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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)

MAJOR TRANSACTIONS IN RELATION TO THE PROPOSED DISPOSAL OF SALE SHARES AND SALE LOANS

THE SALE AND PURCHASE AGREEMENT I

On 16 September 2022 (after trading hours of the Stock Exchange), Optimistic Horizon (as purchaser), the Vendor and the Company (as guarantor of the Vendor), entered into the Sale and Purchase Agreement I, pursuant to which, (i) the Vendor has conditionally agreed to sell and Optimistic Horizon has conditionally agreed to acquire the Sale Share I and (ii) the Vendor conditionally agreed to procure Ming Fat to assign and Optimistic Horizon has conditionally agreed to procure Emperor Financial to take up the assignment of the Sale Loan I at Consideration I. The Company is a party to the Sale and Purchase Agreement I to guarantee to Optimistic Horizon the due and punctual performance of the Vendor's obligations thereunder.

THE SALE AND PURCHASE AGREEMENT II

Concurrently, on 16 September 2022 (after trading hours of the Stock Exchange), Modern Hero (as purchaser), the Vendor and the Company (as guarantor of the Vendor), entered into the Sale and Purchase Agreement II, pursuant to which, (i) the Vendor has conditionally agreed to sell and Modern Hero has conditionally agreed to acquire the Sale Share II and (ii) the Vendor conditionally agreed to procure Ming Fat to assign and Modern Hero has conditionally agreed to procure Join Wise to take up the assignment of the Sale Loan II at Consideration II. The Company is a party to the Sale and Purchase Agreement II to guarantee to Modern Hero the due and punctual performance of the Vendor's obligations thereunder.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, and shareholders' approval requirements under the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, a written Shareholders' approval may be accepted in lieu of holding a general meeting to approve the Sale and Purchase Agreements and the transactions contemplated thereunder on the conditions that (i) no Shareholder is required to abstain from voting if a general meeting of the Company is held to approve the Sale and Purchase Agreements and the transactions contemplated thereunder; and (ii) approval has been given by a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the Shares in issue giving the right to vote at general meetings to approve the Sale and Purchase Agreements and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, no Shareholders or any of their respective associates have any material interest in the Sale and Purchase Agreements and the transactions contemplated thereunder and thus none of the Shareholders is required to abstain from voting if were to convene a general meeting for the approval of the Sale and Purchase Agreements and the transactions contemplated thereunder.

As at the date of this announcement, Galaxy Earnest Limited, a Shareholder, which holds 5,086,500,000 Shares in issue (representing approximately 83.47% of the issued share capital of the Company) has given its written approval to the Sale and Purchase Agreements and the transactions contemplated thereunder and such written approval is accepted in lieu of holding a general meeting. As a result, no extraordinary general meeting will be convened for the Company for the purpose of approving the Sale and Purchase Agreements and the transactions contemplated thereunder.

GENERAL

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Disposal; (ii) financial information of the Company; (iii) the valuation report on the Property issued by Vincorn; and (iv) other information as required under the Listing Rules, will be despatched to the Shareholders on or before 14 October 2022 as additional time is required for the Company to prepare relevant information to be included in the circular.

Completion is subject to the fulfilment of certain conditions precedent, and, therefore may or may not take place. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

INTRODUCTION

On 16 September 2022 (after trading hours of the Stock Exchange), Optimistic Horizon (as purchaser), the Vendor and the Company (as guarantor of the Vendor), entered into the Sale and Purchase Agreement I, pursuant to which, (i) the Vendor has conditionally agreed to sell and Optimistic Horizon has conditionally agreed to acquire the Sale Share I and (ii) the Vendor conditionally agreed to procure Ming Fat to assign and Optimistic Horizon has conditionally agreed to procure Emperor Financial to take up the assignment of the Sale Loan I at Consideration I. The Company is a party to the Sale and Purchase Agreement I to guarantee to Optimistic Horizon the due and punctual performance of the Vendor's obligations thereunder.

Concurrently, on 16 September 2022 (after trading hours of the Stock Exchange), Modern Hero (as purchaser), the Vendor and the Company (as guarantor of the Vendor), entered into the Sale and Purchase Agreement II, pursuant to which, (i) the Vendor has conditionally agreed to sell and Modern Hero has conditionally agreed to acquire the Sale Share II and (ii) the Vendor conditionally agreed to procure Ming Fat to assign and Modern Hero has conditionally agreed to procure Join Wise to take up the assignment of the Sale Loan II at Consideration II. The Company is a party to the Sale and Purchase Agreement II to guarantee to Modern Hero the due and punctual performance of the Vendor's obligations thereunder.

THE SALE AND PURCHASE AGREEMENT I

Set out below are the principal terms of the Sale and Purchase Agreement I:

Date

16 September 2022 (after trading hours of the Stock Exchange)

Parties

Vendor: Easycrest Limited

Purchaser: Optimistic Horizon Limited

Vendor's guarantor: Mingfa Group (International) Company Limited

Assets to be disposed of

Pursuant to the Sale and Purchase Agreement I, (i) the Vendor has conditionally agreed to sell and Optimistic Horizon has conditionally agreed to acquire the Sale Share I, being one (1) ordinary share in the capital of the Target Company owned by the Vendor, representing 10% of the entire issued share capital of the Target Company; and (ii) the Vendor conditionally agreed to procure Ming Fat to assign and Optimistic Horizon has conditionally agreed to procure Emperor Financial to take up the assignment of the Sale Loan I.

Simultaneous and concurrent completion

Pursuant to the Sale and Purchase Agreement I, Optimistic Horizon shall not be obliged to complete the purchase of the Sale Share I and/or exercise its obligations to procure Emperor Financial to take up the assignment of the Sale Loan I, unless (i) completion of the purchase of the Sale Share I and the assignment of the Sale Loan I shall take place simultaneously; and (ii) the Sale and Purchase Agreement I and the transactions contemplated herein and the Sale and Purchase Agreement II and the transactions contemplated therein are completed concurrently.

Consideration and payment terms

The Consideration I is HK\$325 million.

After taking into account the set-off of 50% of the Outstanding Contribution (i.e. HK\$6 million), the amount payable by Optimistic Horizon to the Vendor shall be HK\$319 million, which shall be payable upon completion of the Sale and Purchase Agreement I by delivery of cashier order(s) issued by a licensed bank in Hong Kong or in such other manner as the Vendor and Optimistic Horizon may otherwise agree in writing.

The Consideration I was determined after arm's length negotiations between the Vendor and Optimistic Horizon on normal commercial terms with reference to, among others, (i) the preliminary appraised value of 100% of the Property, which amounts to approximately HK\$7,014 million as at 31 August 2022 under the preliminary valuation based on market approach conducted by Vincorn; (ii) the amount of Sale Loan I of approximately HK\$252.4 million as of 30 June 2022 due from the Target Company to Ming Fat; and (iii) the unaudited consolidated net liabilities of the Target Company of approximately HK\$137.0 million as of 30 June 2022. The principal asset of the Target Company and its subsidiary is the Property.

Conditions Precedent

Completion of the disposal of Sale Share I and assignment of Sale Loan I shall be conditional upon the fulfilment (or waived) of the following conditions precedent:

- (i) the Vendor having obtained waiver of, any right of pre-emption which exists or may exist in respect of the Sale Share I, whether pursuant to the articles of association of Target Company or otherwise howsoever arising;
- (ii) the Vendor having obtained the written consent of the existing lender to the Sale and Purchase Agreement I and the transactions contemplated thereunder at its own costs and delivered to Optimistic Horizon all relevant documentary evidence showing the grant of such consent and release of any of its obligations by the existing lender;

- (iii) where applicable, the Company having obtained all the necessary corporate approval by its shareholder(s) (by way of obtaining a written shareholders' approval or (if such written approval has not been obtained) by passing an ordinary resolution in a general meeting) approving the Sale and Purchase Agreement I and the transactions contemplated thereunder;
- (iv) the Vendor having been able to procure Ming Fat to sign the Deed of Assignment of Sale Loan I and Deed of Assumption of Debt I;
- (v) all the warranties remaining true and accurate and not misleading as at Completion and no events having occurred that would result in any breach of any of the warranties or provisions of the Sale and Purchase Agreement I by the Vendor;
- (vi) Optimistic Horizon having obtained all relevant internal approval from its board of directors and (where required by the Listing Rules) the board of directors of its parent company Emperor International in respect of the Sale and Purchase Agreement I and the transactions contemplated thereunder;
- (vii) the conditions precedent to completion of the Sale and Purchase Agreement II and transactions contemplated thereunder having been satisfied or waived; and
- (viii) the transactions contemplated under the Sale and Purchase Agreement I shall be completed concurrently with the transactions contemplated under the Sale and Purchase Agreement II.

If any of the conditions precedent has not been satisfied (or waived by Optimistic Horizon) before the expiry of nine (9) months from the date of the Sale and Purchase Agreement I, Optimistic Horizon (or the Vendor) may terminate the Sale and Purchase Agreement I by giving at least five (5) business days' prior written notice to the Vendor (or Optimistic Horizon) and upon expiry of the said notice period, the Sale and Purchase Agreement I shall cease to have any effect and become null and void, all the obligations and liabilities of Optimistic Horizon, the Vendor and the Company thereunder shall cease and determine.

Optimistic Horizon may in its absolute discretion at any time waive in writing any of the conditions precedent or any part thereof on such terms as it may decide, except that conditions precedent (iii) and (vi) set out above shall not be waived. Save as so waived, the Vendor shall use its best endeavours to ensure that all the conditions precedent set out above (save and except for the condition precedent (vi) above) shall be fulfilled as soon as possible after execution of the Sale and Purchase Agreement I.

Completion

Completion of the Sale and Purchase Agreement I shall take place on the Completion Date I, following which and the completion of the disposal of Sale Share II, the Company will cease to have any interest in Target Company.

Guarantee

The Company (i) guarantees to Optimistic Horizon the due and punctual performance of the Vendor's obligations (whether present or future, actual or contingent) under or pursuant to the Sale and Purchase Agreement I and all other transaction documents as if the Company were the principal obligor to the intent that the Company, shall itself forthwith on demand perform and discharge such obligations and undertake to indemnify and keep indemnified Optimistic Horizon in title against all losses, liabilities, damages, costs and expenses of whatsoever nature including, without limitation, legal expenses, which it may suffer or incur arising from or in connection with any default or undue delay on the part of the Vendor in the performance of its obligations under or pursuant to the Sale and Purchase Agreement I and/or any other transaction document(s) and (ii) without limiting the generality of (i) above, the Company guarantees to pay, on demand, any sum which the Vendor fails to pay to the Purchaser in accordance with the Sale and Purchase Agreement I and/or any other transaction document(s).

Other terms

Ming Fat (as the nominated financier of the Vendor) is obliged to inject HK\$12 million into the Target Company (i.e. the Outstanding Contribution). The Outstanding Contribution remained outstanding as at the date of this announcement. Subject to completion of the disposal of Sale Share I and assignment of Sale Loan I taking place, the Vendor has agreed to procure Ming Fat (as the nominated financier of the Vendor) to transfer, and Optimistic Horizon has agreed to procure Emperor Financial to assume, take up and accept all the liabilities and obligations in respect of 50% of the Outstanding Contribution by entering into the Deed of Assumption of Debt I at Completion in consideration of Ming Fat (for and on behalf of the Vendor) paying an amount equal to 50% of the Outstanding Contribution, being the sum of HK\$6 million, to Emperor Financial. Such consideration shall be off-set by deducting HK\$6 million from the Consideration I.

THE SALE AND PURCHASE AGREEMENT II

Set out below are the principal terms of the Sale and Purchase Agreement II:

Date

16 September 2022 (after trading hours of the Stock Exchange)

Parties

Vendor: Easycrest Limited

Purchaser: Modern Hero Global Limited

Vendor's guarantor: Mingfa Group (International) Company Limited

Assets to be disposed of

Pursuant to the Sale and Purchase Agreement II, (i) the Vendor has conditionally agreed to sell and Modern Hero has conditionally agreed to acquire the Sale Share II, being one (1) ordinary share in the capital of Target Company owned by the Vendor, representing 10% of the entire issued share capital of Target Company; and (ii) the Vendor conditionally agreed to procure Ming Fat to assign and Modern Hero has conditionally agreed to procure Join Wise to take up the assignment of the Sale Loan II.

Simultaneous completion

Pursuant to the Sale and Purchase Agreement II, Modern Hero shall not be obliged to complete the purchase of the Sale Share II and/or exercise its obligations to procure Join Wise to take up the assignment of the Sale Loan II, unless completion of the purchase of the Sale Share II and the assignment of the Sale Loan II shall take place simultaneously.

Consideration and payment terms

The Consideration II is HK\$325 million.

After taking into account the set-off of 50% of the Outstanding Contribution (i.e. HK\$6 million), the amount payable by Modern Hero to the Vendor shall be HK\$319 million, which shall be payable on Completion Date II by delivery of cashier order(s) issued by a licensed bank in Hong Kong or in such other manner as the Vendor and Modern Hero may otherwise agree in writing.

The Consideration II was determined after arm's length negotiations between the Vendor and Modern Hero on normal commercial terms with reference to, among others, (i) the preliminary appraised value of 100% of the Property, which amounts to approximately HK\$7,014 million as at 31 August 2022 under the preliminary valuation based on market approach conducted by Vincorn; (ii) the amount of Sale Loan II of approximately HK\$252.4 million as of 30 June 2022 due from the Target Company to Ming Fat; and (iii) the unaudited consolidated net liabilities of the Target Company of approximately HK\$137.0 million as of 30 June 2022. The principal asset of the Target Group is the Property.

Conditions Precedent

Completion of the disposal of Sale Share II and assignment of Sale Loan II shall be conditional upon the fulfilment (or waived) of the following conditions precedent:

- (i) the Vendor having obtained waiver of, any right of pre-emption which exists or may exist in respect of the Sale Share II, whether pursuant to the articles of association of Target Company or otherwise howsoever arising;

- (ii) the Vendor having obtained the written consent of the existing lender in respect of to the Sale and Purchase Agreement II and the transactions contemplated thereunder at its own costs and delivered to Modern Hero all relevant documentary evidence showing the grant of such consent and release of any of its obligations by the existing lender;
- (iii) where applicable, the Company having obtained all the necessary corporate approval by its shareholder(s) (by way of obtaining a written shareholders' approval or (if such written approval has not been obtained) by passing an ordinary resolution in a general meeting) approving the Sale and Purchase Agreement II and the transactions contemplated thereunder;
- (iv) the Vendor having been able to procure Ming Fat to sign the Deed of Assignment of Sale Loan II and Deed of Assumption of Debt II;
- (v) all the warranties remaining true and accurate and not misleading as at Completion and no events having occurred that would result in any breach of any of the warranties or provisions of the Sale and Purchase Agreement II by the Vendor;
- (vi) Modern Hero having obtained all relevant internal approval from its board of directors and the board of directors of C C Land in respect of the Sale and Purchase Agreement II and the transactions contemplated hereunder; and
- (vii) (if required by the Listing Rules or the Stock Exchange) C C Land having obtained all necessary approval by its shareholder(s) (by way of obtaining a written shareholders' approval or (if such written approval has not been obtained) by passing an ordinary resolution in a general meeting) approving the Sale and Purchase Agreement II and the transactions contemplated thereunder.

If any of the conditions precedent has not been satisfied (or waived by Modern Hero) before the expiry of nine (9) months from the date of the Sale and Purchase Agreement II, Modern Hero (or the Vendor) may terminate of the Sale and Purchase Agreement II by giving at least five (5) business days' prior written notice to the Vendor (or Modern Hero) and upon expiry of the said notice period, the Sale and Purchase Agreement II shall cease to have any effect and become null and void, all the obligations and liabilities of Modern Hero, the Vendor and the Company thereunder shall cease and determine.

Modern Hero may in its absolute discretion at any time waive in writing any of the conditions precedent or any part thereof on such terms as it may decide, except that conditions precedent (vi) and (vii) set out above shall not be waived. Save as so waived, the Vendor shall use its best endeavours to ensure that all the conditions precedent set out above (save and except for the conditions precedent (vi) and (vii) above) shall be fulfilled as soon as possible after execution of the Sale and Purchase Agreement II.

Completion

Completion of the Sale and Purchase Agreement II shall take place on the Completion Date II, following which and the completion of the disposal of Sale Share I, the Company will cease to have any interest in Target Company.

Guarantee

The Company (i) guarantees to Modern Hero the due and punctual performance of the Vendor's obligations (whether present or future, actual or contingent) under or pursuant to the Sale and Purchase Agreement II and all other transaction documents as if the Company were the principal obligor to the intent that the Company, shall itself forthwith on demand perform and discharge such obligations and undertake to indemnify and keep indemnified Modern Hero in title against all losses, liabilities, damages, costs and expenses of whatsoever nature including, without limitation, legal expenses, which it may suffer or incur, arising from or in connection with any default or undue delay on the part of the Vendor in the performance of its obligations under or pursuant to the Sale and Purchase Agreement II and/or any other transaction document(s) and (ii) without limiting the generality of (i) above, the Company guarantees to pay, on demand, any sum which the Vendor fails to pay to the Purchaser in accordance with the Sale and Purchase Agreement II and/or any other transaction document(s).

Other terms

Ming Fat (as the nominated financier of the Vendor) is obliged to inject HK\$12 million into the Target Company (i.e. the Outstanding Contribution). The Outstanding Contribution remained outstanding as at the date of this announcement. Subject to completion of the disposal of Sale Share II and assignment of Sale Loan II taking place, the Vendor has agreed to procure Ming Fat (as the nominated financier of the Vendor) to transfer, and Modern Hero has agreed to procure Join Wise to assume, take up and accept all the liabilities and obligations in respect of 50% of the Outstanding Contribution by entering into the Deed of Assumption of Debt II at Completion in consideration of Ming Fat (for and on behalf of the Vendor) paying an amount equal to 50% of the Outstanding Contribution, being the sum of HK\$6 million, to Join Wise. Such consideration shall be off-set by deducting HK\$6 million from Consideration II.

INFORMATION ON THE PURCHASERS AND RELATED PARTIES

Optimistic Horizon is a company incorporated under the laws of the BVI with limited liability and an indirect wholly-owned subsidiary of Emperor International. Its principal activity is investment holding.

Emperor Financial is a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of Emperor International. Its principal activity is financial management.

Emperor International is a company incorporated in Bermuda with limited liability and is an investment holding company. The principal businesses of Emperor International and its subsidiaries are property investments, property development and hospitality in the Greater China and overseas. Emperor International is a company listed on the Main Board of the Stock Exchange (stock code 163).

Modern Hero is a company incorporated under the laws of the BVI with limited liability and a wholly-owned subsidiary of C C Land. Its principal business activity is investment holding.

Join Wise is a company incorporated under the laws of Hong Kong with limited liability, and a wholly-owned subsidiary of C C Land. Its principal business activity is treasury management.

C C Land is a company incorporated in Bermuda with limited liability and is an investment holding company. The principal business activities of its subsidiaries are property development and investment as well as treasury investments. C C Land is a company listed on the Main Board of the Stock Exchange (stock code 1224).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) Optimistic Horizon, Emperor Financial, Emperor International and their ultimate beneficial owner(s) and (ii) Modern Hero, Join Wise and C C Land and their ultimate beneficial owner(s) are Independent Third Parties, as at the date of this announcement.

INFORMATION ON THE COMPANY, THE VENDOR AND MING FAT

The Company is a company incorporated under the laws of Cayman Islands with limited liability. The Group is one of the leading developers of integrated mixed-use commercial complexes and large-scale mixed-use residential properties in the PRC. The Group also develops hotels and industrial properties such as logistics centres and research and development centres. Geographically, the Group focuses on affluent second and third tier cities in the PRC where it sees the potential for substantial economic growth, such as Xiamen and Zhangzhou in Fujian Province, Nanjing, Wuxi and Yangzhou in Jiangsu Province and Wujiang, Hefei and Jinzhai in Anhui Province. Over its 26 years of operation, the Group has established strong market positions in Fujian Province in the Western Straits Economic zone and Jiangsu Province in the Greater Yangtze River Delta.

The Vendor is a company incorporated under the laws of the BVI and a wholly-owned subsidiary of the Company. Its principal activity is property development. As of the date of this announcement, the Vendor legally and beneficially owns 20% of the entire issued share capital of Target Company.

Ming Fat is a company incorporated under the laws of Hong Kong with limited liability, a wholly-owned subsidiary of the Company. Its principal activity is investment holding.

INFORMATION ON THE TARGET GROUP AND THE PROPERTY

Information on the Target Group

The Target Company is a company incorporated in the BVI with limited liability. The principal business of the Target Company is investment holding of a company which directly holds the Property and the legal and beneficial owner of the entire issued share capital of the property holding company which directly holds the Property. As at the date of this announcement, the Target Company is beneficially owned as to 20%, 40% and 40% by the Vendor, Optimistic Horizon, Land Magic respectively.

For the purpose of this announcement, the audited consolidated financial information of the Target Company for the two years ended 31 December 2020 and 2021 are set out below:

	For the year ended 31 December 2020	For the year ended 31 December 2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
(Loss) before taxation	(170.9)	(72,343.0)
(Loss) after taxation	(170.9)	(72,343.0)

The unaudited consolidated total asset value and net liabilities of the Target Company as at 30 June 2022 was approximately HK\$4,968.7 million and HK\$137.0 million, respectively.

Information on the Property

The Target Company is an indirect beneficial owner of the Property through Talent Charm, which is a company incorporated in Hong Kong with limited liability.

The Property refers to the property development project in Shouson Hill, which is known as “No. 15 SHOUSON”. No. 15 SHOUSON is a luxury residential property development project which offers 15 detached houses with a total gross floor area of approximately 87,200 square feet.

REASONS FOR THE DISPOSAL

The Company is an investment holding company and its subsidiaries are principally engaged in property investment and property development. The Directors considered that the Disposal represents a good opportunity for the Group to crystallise the gain in its minority interests in the Property amid the uncertainties over the luxury residential property market in Hong Kong. The Directors expect that the net proceeds from the Disposal will enhance the financial position of the Group and to provide sufficient capital reserve to fulfill its repayment obligations.

In light of the above, the Directors consider that the terms of the Sale and Purchase Agreement I and the Sale and Purchase Agreement II and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

Upon the Completion, the Company will cease to hold any interest in the Target Company.

Based on the unaudited financial information of the Target Company as at 30 June 2022 and the total consideration of HK\$650 million, the Company is expected to recognise a gain of approximately HK\$133 million from the Disposal before any transaction costs. Such estimation is calculated based on the difference between the total consideration of HK\$650 million and the carrying value of the Company's interest in the Target Company as at 30 June 2022, less the amount of Sale Loan I and Sale Loan II and the Outstanding Contribution. The actual gain on the Disposal may be different from the above and will be determined based on the financial position of the Target Company on the date of the Completion and be subject to audit.

The aforesaid estimation is to illustrate the estimated financial impact resulting from the Disposal only and does not purport to represent the financial position of the Group after Completion.

The net proceeds from the Disposal will be applied for the repayment of outstanding borrowings, loans, bonds, notes or other financial commitments and for general working capital purposes.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, a written Shareholders' approval may be accepted in lieu of holding a general meeting to approve the Sale and Purchase Agreements and the transactions contemplated thereunder on the conditions that (i) no Shareholder is required to abstain from voting if a general meeting of the Company is held to approve the Sale and Purchase Agreements and the transactions contemplated thereunder; and (ii) approval has been given by a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the Shares in issue giving the right to vote at general meetings to approve the Sale and Purchase Agreements and the transactions contemplated thereunder.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, no Shareholders or any of their respective associates have any material interest in the Sale and Purchase Agreements and the transactions contemplated thereunder and thus none of the Shareholders is required to abstain from voting if were to convene a general meeting for the approval of the Sale and Purchase Agreements and the transactions contemplated thereunder.

As at the date of this announcement, Galaxy Earnest Limited, a Shareholder, which holds 5,086,500,000 Shares in issue (representing approximately 83.47% of the issued share capital of the Company) has given its written approval to the Sale and Purchase Agreements and the transactions contemplated thereunder and such written approval is accepted in lieu of holding a general meeting. As a result, no extraordinary general meeting will be convened for the Company for the purpose of approving the Sale and Purchase Agreements and the transactions contemplated thereunder.

GENERAL

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Disposal; (ii) financial information of the Company; (iii) the valuation report on the Property issued by Vincorn; and (iv) other information as required under the Listing Rules, will be despatched to the Shareholders is on or before 14 October 2022 as additional time is required for the Company to prepare relevant information to be included in the circular.

Completion is subject to the fulfilment of certain conditions precedent, and, therefore may or may not take place. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

DEFINITIONS

“BVI”	the British Virgin Islands
“C C Land”	C C Land Holdings Limited, a company incorporated under the laws of Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange with stock code 1224
“Company”	Mingfa Group (International) Company Limited, a company incorporated under the laws of Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange with stock code 846
“Completion”	the completion of the Disposal pursuant to the terms and conditions of the Sale and Purchase Agreements

“Completion Date I”	15 November 2022 or within three (3) business days after the conditions precedent under the Sale and Purchase Agreement I having been satisfied (or waived by Optimistic Horizon) or such other date as agreed by the Vendor and Optimistic Horizon in writing
“Completion Date II”	15 November 2022 or within three (3) business days after the conditions precedent under the Sale and Purchase Agreement II having been satisfied (or waived by Modern Hero) or such other date as agreed by the Vendor and Modern Hero in writing
“Consideration I”	the consideration for the disposal of the Sale Share I and assignment of Sale Loan I pursuant to the terms and conditions of the Sale and Purchase Agreement I
“Consideration II”	the consideration for the disposal of the Sale Share II and assignment of Sale Loan II pursuant to the terms and conditions of the Sale and Purchase Agreement II
“Deed of Assignment of Sale Loan I”	the deed of assignment of the Sale Loan I to be entered into between Ming Fat (as assignor) and Emperor Financial (as assignee) for the assignment of the Sale Loan I
“Deed of Assignment of Sale Loan II”	the deed of assignment of the Sale Loan II to be entered into between Ming Fat (as assignor) and Join Wise (as assignee) for the assignment of the Sale Loan II
“Deed of Assumption of Debt I”	the deed of assumption of debt to be entered into between Ming Fat, Emperor Financial and Target Company for the assumption of 50% of the Outstanding Contribution
“Deed of Assumption of Debt II”	the deed of assumption of debt to be entered into between Ming Fat, Join Wise and Target Company for the assumption of 50% of the Outstanding Contribution
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share I and the Sale Share II and the assignment of Sale Loan I and Sale Loan II, pursuant to the terms and conditions of the Sale and Purchase Agreement I and the Sale and Purchase Agreement II
“Emperor Financial”	Emperor Financial Management Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of Emperor International

“Emperor International”	Emperor International Holdings Limited, a company incorporated under the laws of Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange with stock code 163
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which, as far as the Directors are aware after having made all reasonable enquiries, is/are not a connected person(s) of the Company with the meaning of the Listing Rules
“Join Wise”	Join Wise Enterprises Limited, a company incorporated under the laws of Hong Kong with limited liability, a wholly-owned subsidiary of C C Land
“Land Magic”	Land Magic Investments Limited, a company incorporated under the laws of the BVI with limited liability, which is ultimately held by C C Land and CSI
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ming Fat”	Ming Fat Holdings (Hong Kong) Limited, a company incorporated under the laws of Hong Kong with limited liability, a wholly-owned subsidiary of the Company
“Modern Hero”	Modern Hero Global Limited, a company incorporated under the laws of the BVI with limited liability, and a wholly-owned subsidiary of C C Land
“Optimistic Horizon”	Optimistic Horizon Limited, a company incorporated under the laws of the BVI with limited liability, an indirect wholly-owned subsidiary of Emperor International
“Outstanding Contribution”	an outstanding obligation of Ming Fat (as the nominated financier of the Vendor) to inject HK\$12 million into the Target Company, which remains outstanding as at the date of this announcement

“PRC”	The People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan)
“Property”	The property located at No. 15 Shouson Hill Road West, Hong Kong
“Purchaser(s)”	Optimistic Horizon and Modern Hero
“Sale and Purchase Agreement I”	the sale and purchase agreement dated 16 September 2022 entered into among the Vendor, Optimistic Horizon and the Company in relation to the disposal of Sale Share I and assignment of Sale Loan I
“Sale and Purchase Agreement II”	the sale and purchase agreement dated 16 September 2022 entered into among the Vendor, Modern Hero and the Company in relation to the disposal of Sale Share II and assignment of Sale Loan II
“Sale and Purchase Agreements”	Sale and Purchase Agreement I and Sale and Purchase Agreement II
“Sale Loan I”	fifty percent (50%) of all loan(s), interests, indebtedness and sums owing by Target Company to Ming Fat as at Completion and to be assigned to Emperor Financial pursuant to the Sale and Purchase Agreement I
“Sale Loan II”	fifty percent (50%) of all loan(s), interests, indebtedness and sums owing by Target Company to Ming Fat as at Completion and to be assigned to Join Wise pursuant to the Sale and Purchase Agreement II
“Sale Share I”	one (1) ordinary share in the capital of Target Company owned by the Vendor, being 10% of the entire issued share capital of Target Company and to be purchased by Optimistic Horizon pursuant to the Sale and Purchase Agreement I
“Sale Share II”	one (1) ordinary share in the capital of Target Company owned by the Vendor, being 10% of the entire issued share capital of Target Company and to be purchased by Modern Hero pursuant to the Sale and Purchase Agreement II
“Share(s)”	the ordinary share(s) of HK\$0.1 each in the issued share capital of the Company

“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Talent Charm”	Talent Charm Corporation Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target Company
“Target Company”	Superb Land Limited (formerly Powerland Holdings Limited), a company incorporated under the laws of the BVI with limited liability
“Target Group”	the Target Company and its wholly-owned subsidiary, being Talent Charm
“Vincorn”	Vincorn Consulting and Appraisal Limited, an independent professional valuer
“Vendor”	Easycrest Limited, a company incorporated under the laws of the BVI and a wholly owned subsidiary of the Company

On behalf of the Board
Mingfa Group (International) Company Limited
POON WING CHUEN
Company Secretary

Hong Kong, 16 September 2022

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

Executive Directors: *Mr. Ng Man Fung Walter, Mr. Zhong Xiaoming and Mr. Liu Yuwei*

Non-executive Director: *Dr. Lam, Lee G. (Chairman of the Board)*

Independent non-executive Directors: *Mr. Lau Kin Hon, Mr. Chu Kin Wang Peleus, and Mr. Chan Sing Lai*