's cash and cash equivalents totalled HK$497.7 million (2008: HK$482.7 million). As at 31 December 2008, the Group had outstanding borrowings drawn in US dollars ("US$") with carrying amount of HK$63.5 million, which were fully repaid by the Group during the six months ended 30 June 2009.

Following the full repayment of outstanding borrowings, the gearing ratio at 30 June 2009, calculated on the basis of borrowings over total equity, is zero as compared with 8.3% at 31 December 2008.

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to RMB. The Group currently does not have a foreign currency hedging policy.

With the current level of cash and cash equivalents on hand and available banking facilities, the Group's liquidity position remains strong and it has sufficient financial resources to meet its current working capital requirement and future expansion.

CHARGES ON GROUP ASSETS

As at 30 June 2009, restricted cash held by the Group was pledged to a commercial bank in the PRC to meet the requirements set by the Customs Department of the PRC for export purpose. The balance as at 31 December 2008 was pledged as a security for US$ denominated loans drawn from a commercial bank in the PRC.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2009, the capital commitment of the Group was HK$79.9 million (2008: HK$6.3 million). As at 30 June 2009 and 31 December 2008, the Group had no material contingent liabilities.

EMPLOYEES

As at 30 June 2009, the total number of employees of the Group was approximately 3,800. The Group offers a comprehensive remuneration package which is reviewed by management on a regular basis. Employees of the Group are eligible to be granted share options under the Company's share option scheme at the discretion of the Board. The Group also invests in continuing education and training programs for its management staff and other employees with a view to constantly upgrading their skills and knowledge.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 June 2009, neither the Company nor any of its subsidiaries purchased, sold or redeemed any shares of the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") for the six months ended 30 June 2009, except for the following deviation:

- code provision A.2.1. of the CG Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Up to the date of this Announcement, the Board has not appointed an individual to the post of chief executive officer. The roles of the chief executive officer have been performed collectively by all the executive directors, including the chairman of the Company. The Board considers that this arrangement allows contributions from all executive directors with different expertise and is beneficial to the continuity of the Company's policies and strategies.

AUDIT COMMITTEE

The Audit Committee has reviewed the Group's unaudited interim results for the six months ended 30 June 2009.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries to all Directors, all Directors confirmed that they have complied with the requirements set out under the Model Code for the six months ended 30 June 2009.

CLOSURE OF REGISTER OF MEMBERS

The Board has resolved to pay an interim dividend of HK3.0 cents per share. The interim dividend will be distributed on or about 8 October 2009 to shareholders whose names appear on the Register of Members of the Company as at the close of business on 24 September 2009. The register of members of the Company will be closed from Friday, 25 September 2009 to Wednesday, 30 September 2009, both dates inclusive. In order to qualify for the interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 24 September 2009.

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

The Board has noted that there were increases in the price and trading volume of the shares of the Company today and wishes to state that the Board is not aware of any reasons for such increases saved as the release of this results announcement.

SUSPENSION AND RESUMPTION OF TRADING

Pending the release of this announcement, trading in the shares of the Company on the Stock Exchange was suspended with effect from 2:30 p.m. on 3 September 2009 at the request of the Company. An application has been made by the Company to the Stock Exchange for resumption of trading in the shares of the Company with effect from 9:30 a.m. on 4 September 2009.

On behalf of the Board
Ming Fai International Holdings Limited
CHING Chi Fai
Chairman

Hong Kong, 3 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.

* *For identification only*