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Mingfa Group (International) Company Limited
明發集團(國際)有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 00846)

UPDATE ON RECENT DEVELOPMENT OF SUSPENSION OF TRADING AND DELAY IN PUBLICATION AND DESPATCH OF OUTSTANDING FINANCIAL STATEMENTS AND REPORTS

References are made to the announcements of Mingfa Group (International) Company Limited (the "**Company**", which together with its subsidiaries, the "**Group**") dated 31 March 2016, 1 April 2016, 22 April 2016, 3 May 2016, 27 May 2016, 10 June 2016, 29 July 2016, 31 August 2016, 3 October 2016, 1 November 2016, 2 December 2016, 3 January 2017, 27 January 2017, 2 March 2017, 3 April 2017, 2 May 2017, 2 June 2017, 3 July 2017, 3 August 2017, 18 August 2017, 18 September 2017, 18 October 2017, 14 December 2017, 26 January 2018, 19 March 2018, 30 April 2018, 31 May 2018, 28 June 2018, 20 July 2018, 1 August 2018, 31 August 2018, 3 October 2018, 2 November 2018 and 3 December 2018 (collectively the "**Announcements**") and the announcement of the Company on 19 December 2018 in relation to the appointment of an independent internal control consultant of the Company. Capitalised terms used herein shall have the same meanings as defined in the Announcements unless otherwise defined herein.

UPDATE ON RECENT DEVELOPMENT OF SUSPENSION OF TRADING

The Investigations

In respect of the Resumption Conditions (details of which please see the announcement of the Company dated 3 May 2016 and which were reproduced in the announcement of the Company dated 1 August 2018) and up to the date of this announcement, the management of the Company and the members of the Audit Committee were continuing with their conversation and deliberation on the Investigations with the Independent Forensic Accountants in respect of various key matters comprised under the

Investigations including but not limited to the analysis of information. Up to the date of this announcement, the Audit Committee has been reviewing the findings set forth in the advanced draft report of the Investigations and assessing whether the findings have adequately addressed the relevant audit issues (as disclosed in the announcement of the Company dated 31 March 2016 in relation to the consolidated annual results of the Group for the year ended 31 December 2015) and planning for necessary further actions if any is recommended.

Review of internal control systems and procedures

Furthermore, the attention of the shareholders of the Company and the investing public is also drawn to the announcement of the Company issued on 19 December 2018 in which it was announced that in order to improve the Group's internal control system and to pursue resumption of trading of the shares of the Company on the Stock Exchange, BDO Financial Services Limited (the "**Internal Control Consultant**") was appointed by the Board to conduct a review of the internal control systems and procedures of the Group and make recommendations of remedial measures. As disclosed in the announcement, the results of the review will assist the Audit Committee in determining whether the Group has maintained an appropriate and adequate internal control system required of a listed issuer under the Listing Rules, and to ensure that the Group will have in place proper procedures, systems and monitoring procedures in compliance with the requirements under the Listing Rules. The scope of the review by the Internal Control Consultant has been reviewed and approved by the Audit Committee of the Board. Details of the time estimate relating to the review by the Internal Control Consultant are set forth in the announcement dated 19 December 2018 of the Company.

DELAY IN PUBLICATION AND/OR DESPATCH OF OUTSTANDING FINANCIAL STATEMENTS AND REPORTS OF THE COMPANY

In respect of the Further Resumption Condition (details of which please see the announcement of the Company on 1 August 2018) regarding the publication and/or despatch of the Outstanding Financial Statements and Reports (as defined below), with the draft of the written report from the Independent Forensic Accountants having been made available to the Board and the Audit Committee for review and consideration, the management of the Company believes a timetable for the publication and/or despatch of the Outstanding Financial Statements and Reports can be formulated upon, among other matters, the publication of a further announcement disclosing a summary of the key findings of the Investigations. Consultation with the Audit Committee and the Board, in conjunction with the professional parties involved, will be made when formulating such timetable.

As at the date of this announcement, the publication and/or despatch of the outstanding financial statements and information of the Company are (i) the respective annual reports of the Company for the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017 and the respective interim reports of the Company for the six months ended 30 June 2016, 30 June 2017 and 30 June 2018, and (ii) the respective

interim results announcements of the Company for the six months ended 30 June 2016, 30 June 2017 and 30 June 2018, and the annual results announcement of the Company for the year ended 31 December 2016 and 31 December 2017 (collectively the "**Outstanding Financial Statements and Reports**").

FURTHER ANNOUNCEMENT(S) ON MATERIAL INFORMATION AND PROGRESS

The Company will make further announcement(s) on the progress and finalization of the investigation report of the Independent Forensic Accountants, the review of the internal control systems and procedures of the Group, the publication of the Outstanding Financial Statements and Reports, and other material developments and progress in relation to the fulfilment of the Resumption Conditions and the Further Resumption Condition as and when appropriate. The Company will use its best endeavours to comply with the Resumption Conditions and the Further Resumption Condition, and continue to carry on with its related preparation work for the resumption of trading of the shares of the Company on the Stock Exchange.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 1 April 2016 and will remain suspended until further notice pending the fulfilment of the resumption conditions and further resumption condition as set forth in the announcements of the Company dated 3 May 2016 and 1 August 2018.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

On behalf of the Board
Mingfa Group (International) Company Limited
WONG WUN MING
Chairman and Executive Director

Hong Kong, 2 January 2019

As at the date of this announcement, the Board comprises:

Executive Directors:	*Mr. Wong Wun Ming, Mr. Huang Qingzhu, Mr. Huang Lianchun and Mr. Huang Li Shui*
Independent Non-Executive Directors:	*Mr. Lau Kin Hon, Mr. Chu Kin Wang Peleus, Dr. Wong Tin Yau Kelvin J.P. and Dr. Lam, Lee G.*