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)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

The board of directors (the "Board") of Ming Fai International Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2007 as follows:

CONSOLIDATED INCOME STATEMENT

		For the year ended 31 December	
		2007	2006
	Note	***HK$'000***	*HK$'000*
Revenue	*3*	**846,017**	687,406
Cost of sales	*4*	**(587,589)**	(492,100)
Gross profit		**258,428**	195,306
Distribution costs	*4*	**(58,965)**	(44,063)
Administrative expenses	*4*	**(47,827)**	(40,056)
Other income		**6,092**	1,617
Operating profit		**157,728**	112,804
Finance costs		**(1,721)**	(1,756)
Share of profit of an associated company		**35**	12
Profit before income tax		**156,042**	111,060
Income tax expenses	*5*	**(30,110)**	(18,706)
Profit for the year attributable to equity holders of the Company		**125,932**	92,354
Earnings per share attributable to equity holders of the Company (Expressed in HK$)			
– Basic	*11*	**0.27**	0.21
– Diluted	*11*	**0.27**	0.21
Dividends	*12*	**50,400**	49,000

* *For identification only*

CONSOLIDATED BALANCE SHEET

	Note	As at 31 December **2007** *HK$'000*	2006 *HK$'000*
ASSETS			
Non-current assets			
Leasehold land and land use rights		**13,568**	7,605
Property, plant and equipment		**126,798**	108,834
Intangible assets		**627**	731
Investment in an associated company		**155**	120
Deferred income tax assets		**5,276**	2,800
		146,424	120,090
Current assets			
Inventories		**54,379**	55,829
Trade and bills receivables	*6*	**162,059**	158,636
Amount due from an associated company		**346**	484
Deposits, prepayments and other receivables		**18,553**	11,597
Restricted cash	*7a*	**32,526**	16,095
Cash and cash equivalents	*7b*	**535,024**	42,869
		802,887	285,510
Total assets		**949,311**	405,600
EQUITY			
Capital and reserve attributable to the equity holders of the Company			
Share capital	*8*	**6,000**	4,500
Share premium	*8*	**408,242**	–
Reserves	*8*	**241,524**	160,056
Proposed final dividend	*12*	**50,400**	–
Total equity		**706,166**	164,556
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**322**	345
		322	345
Current liabilities			
Trade and bills payables	*9*	**93,772**	81,909
Accruals and other payables		**74,802**	42,614
Amounts due to shareholders		–	32,686
Amounts due to related parties		–	34,994
Current income tax liabilities		**22,057**	16,474
Borrowings	*10*	**52,192**	8,022
Dividends payable		–	24,000
		242,823	240,699
Total liabilities		**243,145**	241,044
Total equity and liabilities		**949,311**	405,600
Net current assets		**560,064**	44,811
Total assets less current liabilities		**706,488**	164,901

Notes:

1 General Information and Reorganisation

The Company was incorporated in the Cayman Islands on 29 May 2007 as an exempted company with limited liability under the Companies Law (2007 Revision) of the Cayman Islands.

Pursuant to a group reorganisation, which was completed on 5 October 2007 (the "Reorganisation"), the Company became the holding company of the subsidiaries comprising the Group. The shares of the Company were listed on the Main Board of the Stock Exchange of Hong Kong (the "Stock Exchange") on 2 November 2007 (the "Listing Date"). Further details on the Reorganisation are set out in the prospectus of the Company dated 22 October 2007.

The Reorganisation has been reflected in the consolidated financial statements by regarding the Group comprising the Company and its subsidiaries as a continuing entity. Accordingly, the consolidated financial statements for the year ended 31 December 2006 has been prepared using the merger basis of accounting. The consolidated results and cash flows include the results and cash flows of the subsidiaries comprising the Group as if the current group structure had been in existence throughout the periods presented or since their respective dates of incorporation or acquisition. The consolidated balance sheet as at 31 December 2006 was prepared to present the financial position of the Group as if the current group structure had been in existence as at 31 December 2006.

The Company is an investment holding company. Its subsidiaries are principally engaged in the manufacturing and sales of amenity products and accessories. Its registered address is at the office of M&C Corporate Services Limited, P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands.

These consolidated financial statements are presented in thousands of units of HK dollars (HK$'000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 29 February 2008.

2 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS). The consolidated financial statements have been prepared under the historical cost convention.

Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued the following new/revised standards and interpretations that are not yet effective and have not been early adopted by the Group. The Group has considered the potential effect of these standards and interpretations.

- HK(IFRIC)-Int 11, "HKFRS 2 – Group and Treasury Share Transactions", effective for annual periods beginning on or after 1 March 2007. This interpretation clarifies that certain types of transactions are accounted for as equity-settled or cash-settled transactions under HKFRS 2. The Group has already commenced the assessment of the impact of this new interpretation, but is not yet in a position to state whether this new interpretation would have a significant impact on its results of operations and financial position.

- HK(IFRIC)-Int 12, "Service Concession Arrangements", effective for annual periods beginning on or after 1 January 2008. Management does not expect the adoption of this interpretation to be relevant for the Group.

- HK(IFRIC)-Int 13, "Customer Loyalty Programmes", effective for annual periods beginning on or after 1 July 2008. Management does not expect the adoption of this interpretation to be relevant for the Group.

- HK(IFRIC)-Int 14 "HKAS19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction", effective for annual periods beginning on or after 1 January 2008. Management does not expect the adoption of this interpretation to be relevant for the Group.

- HKFRS 8, "Operating Segments", effective for annual periods beginning on or after 1 January 2009. Under HKFRS 8, segments are components of an entity regularly reviewed by an entity's chief operating decision-maker. Items are reported in the segmental analysis based on the internal reporting. This standard does not have significant impact on the results of operations of the Group.

- HKAS23 (Revised), "Borrowing Cost", effective for annual periods beginning on or after 1 January 2009. Management is in the process of assessing the impact of this amendment.

- HKAS1 (Revised), "Presentation of Financial Statements", effective for annual periods beginning on or after 1 January 2009. Management is in the process of assessing the impact of this amendment.

3 Revenue and segment information

(a) Primary reporting format – business segments

No business segment information of the Group is presented as the Group's revenue, expenses, assets and liabilities and capital expenditures are primarily attributable to the manufacture and sales of amenity products.

(b) Secondary reporting format – geographical segments

The Group primarily operates in Hong Kong and the People's Republic of China ("PRC"). The Group's turnover by geographical location is determined by the country in which the customer is located.

	For the year ended 31 December	
	2007	2006
	HK$'000	*HK$'000*
Turnover:		
North America	**347,231**	263,897
Europe	**189,005**	170,794
PRC	**113,714**	90,310
Hong Kong	**98,172**	75,327
Other Asia Pacific countries[1]	**75,187**	71,815
Others[2]	**22,708**	15,263
	846,017	687,406

Notes:

1. Other Asia Pacific countries mainly include Japan, United Arab Emirates, Thailand, Philippines, Malaysia and Singapore.

2. Others mainly include South Africa, Egypt, Morocco and Nigeria.

Total assets are allocated based on where the assets are located.

Segment assets consist primarily of property, plant and equipment, leasehold land and land use rights, intangible assets, deferred income tax assets, inventories, receivables, operating cash and restricted cash.

	As at 31 December	
	2007	2006
	HK$'000	*HK$'000*
Total assets:		
Hong Kong	**587,255**	93,858
PRC	**353,078**	297,610
Other Asia Pacific countries	**8,978**	14,132
	949,311	405,600

Capital expenditure is allocated based on where the assets are located.

Capital expenditure comprises mainly additions to property, plant and equipment, leasehold land and land use rights and intangible assets.

	For the year ended 31 December	
	2007	2006
	HK$'000	*HK$'000*
Capital expenditure:		
Hong Kong	**9,355**	124
PRC	**24,516**	23,122
Singapore	**11**	538
	33,882	23,784

4 Expenses by nature

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

	2007	2006
	HK$'000	*HK$'000*
Changes in inventories	**434,041**	362,245
Auditors' remuneration	**1,483**	152
Amortisation of leasehold land and land use rights	**267**	928
Depreciation of property, plant and equipment	**17,739**	17,026
Amortisation of intangible assets	**104**	104
Operating lease rental in respect of buildings	**2,137**	1,328
(Write-back of)/Provision for obsolete inventories	**(1,169)**	3,030
Provision for impairment of trade and bills receivables	**1,186**	1,459
Employee benefit expenses	**119,860**	99,761
Transportation expenses	**27,677**	20,815
Exchange losses	**5,664**	4,786
Advertising costs	**1,746**	1,704
Loss/(gain) on disposal of property, plant and equipment	**59**	(36)

5 Income tax expenses

The amount of income tax expenses charged to the consolidated income statement represents:

	2007	2006
	HK$'000	*HK$'000*
Current income tax:		
– Hong Kong profits tax	**31,407**	13,765
– PRC enterprise income tax	**91**	5,358
– Singapore income tax	**810**	475
	32,308	19,598
Deferred income tax	**(2,198)**	(892)
	30,110	18,706

Taxation has been provided at the appropriate rates prevailing in the countries in which the Group operates. Hong Kong profits tax has been provided at the rate of 17.5% on the estimated assessable profit for the year ended 31 December 2007.

Pursuant to the Income Tax Law for Foreign Invested Enterprises and Foreign Owned Enterprise, Ming Fai Enterprise Industrial (Shenzhen) Company Limited is eligible to enjoy a preferential enterprise income tax rate of 15%. Ming Fai Enterprise Industrial (Shenzhen) Company Limited is entitled to a further tax rate reduction to 10% should its export sales exceed 70% of its revenue. As at the date of this announcement, since Ming Fai Enterprise Industrial (Shenzhen) Company Limited has not yet obtained all the necessary approval from the relevant government bodies on the afore-mentioned tax benefits, the applicable enterprise income tax rate of Ming Fai Enterprise Industrial (Shenzhen) Company Limited remains at 15%.

The applicable enterprise income tax rate of Luoding Quality Amenities Supply Limited is 33%. Luoding Quality Amenities Supply Limited is eligible for enterprise income tax exemption for two years starting from 2008, followed by a 50% reduction in enterprise income tax rate in the next three years. Luoding Quality Amenities Supply Limited was in a net loss position for the years ended 31 December 2006 and 2007.

Corporate tax in Singapore has been provided at the rate of 18% (2006: 20%) on the estimated assessable profit for the year ended 31 December 2007.

6 Trade and bills receivables

	2007	2006
	HK$'000	*HK$'000*
Trade receivables	**154,447**	150,628
Bills receivables	**11,808**	11,018
	166,255	161,646
Less: provision for impairment of receivables	**(4,196)**	(3,010)
Trade and bills receivables, net	**162,059**	158,636

Ageing analysis of trade and bills receivables as at 31 December 2007 is as follows:

	2007	2006
	HK$'000	*HK$'000*
Current	**93,296**	85,597
1-30 days	**40,681**	44,847
31-60 days	**17,927**	17,389
61-90 days	**6,538**	7,528
91-180 days	**3,983**	2,726
Over 180 days	**3,830**	3,559
	166,255	161,646

The credit period granted by the Group ranges from 30 to 120 days.

7a Restricted cash

	2007	2006
	HK$'000	*HK$'000*
Restricted cash	**32,526**	16,095

Restricted cash as at 31 December 2006 represents mandatory reserve deposit placed in banks as pledges against facilities granted.

The RMB denominated balances as at 31 December 2007 represent fixed terms deposits placed in a commercial bank in the PRC by one of the subsidiaries of the Group, as pledged against the US$ denominated loans drawn from the bank. Please refer to Note 10 "Borrowings" for further details of the arrangement.

7b Cash and cash equivalents

	Group 2007	Group 2006
	2007	2006
	HK$'000	*HK$'000*
Cash at banks and on hand	**122,888**	31,477
Bank deposit	**412,136**	11,392
	535,024	42,869

The Group's cash and bank balances denominated in RMB are deposited with banks in the PRC. The conversion of these RMB denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

8 Statement of changes in equity

	Attributable to equity holders of the Company						
	Share capital	**Share premium**	**Merger reserve**	**Statutory reserves**	**Exchange reserves**	**Retained earnings**	**Total**
			Note (a)	*Note (b)*			
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 January 2006	4,500	–	56,500	–	(495)	53,503	114,008
Profit for the year	–	–	–	–	–	92,354	92,354
Profit appropriation to statutory reserves	–	–	–	2,101	–	(2,101)	–
Currency translation differences	–	–	–	–	2,194	–	2,194
Dividends *(Note 12)*	–	–	–	–	–	(49,000)	(49,000)
Issuance of new shares of a company comprising the Group	–	–	5,000	–	–	–	5,000
Balance at 31 December 2006	4,500	–	61,500	2,101	1,699	94,756	164,556
Balance at 1 January 2007 as per above	4,500	–	61,500	2,101	1,699	94,756	164,556
Profit for the year	–	–	–	–	–	125,932	125,932
Currency translation differences	–	–	–	–	5,926	–	5,926
Issuance of new shares of companies comprising the Group	–	–	10	–	–	–	10
Issue of ordinary shares, net of issuing expense of approximately HK$37,258,000 *(Note c)*	1,500	408,242	–	–	–	–	409,742
Balance at 31 December 2007	6,000	408,242	61,510	2,101	7,625	220,688	706,166
Representing:							
Share capital and reserves	6,000	408,242	61,510	2,101	7,625	170,288	655,766
Proposed final dividend *(Note 12)*	–	–	–	–	–	50,400	50,400
Balance at 31 December 2007	6,000	408,242	61,510	2,101	7,625	220,688	706,166

(a) The merger reserve of the Group represents the difference between the nominal value of the share capital and share premium of the subsidiaries acquired pursuant to the Reorganisation and the nominal value of the share capital of the Company issued in exchange thereof.

(b) Under the relevant PRC laws and regulations, PRC companies are required to allocate 10% of the companies' net profit to the fund until such fund reaches 50% of the companies' registered capital. The statutory reserve fund can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase registered capital of the companies, provided that such fund is maintained at a minimum of 25% of the companies' registered capital.

(c) On 2 November 2007, a total number of 150,000,000 shares were issued to the public at HK$2.98 per share for cash totaling approximately HK$447,000,000. The excess of the issue price over the par value of the shares, net of share issuing expenses of HK$37,258,000, was debited to the share premium accounts of the Company.

9 Trade and bills payables

The ageing analysis of trade and bills payables is as follows:

	2007	2006
	HK$'000	*HK$'000*
Current	**69,644**	58,791
1-30 days	**20,568**	20,804
31-60 days	**579**	1,680
61-90 days	**464**	200
Over 90 days	**2,517**	434
	93,772	81,909

10 Borrowings

	2007	2006
	HK$'000	*HK$'000*
Current		
Current portion of long-term bank loans	–	5,764
Short-term bank loans	**52,192**	2,258
Total bank borrowings	**52,192**	8,022
Representing:		
Unsecured	–	1,258
Secured	**52,192**	6,764
	52,192	8,022

As at 31 December 2007, borrowings drawn in the PRC were secured by the Group's leasehold land and land use rights with net carrying value of approximately HK$2,126,000 (2006: HK$2,019,000) and property, plant and equipment with net carrying value of approximately HK$28,463,000 (2006: HK$28,132,000). As at 31 December 2006, bank overdrafts and the remaining borrowings were secured by restricted cash (Note 7a).

On 11 September, 14 September and 13 December 2007, a subsidiary of the Group has entered into arrangements with a bank in the PRC. Under these arrangements, borrowings denominated in US$ of approximately US$1,019,000, US$1,108,000 and US$1,935,000, with maturities of 12 months, 12 months and 3 months, respectively, were drawn. Simultaneously, RMB equivalent amounts in the forms of fixed term deposits and having same maturities with the US$ loans, were placed with the bank. These RMB deposits were used to pledge against the loans. The parties have agreed to use the RMB deposits for repayment of the US$ loans at forward exchange rates specified in the arrangements upon maturities. Forward contracts are initially recognised at fair values at inception and are subsequently remeasured at their fair values. Changes in fair values of the forward contracts are recognised in the income statements.

11 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2007	2006
Profit attributable to equity holders of the Company *(HK$'000)*	**125,932**	92,354
Weighted average number of ordinary shares in issue *(thousands)*	**474,658**	450,000
Basic earnings per share *(HK$ per share)*	**0.27**	0.21

In determining the weighted average number of ordinary shares in issue, a total of 450,000,000 ordinary shares were deemed to be in issue since 1 January 2006.

(b) Diluted

Diluted earnings per share is the same as basic earnings per share as there were no potential dilutive ordinary shares outstanding during the years ended 31 December 2007 and 31 December 2006.

12 Dividends

A dividend in respect of the year ended 31 December 2007 of HK dollar of 0.084 per share, amounting to a total dividend of HK$50,400,000, is proposed on 29 February 2008, which is subject to approval at the Annual General Meeting to be held on 10 April 2008. These financial statements do not reflect this dividend payable.

		2007	2006
		HK$'000	*HK$'000*
(a)	Dividend attributable to the previous year, approved and paid by Ming Fai Asia Pacific Company Limited ("MFAP"), a wholly owned subsidiary of the Company, to its then shareholder during the year:		
	2005 final, paid, of HK$1 per ordinary shares *(Note i)*	**–**	10,000
(b)	Dividend attributable to the previous year, approved and paid by Ming Fai Enterprise International Company Limited ("MFEI"), a wholly owned subsidiary of the Company, to its then shareholder during the year:		
	2006 interim, paid, of HK$5,000,000 per ordinary shares *(Note ii)*	**–**	15,000
	2006 final, paid, of HK$8,000,000 per ordinary shares *(Note ii)*	**–**	24,000
(c)	Dividend declared by the Company:		
	Proposed final dividend of HK$0.084 per ordinary share *(Note iii)*	**50,400**	–
		50,400	49,000

Notes:

(i) The number of MFAP's shares in issue at the time of payment of the 2005 final dividend was 10,000,000 shares.

(ii) The number of MFEI's shares in issue at the time of payment of the 2006 interim and final dividend was 3 shares.

(iiii) At a meeting held on 29 February 2008, the Directors proposed a final dividend of HK$0.084 per ordinary shares. This proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

For the year ended 31 December 2007, our Group recorded a 23% year-on-year increase in consolidated turnover which amounted to HK$846.0 million (2006: HK$687.4 million), mainly due to strong performance in our key markets and product portfolio.

Profit attributable to equity holders of the Company for the year was HK$125.9 million representing a 36% growth over the HK$92.4 million for the last year. This was mainly due to both strong revenue growth and operating margin improvement.

The consolidated net asset value increased to HK$706.2 million as at 31 December 2007 from HK$164.6 million as at 31 December 2006.

The Board proposed to declare a final dividend of HK$0.084 per share for the year ended 31 December 2007 to shareholders of the Company whose names appear in the register of members of the Company on 2 April 2008.

Business Review

2007 was a remarkable year in the historical development of the Group. The Company was listed on the main board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 2 November 2007 and became the first stock with the concept of provision of quality amenity products and accessories to internationally recognised or branded operators in the hotel, hospitality and travel industries in Hong Kong's capital market. The international placement and Hong Kong public offering achieved outstanding results and was warmly welcomed by investors.

Despite the challenging and volatile market environment, the Group has successfully achieved and maintained respectable growth in profitability in 2007 on the back of expanding PRC hotel industry and gaining market share overseas. In addition, the Group has successfully secured the exclusive rights to distribute Molton Brown amenity products to the PRC hotels, with the commencement of the mass production of PSM (plastarch material composed of modified cornstarch combined with other biodegradable materials) products which enhance the Group's product portfolio. Following the launch of Molton Brown amenities in July 2007, the Group quickly received a number of new hotel contracts in Mainland China and there are more hotels and high end service apartments planning to use this luxury hotel amenities in near future.

In the past few months, the Group has secured new orders from 15 hotels or hotel groups. In February 2008, the Group signed a contract with Super 8 Hotels (China) Company Limited, allowing the Group to supply hotel amenities products to Super 8 Hotel in the whole China Region. Besides, the Group reached an agreement with Ascott International Management under which the Group will provide hotel amenities to Somerset and Citadines brands of Serviced Residences. At the same time, the Group also reached an agreement with Millennium Hotels and Copthorne Hotels for the provision of hotel amenities products worldwide. The Group will strive to secure more contracts.

Tourism and airline industry recorded steady growth over the past years. The Group has seized the opportunities to increase its market share as well as revenue, and expects this growth trend will be continued in the foreseeable future. The Group believes that the growth in tourism arrivals and receipts will directly lead to the rapid growth in both hotel and airline industries. In view of this, it is expected that the market demand for amenity products and accessories such as the Group's products will continue to grow steadily.

Recently, the Group and its products have received awards and recognition from various trade associations and government bodies. The key awards and recognition include "Global Hotel Five Star Golden Diamond Award – Top Ten Brand Suppliers in Chinese Hotel Industry 2007" granted by Global Hotel Development and Research Centre/International Media Information Group/International Financial Association/Travel Channel/Global Hotel Forum Organisation, and "China Best Small & Medium-sized Enterprises 2008 – ranked 35" granted by Forbes.

Prospects

The outlook for global demand of amenity products and accessories in the year ahead remains strongly positive. We believe that the rapid growth of the PRC economy together with the upcoming of the Olympic Games in Beijing in 2008, the World Exposition in Shanghai and the Asian Games in Guangzhou in 2010 will present us with attractive business opportunities in China in the coming years. China National Tourism Administration also expects international players and investors to build their presence in China, and 1,107 new high class hotels are anticipated to be established in the coming few years. Moreover, besides our principal production of customized products for luxurious and high ranking hotels and international airlines, we are actively exploring the market potentials of expansion into the mid-range and chain budget hotel market in the PRC through mass production and supply of standardised and uniform amenity products. We therefore expect that there will be substantial demand for our products in the foreseeable future. On top of these, the Group will continue to place emphasis on expanding its range of products offering and efficiency enhancement, so as to maximise returns of the shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2007, the Group's cash and cash equivalents totaled HK$535.0 million (2006: HK$42.9 million). Of the total borrowings (excluding amounts due to shareholders and related parties) of HK$52.2 million (2006: HK$8 million), approximately HK$20.4 million were loans secured by leasehold land and land use rights, property, plant and equipment located in the PRC, with the remaining balance secured by restricted cash. The borrowings of HK$52.2 million are repayable within one year.

The gearing ratio at 31 December 2007, calculated on the basis of borrowings (excluding amounts due to shareholders and related parties) over total equity, is 7.4% as compared with 4.9% at 31 December 2006.

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.

USE OF NET PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The Company was just listed on the Stock Exchange on 2 November 2007. The net proceeds from the Company's issue of new shares (after deducting the underwriting commission and estimated expenses payable by the Group in relation to the Listing of the Company) amounted to approximately HK$409.7 million, which are intended to be applied in accordance with the proposed applications set out in the section headed "Future plans and use of proceeds" contained in the Prospectus.

CHARGES ON GROUP ASSETS

As at 31 December 2007, borrowings drawn in the PRC were secured by the Group's leasehold land and land use rights with an aggregate carrying value of approximately HK$2,126,000 (2006: HK$2,019,000), and property, plant and equipment with an aggregate carrying value of approximately HK$28,463,000 (2006: HK$28,132,000), respectively. Bank overdrafts and the remaining borrowings were secured by restricted cash.

CAPITAL COMMITMENTS AND CONTIGENT LIABILITIES

As at 31 December 2007, the capital commitment of the Group was HK$1.75 million (2006: HK$0.25 million). As at the same date, the Group had no material contingent liabilities.

EMPLOYEES

As at 31 December 2007, the total number of employees of the Group was approximately 4,500. The Group offers a comprehensive remuneration policy which is reviewed by management on a regular basis. 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, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2007, other than the issue of additional 600 million new shares by the Company during the year (including 150 million Shares issued for the Company's listing of the Shares on the Main Board), neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Shares during the year. The Company has not redeemed any of the Shares during the year.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the applicable code provisions set out in the Code of Corporate Governance Practices (the "Code") contained in Appendix 14 to the Listing Rules for the period from the Listing Date to 31 December 2007 except for the following deviations:

1. code provision A.2.1. of the 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; and

2. since the Company was only listed on the main board of the Stock Exchange on 2 November 2007, no meeting of the Audit Committee and Remuneration Committee of the Board was held for the period from the Listing Date to 31 December 2007. Only 1 meeting for the Audit Committee and 1 meeting for the Remuneration Committee were held subsequent to 31 December 2007 and prior to the publishing of this report with the presence of all members of the respective committees.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers 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 period from the Listing Date to 31 December 2007.

AUDIT COMMITTEE

An audit committee was established by our Board on 21 September 2007 with written terms of reference in compliance with the Code. The Group's final results for the year ended 31 December 2007 have been reviewed by the members of the Audit Committee before submission to the Board for approval.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 3 April 2008 to Thursday, 10 April 2008 (both dates inclusive), during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and to attend and vote at the AGM, all transfers of shares 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 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 2 April 2008.

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

Hong Kong, 29 February 2008

As at the date of this announcement, the executive Directors are Mr. CHING Chi Fai, Mr. CHING Chau Chung, Mr. CHING Chi Keung, Mr. LIU Zigang, Mr. LEE King Hay, Ms. CHAN Yim Ching and Ms. CHAN Wing; the non-executive Director is Mr. NG Bo Kwong; 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.