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**(1) ENTERING INTO OF THE NEW SHAREHOLDERS' AGREEMENT  
AND THE NEW POA;  
AND  
(2) GRANT OF WAIVERS FROM STRICT COMPLIANCE WITH  
RULES 14A.52 AND 14A.53 OF THE LISTING RULES**

**ENTERING INTO OF THE NEW SHAREHOLDERS' AGREEMENT AND THE NEW POA**

References are made to the Announcements in relation to, among other things, the entering into of the Existing Structured Documents. Unless otherwise specified, capitalised terms used herein shall have the same meanings as defined in the Announcements.

As the term of the Existing Shareholders' Agreement will expire on 15 June 2024, the Board announces that on 22 May 2024, the Purchaser and Mr. Ching TW entered into (i) the New Shareholders' Agreement and (ii) the New POA to make amendments consequential to the entering into of the New Shareholders' Agreement. Save for the New Shareholders' Agreement and the New POA, all other terms and conditions of the New Structured Documents shall remain unchanged.

**GRANT OF WAIVERS FROM STRICT COMPLIANCE WITH RULES 14A.52 AND 14A.53 OF THE LISTING RULES**

Pursuant to the Listing Rules, the New Structured Documents constitute a connected transaction and continuing connected transaction of the Company, respectively, under Chapter 14A of the Listing Rules. As such, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted on 13 May 2024, the waivers from strict compliance with the requirement of (i) setting a fixed term for the New Structured Documents under Rule 14A.52 of the Listing Rules; and (ii) setting an annual cap for the transactions under the New Structured Documents under Rule 14A.53 of the Listing Rules, subject to the conditions detailed below.

\* *For identification purpose only*

## **ENTERING INTO OF THE NEW SHAREHOLDERS' AGREEMENT AND THE NEW POA**

References are made to the Announcements in relation to, among other things, the entering into of the Existing Structured Documents. Unless otherwise specified, capitalised terms used herein shall have the same meanings as defined in the Announcements.

As set out in the 2021 Announcement, the Existing Shareholders' Agreement has a term of three years commencing from the date of the Existing Shareholders' Agreement (i.e. 16 June 2021) and may be renewed by writing every three years, subject to the compliance of the Listing Rules.

As the term of the Existing Shareholders' Agreement will expire on 15 June 2024, the Board announces that on 22 May 2024, the Purchaser and Mr. Ching TW entered into (i) the New Shareholders' Agreement and (ii) the New POA to make amendments consequential to the entering into of the New Shareholders' Agreement.

### **(1) New Shareholders' Agreement**

The summary of the principal terms of the New Shareholders' Agreement is set forth below:

Date	:	22 May 2024
Parties	:	(i) The Purchaser; and (ii) Mr. Ching TW
Term	:	The term of the New Shareholders' Agreement is indefinite, however, the term may be modified or terminated in writing upon the parties' agreement, provided that such modification or termination complies with the Listing Rules.
Major terms	:	The Purchaser and Mr. Ching TW agreed on the rights and obligations of them as shareholders of the Landholding Company and also, restrictions against Mr. Ching TW with respect of, among other things, the disposal of the Relevant Shares, distribution of dividends and management and operation of the Landholding Company, to parties other than the Purchaser or to any other person to be designated by the Purchaser.

If there are any dividends, profits, benefits or interests declared in relation to the interests of Mr. Ching TW as a shareholder in the Landholding Company, he can only transfer and assign these interests to the Purchaser or to any other person to be designated by the Purchaser, and ultimately, the Company. The New Shareholders' Agreement shall replace and supersede the Existing Shareholders' Agreement upon signing of the New Shareholders' Agreement.

## (2) New POA

The summary of the principal terms of the New POA is set forth below:

Date	:	22 May 2024
Parties	:	(i) Mr. Ching TW;  (ii) the Landholding Company; and  (iii) the Company
Term	:	For one year from the date of the New POA and can be renewed automatically.
Major terms	:	Mr. Ching TW has granted a general and irrevocable power of attorney and proxy to the Directors and their successors (including a liquidator replacing the Directors) (the “ <b>Attorneys</b> ”) or its appointees over all business activities concerning and his right to vote as the ultimate shareholder of the Landholding Company and has given the Attorneys or its appointees the authority and rights to vote as his proxy at any shareholders’ meeting and board meeting to deal with all aspects of the management and operations of the Landholding Company including, but not limited to, the disposition or acquisition of assets, appointment of officers and employees, day-to-day business decisions, maintenance of records, declaration of profits, signing minutes, filing documents with the relevant companies registry, and other issues concerning the Landholding Company which are allowable by laws in force, and, for and on behalf of the Purchaser and as the Purchaser’s designated person, to collect all dividends or profit declared to him as a shareholder of the Landholding Company, which are to be transferred and assigned only to the Purchaser pursuant to the New Shareholders’ Agreement. The New POA shall replace and supersede the Existing POA upon signing of the New POA.

Save for the New Shareholders’ Agreement and the New POA, all other terms and conditions of the New Structured Documents shall remain unchanged, valid and in force. For details of (i) the terms and conditions of the other New Structured Documents (excluding the New Shareholders’ Agreement and the New POA); (ii) arrangements to protect the Company’s interest in the event of death, bankruptcy or loss of capacity of Mr. Ching TW; (iii) arrangements to address potential conflict of interests between the Company and Mr. Ching TW; (iv) the corporate structure table of the New VIE Structure; and (v) risks and limitations relating to the New VIE Structure, please refer to the 2021 Announcement.

## **EFFECT AND LEGALITY OF THE NEW STRUCTURED DOCUMENTS**

After execution of the New Structured Documents, the financial results of the Landholding Company will continue to be accounted for and consolidated into the Group's consolidated accounts.

The Cambodia legal advisers to the Company have confirmed that the arrangement contemplated by the New Structured Documents (i) does not and would not violate the foreign land ownership restrictions in Cambodia; (ii) does not and would not constitute a breach to the laws and regulations of Cambodia which prohibit foreign companies to directly or indirectly own land; and (iii) will not be deemed as concealing illegal intentions with a lawful form and void under Cambodian laws.

## **REASONS FOR AND BENEFITS OF ENTERING INTO OF THE NEW SHAREHOLDERS' AGREEMENT AND THE NEW POA**

References are made to the Announcements in relation to, among other things, the entering into of the Existing Structured Documents.

As set out in the 2021 Announcement, the Existing Shareholders' Agreement has a term of three years commencing from the date of the Existing Shareholders' Agreement (i.e. 16 June 2021) and may be renewed by writing every three years, subject to the compliance of the Listing Rules.

As the term of the Existing Shareholders' Agreement will expire on 15 June 2024, the New Structured Documents (in particular, the New Shareholders' Agreement and the New POA) will continue to confer the Landholding Company the right to legally hold the land for the benefit of the Company (via the Purchaser and Mr. Ching TW) and such control and economic benefits from the Landholding Company, the Land and the Properties will continue to be passed back to the Purchaser and Mr. Ching TW (ultimately, the Company).

As at the date of this announcement, the Company has not encountered any interference or encumbrance from any Cambodian governing bodies in operating its business through the Landholding Company under the Existing VIE Structure.

Based on the above analysis and advice from the Cambodia legal advisers to the Company, and having considered that (i) all other terms and conditions of the New Structured Documents (excluding the New Shareholders' Agreement and the New POA) shall remain unchanged, and the New Shareholders' Agreement and the New POA are on substantially the same terms as the Existing Shareholders' Agreement and the Existing POA (details of which are set out in the section headed "Entering into of the New Shareholders' Agreement and the New POA" above) respectively; and (ii) the New Structured Documents is fundamental to the Group's legal structure and business operations in relation to its hospitality supplies business, the Directors (including the independent non-executive Directors) are of the view that the New Structured Documents is unlikely to be deemed ineffective or invalid under the applicable Cambodian laws and regulations and that each of the arrangements under the New VIE Structure conferring significant control and economic benefits from the Landholding Company is enforceable under relevant laws and regulations. The Directors (including the independent non-executive Directors) are also of the view that the terms of the transactions contemplated under the New Structured Documents are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Save for Mr. Ching Chi Fai, Mr. Ching Chi Keung, Mr. Ching TW, being the executive Directors, and Ms. Chan Yim Ching, being the non-executive Director, together with the concert parties interested in approximately 31.34% of the Shares, none of the Directors had any material interest in the transactions contemplated under the New Structured Documents, therefore, none of them shall be required to abstain from voting on the Board resolutions approving the New Structured Documents and the transactions contemplated thereunder.

## **GRANT OF WAIVERS FROM STRICT COMPLIANCE WITH RULES 14A.52 AND 14A.53 OF THE LISTING RULES**

Pursuant to the Listing Rules, the New Structured Documents constitute a connected transaction and continuing connected transaction of the Company, respectively, under Chapter 14A of the Listing Rules. As such, the Company has applied to the Stock Exchange for the Waivers for the following reasons:

- (1) the New Structured Documents (i) are fundamental to the Group's legal structure and business operations in relation to its hospitality supplies business; and (ii) taken as a whole, permit the financial results and business operations of the Landholding Company to be consolidated into the Group's financial statements as if it was a subsidiary of the Company, resulting in the entire economic benefits and the risk of the Landholding Company's business flowing to the Group, and thus places the Group in a special position in relation to the relevant Listing Rules on connected transactions;
- (2) pursuant to the New VIE Structure, the Landholding Company has the legal right to hold the Land and the Properties for the benefit of its shareholders in accordance with the shareholding proportion, where such control and economic benefits from the Landholding Company, the Land and the Properties will be passed back to the Purchaser, Mr. Ching TW, and ultimately, the Company. This arrangement is equivalent to the Group operating the Landholding Company as if the Landholding Company was a wholly-owned subsidiary of the Company. Given that Mr. Ching TW and his associates has not received, and will not receive, any economic benefits from the operation of the Landholding Company under the New Structured Documents, the Group will not have any potential conflict of interests with Mr. Ching TW under the New Structured Documents. Setting a maximum aggregate annual cap for the total annual amount payable from Mr. Ching TW to the Purchaser under the New Shareholders' Agreement will limit the Group's ability to operate its business and enjoy the economic benefits generated from the Landholding Company. Therefore, the Directors considered that it is commercially sound for the Landholding Company not to set a maximum aggregate annual cap in order to allow effective operation of the Group, given that the New Structured Documents are fundamental to the Group's legal structure and business operations and are driven solely for the purpose of complying with the Cambodian laws and regulations;
- (3) in view of the reasons (1) and (2) above, the Foreign Ownership Restrictions are still in place as at the date of this announcement, and thus, the New VIE Structure between the Purchaser and Mr. Ching TW is necessary to enable the Company to exercise control over the operations of the Landholding Company. The Directors considered that the waiver from setting a fixed term for the New Structured Documents would be necessary since it allows the Group to have effective control over the Landholding Company and enjoy the economic benefits in the Land and the Properties;

- (4) since the New VIE Structure is a long-term arrangement for the Group, it would be unduly burdensome and the Group would incur unnecessary administrative costs to convene a general meeting for consideration of, among others, the renewal of the New Structured Documents upon the expiry of the respective term of the New Structured Documents given that the terms and conditions are expected to remain the same. Subject to the granting of a waiver from setting a maximum aggregate annual cap for the total annual amount payable from Mr. Ching TW to the Purchaser under the New Shareholders' Agreement, any renewal of the New Structured Documents would then become a matter of formality as revision on the terms and conditions would not be necessary; and
- (5) given that the transactions contemplated under the New Structured Documents only technically constitute continuing connected transactions for the purpose of Chapter 14A of the Listing Rules, the Directors consider that it would be overly burdensome and the Company would incur unnecessary fees for appointing an independent financial adviser to explain why the New Structured Documents require a longer period and to confirm that it is normal business practice for agreements of this type to be of such duration.

The Board is pleased to announce that on 13 May 2024, the Stock Exchange granted the waivers from strict compliance with the requirement of (i) setting a fixed term for the New Structured Documents under Rule 14A.52 of the Listing Rules; and (ii) setting an annual cap for the transactions under the New Structured Documents under Rule 14A.53 of the Listing Rules, subject to the following conditions:

- (1) save for any mandatory change required under or resulting from applicable laws and regulations and save as described in paragraph (4) below, no changes to the terms of the New Structured Documents will be made without the approval of the Independent Shareholders;
- (2) whilst the entering into of the New Shareholders' Agreement is fully exempted from the relevant requirements of reporting, announcement, circular and Independent Shareholders' approval under Chapter 14A of the Listing Rules, save for any mandatory change required under or resulting from applicable laws and regulations and save as described in paragraph (4) below, no changes to the terms of the New Structured Documents will be made without the approval of the independent non-executive Directors;
- (3) the New Structured Documents shall continue to enable the Group to receive the economic benefits derived from the Landholding Company through: (i) the Purchaser's right (if and when so allowed under the applicable Cambodian laws) to acquire the equity interests in the Landholding Company; (ii) the business structure under which the revenue generated by the Landholding Company is substantially retained by the Purchaser (insofar that no annual caps shall be set on the amount payable to the Purchaser under the New Shareholders' Agreement); and (iii) the Purchaser's right to control the management and operation of, as well as, in substance, all of the voting rights in the Landholding Company;

- (4) the framework of the New VIE Structure may be renewed and/or cloned upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign-owned enterprise or operating company (including branch company) that the Group may wish to establish, without obtaining the approval of the Independent Shareholders, on substantially the same terms and conditions as those in the New Structured Documents. The directors, chief executive or substantial shareholders (as defined in the Listing Rules) of any existing or new wholly foreign-owned enterprise or operating company (including branch company) which the Group may establish upon renewal and/or cloning of the New Structured Documents will be treated as the Group's connected persons and transactions between these connected persons and the Group other than those under similar New Structured Documents shall comply with Chapter 14A of the Listing Rules. This condition is subject to compliance with the relevant laws, regulations and approvals of Cambodia; and
- (5) unless the transactions are exempted under the Listing Rules, the Group will disclose details relating to the New Structured Documents on an ongoing basis as follows:-
- (i) the New Structured Documents in place during each financial period will be disclosed in the Company's annual reports and accounts in accordance with the relevant provisions of the Listing Rules;
  - (ii) the independent non-executive Directors will review the New Structured Documents annually and confirm in the Company's annual report and accounts for the relevant year that: (a) the transactions carried out during such year have been entered into in accordance with the relevant provisions of the New Structured Documents and that the revenue generated by the Landholding Company (minus all relevant costs, expenses and taxes payable by the Landholding Company) has been substantially retained by the Purchaser; (b) no dividends or other distributions have been made by the Landholding Company to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group; and (c) any new contracts entered into, renewed and/or cloned between the Group and the Landholding Company during the relevant financial period under paragraph (4) above are fair and reasonable, or advantageous, so far as the Group is concerned and in the interests of the Shareholders as a whole;
  - (iii) the Group's auditors will carry out review procedures annually on the transactions carried out pursuant to the New Structured Documents and will provide a letter to the Directors with a copy to the Stock Exchange confirming that (a) the transactions have been approved by the Directors; (b) the transactions have been entered into in accordance with the New Structured Documents; and (c) that no dividends or other distributions have been made by the Landholding Company to the holders of its equity interests which are not otherwise subsequently assigned/transferred to the Group;
  - (iv) for the purposes of Chapter 14A of the Listing Rules, and in particular the definition of "connected person", the Landholding Company will be treated as the Company's wholly-owned subsidiary, and its directors, chief executives or substantial shareholders and their respective associates (as defined in the Listing Rules) will be treated as connected persons of the Company and transactions between these connected persons and the Group, other than those under the New Structured Documents shall comply with Chapter 14A of the Listing Rules; and

- (v) the Landholding Company will undertake that, for so long as the Shares are listed on the Stock Exchange, the Landholding Company will provide the Group’s management and the Company’s auditors with full access to its relevant records for the purpose of the Company’s auditors’ review of the connected transactions.

Save as described in paragraph (4) above, if any terms of the New Structured Documents are altered or if the Company enters into any new agreements with any connected persons (within the meaning of the Listing Rules) in the future, the Company must fully comply with the relevant requirements under Chapter 14A of the Listing Rules unless it applies for and obtains a separate waiver from the Stock Exchange.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“2021 Announcement”	announcement of the Company dated 16 June 2021
“Announcements”	announcements of the Company dated 22 October 2017, 19 January 2018 and the 2021 Announcement
“Existing Blank Share Transfer Documents”	the blank share transfer documents as further detailed in the section headed “New Blank Share Transfer Documents” in the 2021 Announcement
“Existing Blank Shareholders’ Resolution”	the blank shareholders’ resolution as further detailed in the section headed “New Blank Shareholders’ Resolution” in the 2021 Announcement
“Existing Call Option Agreement”	the call option agreement dated 16 June 2021 among the Purchaser, Mr. Ching TW and the Landholding Company as further detailed in the section headed “New Call Option Agreement” in the 2021 Announcement
“Existing Loan Agreement”	the loan agreement dated 16 June 2021 between the Purchaser and Mr. Ching TW as further detailed in the section headed “New Loan Agreement” in the 2021 Announcement
“Existing POA”	the power of attorney and proxy dated 16 June 2021 among Mr. Ching TW, the Landholding Company and the Company as further detailed in the section headed “New POA” in the 2021 Announcement
“Existing Share Pledge Agreement”	the share pledge agreement dated 16 June 2021 between the Purchaser and Mr. Ching TW as further detailed in the section headed “New Share Pledge Agreement” in the 2021 Announcement



“Existing Shareholders’ Agreement”	the shareholders’ agreement dated 16 June 2021 between the Purchaser and Mr. Ching TW as further detailed in the section headed “New Shareholders’ Agreement” in the 2021 Announcement
“Existing Structured Documents”	collectively, the Existing Loan Agreement, the Existing Share Pledge Agreement, the Existing Call Option Agreement, the Existing Blank Share Transfer Documents, the Existing Blank Shareholders’ Resolution, the Existing Shareholders’ Agreement and the Existing POA
“Existing VIE Structure”	the existing structure established through the entering into of the Existing Structured Documents, which enables the Group to effectively hold and control the Landholding Company, details of which are set out in the 2021 Announcement
“Independent Shareholders”	Shareholders other than those who have a material interests in the New Structured Documents and the transactions contemplated thereunder and their associates
“Land”	a land located at Veal Vong Village, Sen Dei Commune, Samroung Tong District, Kampong Speu Province, Cambodia
“New POA”	the power of attorney and proxy dated 22 May 2024 among Mr. Ching TW, the Landholding Company and the Company as further detailed in the section headed “New POA”
“New Shareholders’ Agreement”	the amendment and restatement agreement of shareholders’ agreement dated 22 May 2024 between the Purchaser and Mr. Ching TW as further detailed in the section headed “New Shareholders’ Agreement”
“New Structured Documents”	collectively, the Existing Structured Documents (excluding the Existing POA and the Existing Shareholders’ Agreement), the New POA and the New Shareholders’ Agreement
“New VIE Structure”	the structure established through the entering into of the New Structured Documents, which enables the Group to effectively hold and control the Landholding Company

“Properties”

the properties on the Land

“Waivers”

waivers from strict compliance with Rules 14A.52 and 14A.53 of the Listing Rules, subject to the conditions as disclosed in the section headed “Grant of Waivers from strict compliance with Rules 14A.52 and 14A.53 of the Listing Rules” in this announcement

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

Hong Kong, 22 May 2024

*As at the date of this announcement, the executive Directors are Mr. CHING Chi Fai, Mr. CHING Chi Keung, Mr. LIU Zigang, Mr. CHING Tsun Wah and Mr. KEUNG Kwok Hung; the non-executive Director is Ms. CHAN Yim Ching; and the independent non-executive Directors are Mr. HUNG Kam Hung Allan, Mr. NG Bo Kwong, Mr. SUN Eric Yung Tson and Mr. KWONG Tony Wan Kit.*