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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: 03828)

2025 INTERIM RESULTS ANNOUNCEMENT

HIGHLIGHTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

- Revenue increased 0.5% to approximately HK\$1,028.6 million (for the six months ended 30 June 2024: approximately HK\$1,023.4 million).
- Gross profit decreased 4.5% to approximately HK\$233.8 million (for the six months ended 30 June 2024: approximately HK\$244.9 million).
- Gross profit margin decreased 1.2 percentage points to 22.7% (for the six months ended 30 June 2024: 23.9%).
- Operating profit was approximately HK\$59.7 million (for the six months ended 30 June 2024: approximately HK\$64.0 million).
- Profit attributable to owners of the Company was approximately HK\$50.9 million (for the six months ended 30 June 2024: approximately HK\$53.3 million).
- An interim dividend for the six months ended 30 June 2025 of HK3.0 cents per share of the Company (the “Share”) (for the six months ended 30 June 2024: HK3.0 cents per Share) was declared.

The board of directors (the “Board”) of Ming Fai International Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2025 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		(Unaudited)	
		Six months ended 30 June	
		2025	2024
	Note	HK\$'000	HK\$'000
Revenue	3	1,028,584	1,023,353
Cost of sales	4	(794,822)	(778,485)
Gross profit		233,762	244,868
Other income, net	5	3,629	5,194
Distribution costs	4	(109,330)	(114,065)
Administrative expenses	4	(69,737)	(75,747)
Net reversal of impairment losses on financial assets	4	1,412	3,791
Operating profit		59,736	64,041
Finance income	6	1,823	2,758
Finance costs	6	(796)	(1,681)
Share of profit of an associated company		554	136
Share of (loss)/profit of joint ventures		(6)	3
Profit before income tax		61,311	65,257
Income tax expenses	7	(11,097)	(13,590)
Profit for the period		50,214	51,667
Other comprehensive income/(loss)			
<i>Item that may be subsequently reclassified to profit or loss</i>			
Currency translation differences		11,759	(7,801)
Total comprehensive income for the period		61,973	43,866

		(Unaudited)	
		Six months ended 30 June	
		2025	2024
<i>Note</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) for the period attributable to:			
	Owners of the Company	50,909	53,273
	Non-controlling interests	(695)	(1,606)
		<u>50,214</u>	<u>51,667</u>
Total comprehensive income/(loss) for the period attributable to:			
	Owners of the Company	63,649	44,300
	Non-controlling interests	(1,676)	(434)
		<u>61,973</u>	<u>43,866</u>
Earnings per Share attributable to owners of the Company (expressed in HK cents)			
	Basic	<i>15(a)</i> 7.0	7.4
	Diluted	<i>15(b)</i> 7.0	7.4

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		(Unaudited) As at 30 June 2025 HK\$'000	(Audited) As at 31 December 2024 HK\$'000
	Note		
ASSETS			
Non-current assets			
Goodwill		5,426	5,366
Property, plant and equipment		393,467	403,864
Right-of-use assets		92,277	86,519
Investment properties		49,353	44,243
Intangible assets		913	304
Deferred income tax assets		3,135	2,366
Other non-current assets		4,994	5,235
Investment in an associated company		6,930	5,953
Investments in joint ventures		211	217
Total non-current assets		556,706	554,067
Current assets			
Inventories		263,421	307,914
Other current assets		55,629	49,547
Tax recoverable		670	817
Other financial assets at amortised cost		10,780	10,818
Amounts due from joint ventures		883	811
Amount due from an associated company	9	2,605	3,373
Trade and bills receivables	8	573,501	727,731
Pledged bank deposit	10	11,766	11,636
Cash and cash equivalents	11	421,161	328,621
Total current assets		1,340,416	1,441,268
Total assets		1,897,122	1,995,335
EQUITY			
Equity attributable to owners of the Company			
Share capital	14	7,343	7,343
Reserves		1,306,972	1,264,622
Interim/final dividend proposed	16	22,028	51,398
		1,336,343	1,323,363
Non-controlling interests		(61,702)	(60,026)
Total equity		1,274,641	1,263,337

		(Unaudited) As at 30 June 2025 HK\$'000	(Audited) As at 31 December 2024 HK\$'000
	<i>Note</i>		
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		8,253	7,563
Other non-current payables		7,634	8,172
Borrowings	13	1,899	1,844
Lease liabilities		4,933	289
		<hr/>	<hr/>
Total non-current liabilities		22,719	17,868
		<hr/>	<hr/>
Current liabilities			
Trade payables	12	207,752	263,714
Accruals and other payables		333,708	383,603
Current income tax liabilities		21,249	22,627
Borrowings	13	15,852	24,253
Lease liabilities		3,788	2,679
Loans from non-controlling interests		17,096	16,997
Dividends payable		317	257
		<hr/>	<hr/>
Total current liabilities		599,762	714,130
		<hr/>	<hr/>
Total liabilities		622,481	731,998
		<hr/>	<hr/>
Total equity and liabilities		1,897,122	1,995,335
		<hr/>	<hr/>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 BASIS OF PREPARATION

The condensed consolidated interim financial information is for the Group consisting of the Company and its subsidiaries. This condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. This condensed consolidated interim financial information does not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, this condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

This condensed consolidated interim financial information is presented in thousands of units of Hong Kong dollars (“HK\$’000”), unless otherwise stated.

This condensed consolidated interim financial information has not been audited.

2 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 December 2024, as described in those annual consolidated financial statements, except for the estimation of income tax and the adoption of amended standards as set out below. Income tax expenses for the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Amendments to standards adopted by the Group

The Group has adopted the below amendments to standards for the first time for its accounting period commencing 1 January 2025. The adoption of these amendments to standards did not have a material impact on the Group in the current or prior periods.

Amendments to HKAS 21
and HKFRS 1

Lack of Exchangeability

Amendments to standards issued but not yet effective for the accounting period beginning on 1 January 2025 and not early adopted by the Group

		Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to Hong Kong Interpretation 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of assessing the impact of these amendments to standards. The preliminary assessment indicated that the adoption of which is not expected to have any significant impact on the financial performance and the financial position of the Group.

3 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board. The Board reviews the Group's internal reports in order to assess performance and allocate resources. The Board has determined the operating segments based on these reports.

The Group is principally engaged in manufacturing and trading of hospitality supplies products ("Hospitality Supplies Business"), trading of operating supplies and equipment ("OS&E Business"), and manufacturing and trading of health care and hygienic products ("Health Care and Hygienic Products Business"). From a geographical perspective, the Board assesses the performance based on the Group's revenue by geographical location in which the customer is located. There are three reporting segments: (i) Hospitality Supplies Business; (ii) OS&E Business; and (iii) Health Care and Hygienic Products Business.

The Board assesses the performance of the operating segments based on a measure of segment profit before income tax, share of profit of an associated company and share of (loss)/profit of joint ventures.

Information provided to the Board is measured in a manner consistent with that of the condensed consolidated interim financial information.

Sales between segments are carried out at normal commercial terms. Depreciation and amortisation charges are apportioned with reference to respective segment revenue from external customers. Assets and liabilities of the Group are allocated by reference to the principal markets in which the Group operates.

Geographical

	Hospitality Supplies Business				OS&E Business				Health Care and Hygienic Products Business				Others							
	The Hong Kong People's Republic of China (the "PRC")				Other Asia Pacific regions				The PRC				North America		Hong Kong		Others		Total	
	Europe	North America	Other Asia Pacific regions	Australia	Other Asia Pacific regions	Sub-total	Others	Sub-total	North America	Hong Kong	Others	Sub-total	North America	Hong Kong	Others	Sub-total	North America	Hong Kong	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Six months ended 30 June 2025 (Unaudited)																				
Segment revenue	147,603	158,169		51,255	172,536	878,346	1,576	878,346	52,395	982	1,982	55,359	52,395	982	1,982	55,359				1,029,428
Inter-segment revenue	-	-	-	-	-	(780)	-	(780)	-	-	(64)	(64)	-	-	(64)	(64)	-	-	-	(844)
Revenue from external customers	147,603	158,169		51,255	172,536	877,566	1,576	877,566	52,395	982	1,918	55,295	52,395	982	1,918	55,295				1,028,584
Segment profit before income tax	14,998	17,383		216	13,355	48,567	235	48,567	7,351	(208)	26	7,169	7,351	(208)	26	7,169				60,763
Share of profit of an associated company																				554
Share of loss of joint ventures																				(6)
Income tax expenses																				(11,097)
Profit for the period																				50,214

	Hospitality Supplies Business					OS&E Business					Health Care and Hygienic Products Business					Others	
	North America HK\$'000	Europe HK\$'000	The PRC (Note (i)) HK\$'000	Hong Kong HK\$'000	Australia HK\$'000	Other Asia Pacific regions (Note (ii)) HK\$'000	Others (Note (iii)) HK\$'000	Sub-total HK\$'000	The PRC (Note (i)) HK\$'000	Others (Note (iv)) HK\$'000	Sub-total HK\$'000	North America HK\$'000	Hong Kong HK\$'000	Others (Note (vi)) HK\$'000	Sub-total HK\$'000		Total HK\$'000
Six months ended 30 June 2024 (Unaudited)																	
Segment revenue	176,110	124,570	236,456	109,930	34,322	176,386	1,522	859,296	58,626	23,721	82,347	78,750	934	3,717	83,401	-	1,023,044
Inter-segment revenue	-	-	(1,354)	(170)	-	-	-	(1,524)	-	-	-	-	-	(167)	(167)	-	(1,691)
Revenue from external customers	176,110	124,570	235,102	109,760	34,322	176,386	1,522	857,772	58,626	23,721	82,347	78,750	934	3,550	83,234	-	1,023,353
Segment profit before income tax	29,836	5,488	1,423	3,291	2,737	6,810	302	49,887	242	3,744	3,986	10,269	162	450	10,881	364	65,118
Share of profit of an associated company																	136
Share of profit of joint ventures																	3
Income tax expenses																	(13,590)
Profit for the period																	51,667

	Hospitality Supplies Business				OS&E Business				Health Care and Hygienic Products Business				Others			
	Kingdom of Cambodia				Other locations				Other locations				Inter-segment elimination			
	The PRC (Note (i)) HK\$'000	Hong Kong HK\$'000	Australia ("Cambodia") HK\$'000	Cambodia (Note (v)) HK\$'000	Sub-total HK\$'000	The PRC (Note (i)) HK\$'000	Hong Kong HK\$'000	Other locations (Note (vii)) HK\$'000	Sub-total HK\$'000	The PRC (Note (i)) HK\$'000	Hong Kong HK\$'000	Other locations (Note (vii)) HK\$'000	Sub-total HK\$'000	Sub-total HK\$'000	Inter-segment elimination HK\$'000	Total HK\$'000
As at 30 June 2025 (Unaudited)																
Total assets	654,117	800,803	1,909	417,727	1,925,077	189,329	90,741	1,099	281,169	5,806	49,628	3,647	59,081	38,317	(406,522)	1,897,122
As at 31 December 2024 (Audited)																
Total assets	678,366	823,900	1,808	433,413	1,980,272	190,200	77,510	718	268,428	8,222	89,011	215	97,448	38,217	(389,030)	1,995,335

Notes:

- (i) For the purpose of this segment information disclosure, the PRC excludes Hong Kong, the Macau Special Administrative Region of the PRC ("Macau") and Taiwan (2024: same).
- (ii) Other Asia Pacific regions mainly include Macau, Singapore, United Arab Emirates, Japan and the Philippines (for the six months ended 30 June 2024: same).
- (iii) Others mainly include Kenya, Democratic Republic of the Congo and Libya (for the six months ended 30 June 2024: mainly include Kenya, Republic of Senegal and Uruguay).
- (iv) Others mainly include Hong Kong, Macau and Cambodia (for the six months ended 30 June 2024: mainly include Hong Kong, Macau and the Philippines).
- (v) Other locations mainly include Macau and Singapore (as at 31 December 2024: same).
- (vi) Others mainly include the PRC (*note (i)*), Macau and Japan (for the six months ended 30 June 2024: same).
- (vii) Other locations mainly include Macau and Cambodia (as at 31 December 2024: same).

4 EXPENSES BY NATURE

The following expenses/(gains) are included in cost of sales, distribution costs, administrative expenses and net reversal of impairment losses on financial assets:

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Cost of inventories sold	556,311	527,755
Auditor's remuneration	1,540	1,440
Depreciation of property, plant and equipment	27,587	26,368
Depreciation of right-of-use assets	4,274	4,354
Amortisation of intangible assets	353	309
Other lease expenses*	2,032	2,653
Net reversal of provision for obsolete inventories	(981)	(370)
Direct written off of obsolete inventories	2,124	2,313
Net reversal of impairment losses on financial assets	(1,412)	(3,791)
Employee benefit expenses	263,010	267,852
Transportation expenses	45,081	39,275
Exchange gain, net	(15,201)	(4,745)
Advertising costs	5,326	6,401
Loss/(gain) on disposal of property, plant and equipment	354	(47)

Notes:

- * These expenses relate to short-term leases. They are directly charged as expenses and are not included in the measurement of lease liabilities under HKFRS 16.

5 OTHER INCOME, NET

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Rental income	1,119	1,124
Income from sales of scrap materials	215	319
Government grants (<i>Note (i)</i>)	1,533	2,507
Others	762	1,244
	3,629	5,194

Note:

- (i) For the six months ended 30 June 2025, government grants recognised were related to subsidies from the PRC Government in relation to certain capital investments of the Group, and other subsidies from the PRC Government, the Singapore Government and the Hong Kong Government (for the six months ended 30 June 2024: government grants mainly represents subsidies from the PRC Government in relation to certain capital investments, export credit insurance and production enhancement of the Group). There were no unfulfilled conditions and other contingencies attached to the receipts of these grants.

6 FINANCE INCOME AND FINANCE COSTS

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Interest expenses on borrowings	(698)	(1,506)
Interest expenses on lease liabilities	(98)	(175)
Finance costs	(796)	(1,681)
Finance income	1,823	2,758
Finance income, net	1,027	1,077

7 INCOME TAX EXPENSES

The amount of income tax charged to the interim condensed consolidated statement of comprehensive income represents:

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Current income tax:		
– Hong Kong profits tax	6,276	9,583
– PRC enterprise income tax	3,338	2,983
– Other overseas profits tax	1,672	1,156
Deferred income tax	11,286	13,722
	(189)	(132)
	11,097	13,590

Taxation has been provided at the appropriate rates prevailing in the jurisdictions in which the Group operates.

Hong Kong profits tax, PRC enterprise income tax, Macau profits tax and Cambodia corporate income tax were calculated at 16.5% (for the six months ended 30 June 2024: 16.5%), 25% (for the six months ended 30 June 2024: 25%), 12% (for the six months ended 30 June 2024: 12%) and 20% (for the six months ended 30 June 2024: 20%), respectively on the estimated assessable profits in respective region for the six months ended 30 June 2025.

Taxes on other overseas profits have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

8 TRADE AND BILLS RECEIVABLES

	(Unaudited) As at 30 June 2025 HK\$'000	(Audited) As at 31 December 2024 HK\$'000
Trade receivables	644,757	802,601
Bills receivables	17,655	16,406
	<u>662,412</u>	<u>819,007</u>
Less: provision for impairment of trade and bills receivables	(88,911)	(91,276)
	<u>573,501</u>	<u>727,731</u>

The credit period granted by the Group ranges from 15 days to 180 days.

Ageing analysis of trade and bills receivables by invoice date is as follows:

	(Unaudited) As at 30 June 2025 HK\$'000	(Audited) As at 31 December 2024 HK\$'000
1 – 30 days	249,084	321,831
31 – 60 days	127,149	137,556
61 – 90 days	77,094	108,220
91 – 180 days	115,078	160,070
Over 180 days	94,007	91,330
	<u>662,412</u>	<u>819,007</u>

9 AMOUNT DUE FROM AN ASSOCIATED COMPANY

The amount represents trade receivables from an associated company. The carrying value of the amount approximates its fair value. The amount is denominated in HK\$. The credit period granted is 90 days. The ageing analysis of the amount by invoice date is as follows:

	(Unaudited) As at 30 June 2025 HK\$'000	(Audited) As at 31 December 2024 HK\$'000
1 – 30 days	1,000	3,304
31 – 60 days	1,452	–
61 – 90 days	145	–
Over 90 days	8	69
	<u>2,605</u>	<u>3,373</u>

10 PLEDGED BANK DEPOSIT

	(Unaudited) As at 30 June 2025 HK\$'000	(Audited) As at 31 December 2024 HK\$'000
Pledged bank deposit	<u>11,766</u>	<u>11,636</u>

As at 30 June 2025, a bank deposit of United States dollars (“US\$”) 1,500,000 (equivalent to approximately HK\$11,766,000) (as at 31 December 2024: US\$1,500,000 (equivalent to approximately HK\$11,636,000)) was pledged as collateral for the grant of a letter of banking facility in Hong Kong.

11 CASH AND CASH EQUIVALENTS

	(Unaudited) As at 30 June 2025 HK\$'000	(Audited) As at 31 December 2024 HK\$'000
Cash at banks and on hand	348,177	251,658
Short-term bank deposits (original maturities of less than three months)	<u>72,984</u>	<u>76,963</u>
	<u>421,161</u>	<u>328,621</u>

The Group’s cash and bank balances with banks in the PRC and India as at 30 June 2025 amounted to approximately HK\$147,265,000 (as at 31 December 2024: approximately HK\$99,381,000) and approximately HK\$29,000 (as at 31 December 2024: approximately HK\$29,000) respectively, where the remittance of funds was subject to foreign exchange control.

12 TRADE PAYABLES

The ageing analysis of trade payables by invoice date is as follows:

	(Unaudited) As at 30 June 2025 HK\$'000	(Audited) As at 31 December 2024 HK\$'000
1 – 30 days	184,479	236,267
31 – 60 days	14,564	17,542
61 – 90 days	5,245	6,497
Over 90 days	<u>3,464</u>	<u>3,408</u>
	<u>207,752</u>	<u>263,714</u>

13 BORROWINGS

	(Unaudited) As at 30 June 2025 HK\$'000	(Audited) As at 31 December 2024 HK\$'000
Non-current:		
Secured other borrowings without repayable on demand clauses	1,899	1,844
Current:		
Secured bank borrowings with repayable on demand clauses	15,629	24,165
Secured other borrowings without repayable on demand clauses	223	88
	15,852	24,253
	17,751	26,097

Except for other borrowings of approximately HK\$2,122,000 as at 30 June 2025 (as at 31 December 2024: approximately HK\$1,932,000), which were secured by personal guarantee of a non-controlling interest of the Group, bank borrowings were secured by certain property, plant and equipment and right-of-use assets of the Group.

The carrying amounts of assets pledged as security for borrowings are as follow:

	(Unaudited) As at 30 June 2025 HK\$'000	(Audited) As at 31 December 2024 HK\$'000
Property, plant and equipment	13,487	14,184
Right-of-use assets	24,992	25,520
Bank deposit	11,766	11,636
Total carrying amount of assets pledged as security	50,245	51,340

As at 30 June 2025, the undrawn banking facilities of the Group amounted to approximately HK\$399,575,000 (as at 31 December 2024: approximately HK\$393,662,000).

14 SHARE CAPITAL

	Number of Shares	HK\$'000
Ordinary Shares of HK\$0.01 each		
Authorised:		
As at 1 January 2024, 30 June 2024, 1 January 2025 and 30 June 2025	10,000,000,000	100,000
Issued and fully paid:		
As at 1 January 2024, 30 June 2024, 1 January 2025 and 30 June 2025	734,262,697	7,343

15 EARNINGS PER SHARE

(a) Basic

Basic earnings per Share attributable to owners of the Company is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary Shares in issue during the period.

	(Unaudited)	
	Six months ended 30 June	
	2025	2024
Profit for the period attributable to owners of the Company (HK\$'000)	50,909	53,273
Weighted average number of ordinary Shares in issue (thousands)	723,839	723,839
Basic earnings per Share attributable to owners of the Company (HK cents)	7.0	7.4

(b) Diluted

Diluted earnings per Share attributed to owners of the Company is calculated by adjusting the weighted average number of ordinary Shares outstanding to assume conversion of all dilutive potential ordinary Shares.

Diluted earnings per Share attributable to owners of the Company for the six months ended 30 June 2025 was the same as basic earnings per Share attributable to owners of the Company as there were no potential dilutive ordinary Shares outstanding for the six months ended 30 June 2025 (for the six months ended 30 June 2024: same).

16 DIVIDENDS

On 22 May 2025, a final dividend of HK7.0 cents per Share for the year ended 31 December 2024 was approved by the Company's shareholders. Total dividend of approximately HK\$51,398,000 was paid out during the six months ended 30 June 2025, including dividend paid to the Shares held for the share award scheme of the Company.

The Board has resolved to pay an interim dividend of HK3.0 cents per Share, amounting to a total dividend of approximately HK\$22,028,000, in respect of the six months ended 30 June 2025 (for the six months ended 30 June 2024: HK3.0 cents per Share, amounting to a total dividend of approximately HK\$22,028,000).

17 CAPITAL COMMITMENTS

As at 30 June 2025, the capital commitments contracted but not provided for in the condensed consolidated interim financial information of the Group were approximately HK\$14,670,000 (as at 31 December 2024: approximately HK\$21,055,000).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Key Financial Highlights

Set out below are the unaudited consolidated interim key financial highlights of the Group:

	Six months ended 30 June		Change %
	2025	2024	
	<i>HK\$ million</i>	<i>HK\$ million</i>	
Revenue	1,028.6	1,023.4	0.5%
Gross Profit	233.8	244.9	(4.5)%
Profit attributable to owners of the Company	50.9	53.3	(4.5)%
Basic earnings per Share attributable to owners of the Company (<i>HK cents</i>)	7.0	7.4	(5.4)%
Diluted earnings per Share attributable to owners of the Company (<i>HK cents</i>)	7.0	7.4	(5.4)%
Dividend per Share (<i>HK cents</i>)	3.0	3.0	—

Revenue

For the six months ended 30 June 2025, the total revenue of the Group recorded a slight increase of 0.5% to approximately HK\$1,028.6 million compared with approximately HK\$1,023.4 million in the corresponding period of prior year. For the six months ended 30 June 2025, the revenues of the hospitality supplies business, operating supplies and equipment (“OS&E”) business and health care and hygienic products business were approximately HK\$877.6 million, HK\$95.7 million and HK\$55.3 million (for the six months ended 30 June 2024: approximately HK\$857.8 million, HK\$82.3 million and HK\$83.3 million) respectively, which represented 85.3%, 9.3% and 5.4% (for the six months ended 30 June 2024: 83.8%, 8.0% and 8.2%) of the Group’s total revenue respectively.

Gross profit and gross profit margin

The Group’s gross profit for the six months ended 30 June 2025 decreased 4.5% to approximately HK\$233.8 million, compared with approximately HK\$244.9 million in the corresponding period of prior year. Gross profit margin decreased 1.2 percentage points to 22.7% from 23.9% as compared with the corresponding period of prior year, mainly due to the increase in cost of sales.

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the six months ended 30 June 2025 was approximately HK\$50.9 million (for the six months ended 30 June 2024: approximately HK\$53.3 million).

Earnings per Share

Basic and diluted earnings per Share attributable to owners of the Company for the six months ended 30 June 2025 were HK7.0 cents and HK7.0 cents (for the six months ended 30 June 2024: HK7.4 cents and HK7.4 cents) respectively.

Interim dividend

The Board has resolved to declare an interim dividend of HK3.0 cents per Share for the six months ended 30 June 2025 (for the six months ended 30 June 2024: HK3.0 cents per Share).

Liquidity and financial resources

The Group has always pursued a prudent treasury management policy and actively manages its liquidity position with standby banking facilities to cope with daily operation and potential capital demands for future development.

Cash and cash equivalents

As at 30 June 2025, the Group's cash and cash equivalents amounted to approximately HK\$421.1 million (as at 31 December 2024: approximately HK\$328.6 million).

Net assets

As at 30 June 2025, the Group's net assets was approximately HK\$1,274.6 million (as at 31 December 2024: approximately HK\$1,263.3 million).

Borrowings

The borrowing structure, maturity profile and currency denomination of the Group's borrowings are as follows:

Borrowing structure:

	As at 30 June 2025		As at 31 December 2024	
	Effective interest rate	HK\$ million	Effective interest rate	HK\$ million
Secured bank borrowings with repayable on demand clauses	Floating rate of 1.7% per annum over 1-month Hong Kong Inter-bank Offered Rate ("HIBOR")	1.7	Floating rate of 1.7% per annum over 1-month HIBOR	2.2
	Floating rate of the higher of 1.7% per annum over 1-month HIBOR or the cost to the bank of funding the borrowing	0.6	Floating rate of the higher of 1.7% per annum over 1-month HIBOR or the cost to the bank of funding the borrowing	1.8
	Floating rates ranging from 1.8%-1.82% per annum over 1-month Term Secured Overnight Financing Rate ("SOFR")	13.4	Floating rates ranging from 1.8%-1.82% per annum over 1-month Term SOFR	20.2
Secured other borrowings without repayable on demand clauses	Fixed rates ranging from 1.26%-1.38% per annum	2.1	Fixed rates ranging from 1.26%-1.38% per annum	1.9
		<hr/>		<hr/>
		17.8		26.1
		<hr/> <hr/>		<hr/> <hr/>

Maturity profile:

The repayment terms of the borrowings without taking into consideration the effect of repayable on demand clauses are as follows:

	As at 30 June 2025 <i>HK\$ million</i>	As at 31 December 2024 <i>HK\$ million</i>
Within 1 year	11.3	14.6
Between 1 and 2 years	4.8	9.7
Between 2 and 5 years	0.8	0.9
Over 5 years	0.9	0.9
	<u>17.8</u>	<u>26.1</u>

Currency denomination:

	As at 30 June 2025 <i>HK\$ million</i>	As at 31 December 2024 <i>HK\$ million</i>
Hong Kong dollars	2.3	4.0
US\$	13.4	20.2
Japanese Yen	2.1	1.9
	<u>17.8</u>	<u>26.1</u>

Charges on Group assets

Except for other borrowings of approximately HK\$2.1 million as at 30 June 2025 (as at 31 December 2024: approximately HK\$1.9 million), which was secured by personal guarantee of a non-controlling interest of the Group, bank borrowings were secured by certain property, plant and equipment and right-of-use assets of the Group.

The carrying amounts of assets pledged as security for borrowings are as follows:

	As at 30 June 2025 <i>HK\$ million</i>	As at 31 December 2024 <i>HK\$ million</i>
Property, plant and equipment	13.5	14.2
Right-of-use assets	25.0	25.5
Bank deposit	11.8	11.6
	<u>50.3</u>	<u>51.3</u>

Gearing ratio

The gearing ratio was calculated as net debt (i.e. borrowings less cash and cash equivalents) divided by total equity. The gearing ratio was not applicable to the Group as at 30 June 2025 and as at 31 December 2024.

Foreign currency exposure

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi (“RMB”). The Group currently does not deploy a foreign currency hedging policy.

The Group primarily sourced its raw materials in the PRC. The related currency exposure with respect to RMB is managed through increasing revenue denominated in the same currency.

Capital commitments and contingent liabilities

Details of the capital commitments as at 30 June 2025 and as at 31 December 2024 is set out in Note 17 to the condensed consolidated interim financial information. The Group has no material contingent liabilities as at 30 June 2025 (as at 31 December 2024: same).

BUSINESS REVIEW

In the first half of 2025, the global economic environment remained complex and volatile. Although global inflationary pressures moderated and international air travel demand and capacity recovered in early 2025, uncertainties such as rising policy instability in various countries, soaring effective tariff rates and escalating geopolitical conflicts continued to constrain global economic growth, posing challenges to the business environment for enterprises. For the six months ended 30 June 2025, the Group’s overall performance was under pressure.

Hospitality Supplies Business

According to the United Nations World Tourism Organization (“UN Tourism”) Barometer released in May 2025, over 300 million tourists travelled internationally in the first three months of 2025, about 14 million more than in the same months of 2024. That represents a 5% increase compared to the same period in 2024, or 3% above pre-pandemic year 2019. Although market demand has continued to grow steadily, the Group’s hospitality supplies business has experienced challenges due to macroeconomic instability, mounting supply chain pressures and fierce industry competition.

Revenue from the Group’s hospitality supplies business for the six months ended 30 June 2025 increased 2.3% to approximately HK\$877.6 million (for the six months ended 30 June 2024: approximately HK\$857.8 million), which contributed 85.3% (for the six months ended 30 June 2024: 83.8%) to the Group’s total revenue. Gross profit from the hospitality supplies business decreased 3.4% to approximately HK\$194.9 million for the six months ended 30 June 2025 (for the six months ended 30 June 2024: approximately HK\$201.8 million). The segment’s gross profit margin decreased 1.3 percentage points to 22.2% for the six months ended 30 June 2025 (for the six months ended 30 June 2024: 23.5%).

Hospitality supplies business revenues for the six months ended 30 June 2025 from the PRC, Hong Kong, the North America, Europe, other Asia Pacific regions and Australia were approximately HK\$208.0 million, HK\$138.4 million, HK\$158.2 million, HK\$147.6 million, HK\$172.5 million and HK\$51.3 million (for the six months ended 30 June 2024: approximately HK\$235.1 million, HK\$109.8 million, HK\$176.1 million, HK\$124.6 million, HK\$176.4 million and HK\$34.3 million) respectively, accounted for 23.7%, 15.8%, 18.0%, 16.8%, 19.7% and 5.8% (for the six months ended 30 June 2024: 27.4%, 12.8%, 20.5%, 14.5%, 20.6% and 4.0%) of the total hospitality supplies business segment revenue respectively.

Operating Supplies and Equipment Business

According to the Hotel Construction Pipeline Trend Report of the first quarter in 2025 for China from Lodging Econometrics, it revealed that 144 new hotels/21,797 rooms opened in China during the first quarter in 2025. Construction started in China stood at 237 projects/38,775 rooms at the end of the first quarter in 2025, showing a 13% increase in projects and a 16% increase by rooms compared to the fourth quarter in 2024. Revenue from the Group's OS&E business was approximately HK\$95.7 million for the six months ended 30 June 2025, representing an increase of 16.3% as compared with approximately HK\$82.3 million for the six months ended 30 June 2024, and representing 9.3% (for the six months ended 30 June 2024: 8.0%) of the Group's total revenue. Gross profit from the OS&E business increased 14.9% to approximately HK\$22.3 million for the six months ended 30 June 2025 (for the six months ended 30 June 2024: approximately HK\$19.4 million). The segment's gross profit margin decreased 0.2 percentage points to 23.3% for the six months ended 30 June 2025 (for the six months ended 30 June 2024: 23.5%).

For the six months ended 30 June 2025, OS&E business revenues from the PRC and other markets were approximately HK\$65.2 million and HK\$30.5 million (for the six months ended 30 June 2024: approximately HK\$58.6 million and HK\$23.7 million) respectively, representing 68.1% and 31.9% (for the six months ended 30 June 2024: 71.2% and 28.8%) of the total OS&E business segment revenue respectively.

The Group will continue to focus on market needs while optimising product structures. We aim to boost product competitiveness and customer satisfaction through innovative research and development and stringent quality control. Rooted in deepening cooperation with existing customers, we will also actively seize opportunities arising from the global hospitality industry, especially hotel projects in Southeast Asia to diversify our new customer network. Through ongoing product development and operational improvements, the Group aims to support the growth of the OS&E business and pursue steady business expansion and profitability enhancement.

Health Care and Hygienic Products Business

The Group manufactures high-quality health care and hygienic products and disposable infection control products. As the market demand for anti-epidemic products diminishes and the change of purchasing behavior of customers, affecting the financial performance of this business segment. The Group will continue to align the business segment's strategy with current market demand, diversifying our existing offerings while identifying emerging customer needs. In addition, the Group will continue to be market-oriented, actively promote the transformation and upgrading of its production lines, and seize business growth opportunities brought by the increasing global health awareness.

Revenue from the Group's health care and hygienic products business for the six months ended 30 June 2025 was approximately HK\$55.3 million (for the six months ended 30 June 2024: approximately HK\$83.3 million), which contributed 5.4% (for the six months ended 30 June 2024: 8.2%) to the Group's total revenue. Gross profit from the health care and hygienic products business was approximately HK\$16.6 million for the six months ended 30 June 2025 (for the six months ended 30 June 2024: approximately HK\$23.7 million). The segment's gross profit margin increased 1.6 percentage points to 30.0% for the six months ended 30 June 2025 (for the six months ended 30 June 2024: 28.4%).

For the six months ended 30 June 2025, the revenues of health care and hygienic products business from the North America, Hong Kong and other markets were approximately HK\$52.4 million, HK\$1.0 million and HK\$1.9 million (for the six months ended 30 June 2024: approximately HK\$78.8 million, HK\$0.9 million and HK\$3.6 million) respectively, representing 94.8%, 1.8% and 3.4% (for the six months ended 30 June 2024: 94.7%, 1.1% and 4.2%) of the total health care and hygienic products business segment revenue respectively.

OUTLOOK AND STRATEGIES

The Group is aiming to become an excellent international corporate brand specialising in hospitality supplies and personal care products, create maximum value for stakeholders, and support ecology for sustainable development.

Global tourism industry navigates opportunities and challenges

According to the UN Tourism Barometer released in May 2025, weaker economic growth, high travel costs and the recent increase in tariffs would be the main challenges that could impact international tourism in 2025. Uncertainty derived from geopolitical and trade tensions are also weighing on travel confidence. Lower consumer confidence is also a factor expected to affect tourism this year. Despite global uncertainties, the UN Tourism considered that travel demand was expected to remain resilient, and their projection of 3% to 5% growth in international arrivals for 2025 remained unchanged. Facing the situation where opportunities and challenges co-exist in the global tourism industry, the Group will closely monitor market dynamics, flexibly adjust our operational strategies and service systems, and actively seize potential development opportunities in the tourism industry. At the same time, we will continue to consolidate the foundation of the Group's core competitiveness by optimising resource allocation, striving to maintain sustainable business development in a complex and volatile market environment.

Cambodia plant positioned to capture Southeast Asian market opportunities

Against the backdrop of continued and intensified volatility in the current international trade environment, multinational corporations are facing cost challenges posed by severe tariff barriers and supply chain restructuring. To mitigate the impact of adverse factors, the Group implemented regional diversification strategy by establishing a plant in Cambodia, enhancing local service capabilities to capture market opportunities. The Group is persistently evaluating the extent of the impact of the United States tariff policy on our business and operations, closely monitor global supply chain dynamics and strengthening of its business footprint in Cambodia and its surrounding regions, and adjusting our strategies as necessary to mitigate the potential risks.

Ongoing commitment to sustainable development goals

Environmental, social, and governance (“ESG”) considerations have increasingly become an important assessment standard for corporate sustainability globally. The Group has consistently embraced and integrated ESG concepts into our development strategy. Recognising the growing market demand for sustainable operations and green products, the Group is actively exploring the opportunities for innovation in our businesses while implementing environmental-friendly manufacturing processes across the products. In the future, the Group will continue to deepen our ESG implementation, actively fulfill social and corporate responsibilities and contribute to the achievement of global sustainable development goals.

Forging lasting partnerships with premium products and services

The Group always adheres to the development concept of “win-win cooperation” and continuously building our sustainability strategy. We maintain product excellence and service superiority as core competitive advantages, continuously innovating to meet the demands of existing and potential customers. The Group will continue to strengthen quality control to empower customer satisfaction. Meanwhile, we will actively explore new potential customer groups while maintaining existing strategic partnerships to drive mutual growth.

Maintain prudent operation and drive cost efficiency and productivity to navigate market changes

Amid profound transformations in the global political and economic landscape marked by heightened uncertainty, the Group will operate under the principle of prudent management. To navigate current market volatility while positioning for sustainable growth, the Group will strategically optimise operation and fully leveraging our Cambodia production base as its strategic access to Southeast Asian markets, for enhancing cost efficiencies and service capabilities. Simultaneously, the Group will intensify our research and development to strengthen core competitive advantages, for capitalising on emerging industry opportunities.

EMPLOYEES AND REMUNERATION POLICY

The total number of employees of the Group was approximately 7,500 as at 30 June 2025. The employee benefit expenses including Directors’ emoluments were approximately HK\$263.0 million for the six months ended 30 June 2025. The remuneration of employees (including the Directors and senior management) of the Group are generally structured by reference to market terms and individual merits, which is reviewed on a regular basis. The Group also provides various other benefits to designated staff, including discretionary bonus, social insurance or medical insurance, share award scheme, continuing education and training programmes. The Group also launched key performance indicators assessment scheme and commendation annual award scheme to boost individual performance and operational efficiency.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2025, the Group has complied with all the code provisions in the “Corporate Governance Code” as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), except the deviation of Code provision C.2.1 that the Board has not appointed an individual to the post of chief executive officer up to the date of this announcement and the role of the chief executive officer has been performed collectively by all the Executive Directors of the Company, including the Chairman of the Company. The Board considers that this arrangement allows contributions from all Executive Directors of the Company with different expertise and is beneficial to the continuity of the Company’s policies and strategies.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) comprises three Independent Non-Executive Directors of the Company with written terms of reference in accordance with the requirements of the Listing Rules. The Audit Committee has reviewed the Group’s unaudited condensed consolidated interim results for the six months ended 30 June 2025.

MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “Model Code”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding Directors’ securities transactions on 5 October 2007. Having made specific enquiries to all Directors of the Company, all Directors of the Company confirmed that they have complied with the required standard as set out in the Model Code for the six months ended 30 June 2025.

INTERIM DIVIDEND

The Board has declared the payment of an interim dividend of HK3.0 cents per Share for the six months ended 30 June 2025 to the Shareholders whose names appear on the register of members of the Company on Friday, 19 September 2025. It is expected that the interim dividend will be paid on Tuesday, 30 September 2025.

CLOSURE OF REGISTER OF MEMBERS AND RECORD DATE

The register of members of the Company will be closed from Thursday, 18 September 2025 to Friday, 19 September 2025 (both dates inclusive), during which period no transfer of Shares will be effected. The record date will be on Friday, 19 September 2025. In order to qualify for the interim dividend, all documents in respect of transfers of Shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 17 September 2025.

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

Hong Kong, 26 August 2025

As at the date of this announcement, the Executive Directors of the Company 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 of the Company is Ms. CHAN Yim Ching; and the Independent Non-Executive Directors of the Company are Mr. HUNG Kam Hung Allan, Mr. SUN Eric Yung Tson and Mr. Kwong Tony Wan Kit.