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(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3828)

STRATEGIC COOPERATION AND PLACING OF NEW SHARES UNDER GENERAL MANDATE

Pursuant to Rules 13.09 and 13.28 of the Listing Rules, the Board is pleased to announce that on 4 December, 2012, the Company has entered into a Strategic Cooperation Agreement and a conditional Placing Agreement with American Hotel.

Strategic Cooperation

Pursuant to the Strategic Cooperation Agreement, the Company and American Hotel would cooperate strategically to develop new customers and new business opportunities in relation to the Business in the Territory, leveraging on the sales and distribution platform that the Company has in the Territory and the potential customers and business opportunities that American Hotel may provide from its existing business worldwide.

Placing

Under the Placing Agreement and subject to the satisfaction of the condition precedent contained in it, the Company has agreed to place and American Hotel has agreed to subscribe for 45,585,550 new Shares at the Placing Price of HK\$1.00 per Share.

The Placing Price represents a premium of approximately 16.28% to the closing price per Share of HK\$0.86 on 3 December 2012 (being the last trading day prior to the release of this announcement), a premium of approximately 30.21% to the average closing price per Share of approximately HK\$0.77 as quoted on the Stock Exchange for the last five trading days prior to the release of this announcement and a premium of approximately 36.24% to the average closing price per Share of approximately HK\$0.73 as quoted on the Stock Exchange for the last ten trading days prior to the release of this announcement.

As at the date of this announcement, the Placing Shares to be issued pursuant to the Placing represent approximately 7.00% of the existing issued share capital of the Company and approximately 6.54% of the issued share capital of the Company as enlarged by the Placing.

Completion of the Placing is conditional upon the Listing Committee granting approval of the listing of, and permission to deal in the Placing Shares. An application will be made to the Listing Committee for such approval and permission.

The gross proceeds and net proceeds from the Placing are estimated to be approximately HK\$45,585,550 and HK\$44,835,550, respectively, which will mainly be applied as the general working capital of the Group.

Pursuant to the termination provisions in the Placing Agreement, the Placee has the right in certain circumstances, after consultation with the Company, to terminate the Placing Agreement prior to the completion date of the Placing. Completion of the Placing is subject to the satisfaction of the condition precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

INTRODUCTION

Pursuant to Rules 13.09 and 13.28 of the Listing Rules, the Board is pleased to announce that, on 4 December 2012, the Company has entered into the Strategic Cooperation Agreement and the conditional Placing Agreement with American Hotel.

Pursuant to the Strategic Cooperation Agreement, the Company and American Hotel would cooperate strategically to develop new customers and new business opportunities in relation to the Business in the Territory, leveraging on the sales and distribution platform that the Company has in the Territory and the potential customers and business opportunities that American Hotel may provide from its existing business worldwide.

In conjunction with and at the same time as the entering into of the Strategic Cooperation Agreement, the Company has also entered into the conditional Placing Agreement pursuant to which, the Company has agreed to place and American Hotel has agreed to subscribe for 45,585,550 new Shares at the Placing Price of HK\$1.00 per Share.

INFORMATION ABOUT AMERICAN HOTEL (THE PLACEE)

American Hotel is a global supplier to the hotel and hospitality industries. Based in Vernon Hills in the State of Illinois, United States and founded since 1865, American Hotel provides full sourcing and supply services to its customers in the hotel and hospitality industries worldwide including North America, South America, Europe, the Middle East and Africa. American Hotel offers a wide range of products to its customers including operating supplies and equipment and furniture, fixtures and equipment. Its customers include various internationally recognized multi-national hotel chains, governments and healthcare customers.

STRATEGIC COOPERATION AGREEMENT

1. Date

4 December, 2012

2. Parties

- (a) the Company; and
- (b) American Hotel

3. Term

Subject to the termination provisions contained in the Strategic Cooperation Agreement, the initial term of the Strategic Cooperation will be five years commencing from the completion date of the Placing and will automatically be renewed for successive three year periods, unless either the Company or American Hotel gives written notice of non-renewal to the other party of at least 12 months prior to the renewal date.

4. Strategic Cooperation

The Company and American Hotel will cooperate strategically to develop new relations and new business opportunities in relation to the Business in the Territory, leveraging on the sales and distribution platform that the Company has in the Territory and the potential customers and business opportunities that American Hotel may provide from its existing business worldwide.

Pursuant to the Strategic Cooperation, American Hotel will use its commercially reasonable efforts to:

- (a) introduce to the Company American Hotel's customers and contacts outside the Territory with a view of cultivating them to become customers of the Business;
- (b) to the extent possible, designate the Company as its preferred manufacturer of hotel amenity products outside of the Territory; and
- (c) assist the Business in procuring additional hotel distribution business opportunities within the Territory.

Pursuant to the Strategic Cooperation, the Company will use its commercially reasonable efforts to:

- (a) service, to the extent possible, the needs of American Hotel's customers and contacts in the event they engage the Company in respect of the Business; and

- (b) develop and expand the Business by (i) utilizing its local knowledge and reputation and (ii) leveraging and expanding its (A) distribution and logistics infrastructure and (B) sales and service relationships in the Territory.

5. Non-compete obligations

During the term of the Strategic Cooperation, each of American Hotel and the Company has agreed not, and will not permit their respective employees, representatives or agents, to be materially concerned with, engaged or interested in any business in any manner, directly or indirectly, which is in competition with the Business within the Territory.

For a period of 12 months following the expiration or termination of the Strategic Cooperation Agreement:

- (a) American Hotel agrees not to service any existing customers of the Company in the Territory except for American Hotel's global corporate customers or multi-national hotel chains and/or management group of multi-national hotel chains for which it has entered into service contract ("**American Hotel Multi-National Customer**").
- (b) the Company agrees not to service any American Hotel Multi-National Customer in the Territory except those who were already existing customers of the Company as of the completion date of the Placing.

PLACING AGREEMENT

1. Date

4 December 2012

2. Parties

- (a) The Company; and
- (b) the Placee.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Placee and its ultimate beneficial owner(s) are independent of the Company and its connected persons. As at the date of this announcement, the Placee does not have any interest in Shares.

3. Placing Shares

The Placee will subscribe for 45,585,550 Placing Shares, representing approximately 7.00% of the existing issued share capital of the Company and approximately 6.54% of the issued share capital of the Company as enlarged by the Placing, at the Placing Price.

4. Placing Price

The Placing Price of HK\$1.00 per Placing Share was arrived at after arm's length negotiation between the Company and the Placee. After deducting the costs and expenses in connection with the Placing, the net price per Placing Share under the Placing will be approximately HK\$0.99.

The Placing Price represents a premium of approximately 16.28% to the closing price per Share of HK\$0.86 on 3 December 2012 (the last trading day prior to the release of this announcement), a premium of approximately 30.21% to the average closing price per Share of approximately HK\$0.77 as quoted on the Stock Exchange for the last five trading days prior to the release of this announcement and a premium of approximately 36.24% to the average closing price per Share of approximately HK\$0.73 as quoted on the Stock Exchange for the last ten trading days prior to the release of this announcement.

The Placing Price was determined after arm's length negotiation between the Company and the Placee which have taken into account recent market price of the Shares as mentioned above and the current market conditions, and the Directors (including the independent non-executive Directors) consider that the Placing Price to be fair and reasonable and is in the best interest of the Company and Shareholders.

5. Ranking of the Placing Shares

The 45,585,550 Placing Shares to be issued pursuant to the Placing, when issued and fully paid, will rank equally with the existing Shares in issue as at the date of issuance of the Placing Shares including the right to receive all future dividends and distributions which may be declared, made or paid.

6. Issuance of Placing Shares under General Mandate

The 45,585,550 Placing Shares to be issued under the Placing will be allotted and issued pursuant to the General Mandate under which, the Company is authorized to issue up to 133,877,458 new Shares. The Company has not issued any Shares pursuant to the General Mandate so far. Accordingly, the issue of the Placing Shares is not subject to Shareholders' approval. An application will be made to the Listing Committee for the approval of the listing of, and permission to deal in, the Placing Shares to be issued pursuant to the Placing.

7. Condition of the Placing

Completion of the Placing is conditional upon the Listing Committee granting the approval of the listing of, and permission to deal in, the Placing Shares to be issued pursuant to the Placing.

In the event that the condition of the Placing is not fulfilled in full by 31 December 2012 (or such later date as the Company and the Placee may agree), all rights, obligations and liabilities of the Company and the Placee under the Placing Agreement shall cease and neither party shall have any claim against the other in respect thereof save for any antecedent breach of the terms hereof.

8. Termination and force majeure events

The Placing Agreement may, after consultation with the Company, be terminated by the Placee, without liability, if at any time prior to 9:00 a.m. (Hong Kong time) on the date of completion for the Placing Agreement:

- (i) there develops, occurs or comes into force:
 - (a) any event, or series of events beyond the reasonable control of the Placee (including, without limitation, any calamity, act of government, strike, labour dispute, lock-out, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak of infectious disease, outbreak or escalation of hostilities, act of terrorism and act of God) involving Hong Kong, the PRC, or the United States, or the declaration by Hong Kong, the PRC or the United States of war or a state of emergency or calamity or crisis; or
 - (b) a Material Adverse Market Condition in securities market or currency exchange rates of Hong Kong, the PRC and the United States; or
 - (c) any suspension of dealings in the Shares during the period commencing from the execution of the Placing Agreement and terminating at 8:00 a.m. (Hong Kong time) on the completion date of the Placing whatsoever (other than as a result of the Placing); or
 - (d) any moratorium, suspension, restriction or limitation on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, NYSE Amex Equities, the Shanghai Stock Exchange or the Shenzhen Stock Exchange for a period of more than three (3) Business Days due to exceptional financial circumstances at any time prior to the completion date of the Placing.
- (ii) (a) any material breach of any of the representations, warranties and undertakings by the Company set out in the Placing Agreement (or, in the case of any such representations, warranties and undertakings which are qualified by materiality, any breach of any of such representations, warranties and undertakings) comes to the knowledge of the Placee; (b) there has been a breach of, or failure to perform, any other provision of the Placing Agreement in any material respect on the part of the Company.

9. Completion of the Placing

Completion of the Placing shall take place on the third (3rd) Business Day after the date upon which the condition under the Placing Agreement shall have been satisfied or such other time and/or date as the Company and the Placee may agree in writing.

10. Fund raising activities in the past twelve months

The Company has not carried out other equity fund raising activities during the 12 months immediately preceding the date of this announcement.

11. Effect on the shareholdings following completion of the Placing

Assuming no Shares will be issued pursuant to the Share Option Scheme adopted by the Company on 5 October 2007 or repurchased between the date of this announcement and the completion of the Placing, the shareholdings in the Company before and after the completion of the Placing is summarized as follows:

<u>Shareholders</u>	<u>Immediately before the Placing</u>	<u>Immediately after the completion of the Placing</u>
Prosper Well Concert Group		
Mr. Ching Chi Fai and Ms. Lo Kit Ling (<i>Note 1</i>)	10,114,000 Shares (approx. 1.55%)	10,114,000 Shares (approx. 1.45%)
Prosper Well International Limited (<i>Note 2</i>)	165,166,600 Shares (approx. 25.36%)	165,166,600 Shares (approx. 23.70%)
Targetwise Trading Limited (<i>Note 3</i>)	32,499,600 Shares (approx. 4.99%)	32,499,600 Shares (approx. 4.66%)
Other concert parties (<i>Note 4</i>)	3,682,000 Shares (approx. 0.57%)	3,682,000 Shares (approx. 0.54%)
Sub-total	211,462,200 Shares (approx. 32.47%)	211,462,200 Shares (approx. 30.35%)
Public Shareholders		
Placee	–	45,585,550 Shares (approx. 6.54%)
Other Public Shareholders	439,759,947 Shares (approx. 67.53%)	439,759,947 Shares (approx. 63.11%)
Total	651,222,147 Shares (100%)	696,807,697 Shares (100%)

Note:

- 10,114,000 Shares are held by Mr. Ching Chi Fai (the chairman and an executive Director) as beneficial owner in his own capacity. Ms. Lo Kit Ling is Mr. Ching Chi Fai's spouse and is deemed interested in the Shares in which Mr. Ching Chi Fai is interested in.*
- Prosper Well International Limited is wholly-owned by Mr. Ching Chi Fai. As such, Mr. Ching Chi Fai is deemed interested in 165,166,600 Shares, and in aggregate interested in 175,280,600 Shares.*

3. *The 32,499,600 Shares are held by Targetwise Trading Limited, which is owned as to 50% by Mr. Ching Chi Keung, an executive Director and 50% by Ms. Chan Yim Ching, an executive Director. Ms. Po Fung Kiu is the spouse of Mr. Ching Chi Keung. As such, she is deemed interested in the Shares interested by Mr. Ching Chi Keung through Targetwise Trading Limited. Mr. Lee King Keung is the spouse of Ms. Chan Yim Ching. As such, he is deemed interested in the Shares interested by Ms. Chan Yim Ching through Targetwise Trading Limited. Mr. Lee King Keung is interested in 194,000 Shares and also interested in 194,000 share options and upon exercised, will entitle him additional 194,000 Shares, as such, Ms. Chan Yim Ching is also deemed interested in those shares upon exercised.*
4. *3,682,000 Shares are held as to 3,100,000 Shares by Mr. Ching Tsun Wah, a son of Mr. Ching Chi Fai, as to 580,000 Shares by Ms. Ching Mei Lin, a younger sister of Mr. Ching Chi Fai and as to 2,000 Shares by Ms. Wong King Kam, mother of Ms. Chan Yim Ching. Mr. Ching Tsun Wah is also interested in 775,000 share options and upon exercised, will entitle him additional 775,000 Shares. Ms. Ching Mei Lin is also interested in 100,000 share options and upon exercised, will entitle her additional 100,000 Shares.*

12. Use of proceeds

The gross proceeds and net proceeds from the Placing are estimated to be approximately HK\$45,585,550 and HK\$44,835,550, respectively, which will mainly be applied as the general working capital of the Group.

13. Appointment of non-executive Director

Following completion of the Placing, the Company shall appoint one person nominated by the Placee as non-executive Director to the Board.

14. Undertaking by the Company

The Company has undertaken to the Placee that, except for the transaction contemplated in the Placing Agreement, for a period from the date of the Placing Agreement to 180 days after completion of the Placing, neither the Company nor any person acting on its behalf will (i) allot or issue; (ii) offer to allot or issue; or (iii) grant any option, right or warrant to subscribe for any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for any Shares or any interest in any Shares except for:

- (a) issue of Shares pursuant to the exercise of any options which have been or may be granted under the existing share option scheme of the Company or the issue of any options under such scheme; or
- (b) payment of any scrip dividend to all Shareholders on a pro rata basis or the adoption and implementation of similar schemes after completion of the Placing; or
- (c) the issue of bonus Shares or bonus warrants (and the issue of Shares upon exercise of such warrants) which are offered to all Shareholders on a pro rata basis after completion of the Placing.

Pursuant to the termination provision in the Placing Agreement, the Placee has the right in certain circumstances, after consultation with the Company, to terminate the Placing Agreement prior to the completion date of the Placing. Completion of the Placing is subject to the satisfaction of the condition precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR AND BENEFIT OF THE STRATEGIC COOPERATION AND THE PLACING

The Group is principally engaged in the manufacturing and distribution of quality amenity products and accessories to internationally recognized or branded operators in the hotel, hospitality and travel industries mainly in the PRC and Asia Pacific Region. American Hotel is a global supplier to the hotel and hospitality industries worldwide. It offers a wide variety of products (including but not limited to amenity products and accessories) that operators in the hotel and hospitality industries require. Its customers include internationally recognized multi-national hotel chains.

By leveraging on the global customer base of American Hotel and the sales and distribution platform that the Group has in Asia Pacific, the Board believes synergies can be achieved for both parties. Under the Strategic Cooperation, the Group can seek to grow its hotel supplies manufacturing and supply business by providing services in the Territory to those global and multinational customers of American Hotel who are not yet customers of the Group. Similarly, the Strategic Cooperation also enables American Hotel to better service its global multi-national customers in the Territory by leveraging on the Group's sales and distribution network.

In conjunction with the Strategic Cooperation, the Board considers that the entering into of the Placing will further strengthen the cooperation through the alignment of economic interest of both parties by having American Hotel as a Shareholder. In addition, it also represents an ideal opportunity for the Company to raise additional capital for its future business development and enhance its capital base; as well as bringing to the Group an experienced market player in the hotel, hospitality and travel industries which can provide industry support.

DEFINITIONS

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

“American Hotel”	American Hotel Register Company, a company organized and is existing under the laws of the State of Illinois, United States
“associate”	has the meaning ascribed to it under the Listing Rules
“Business”	the servicing of American Hotel's global corporate customers in the Territory with respect to hotel supplies and the development of the Company's hotel supplies distribution business in the Territory

“Board”	the board of directors of the Company
“Business Day”	means a day on which banks in Hong Kong are open for business (excluding Saturdays)
“Company”	Ming Fai International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning as defined in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by a resolution of the shareholders passed at the annual general meeting of the Company held on 24 May 2012
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	has the meaning ascribed to such term in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Material Adverse Market Condition”	the occurrence of a situation where the relevant equities market index or exchange rate shall have dropped for 20% or more in aggregate at any time during the Placing Period or if the Placing Period exceeds five (5) Business Days, a period of five (5) Business Days immediately prior to the date of termination notice to be given by the Placee to the Company
“Placee”	American Hotel
“Placing”	placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agreement”	the placing agreement entered into between the Company and the Placee dated 4 December 2012 in relation to the Placing
“Placing Period”	the period commencing from the execution of the Placing Agreement and terminating at 8:00 a.m. (Hong Kong time) on the date of completion of the Placing

“Placing Price”	subscription price payable for the Placing Shares at HK\$1.00 per Share
“Placing Shares”	45,585,550 new Shares for the Placing
“PRC”	The People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Cooperation”	the strategic cooperation arrangements contemplated under the Strategic Cooperation Agreement
“Strategic Cooperation Agreement”	the strategic cooperation agreement entered into between the Company and American Hotel on 4 December 2012
“Territory”	approximately 60 countries and territories in Asia Pacific including, among others, Australia, the PRC, Hong Kong, Taiwan, Japan, South Korea, Indonesia, the Philippines, Thailand, Malaysia, Vietnam and India
“United States”	United States of America
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 4 December 2012

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 Director is Mr. NG Bo Kwong; and the independent non-executive Directors are Mr. SUN Kai Lit Cliff, Mr. HUNG Kam Hung Allan and Mr. MA Chun Fung Horace.

* *For identification purpose only*