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VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This announcement is made by Ming Fai International Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) on a voluntary basis. Further to the announcement of the Company dated 27 February 2020 and as a result of the outbreak of pneumonia infected by the novel coronavirus (COVID-19) (the “**Pandemic**”), the Company would like to provide the following business update.

Hospitality Supplies Business and Operating Supplies and Equipment Business

The unaudited revenues of the Group’s hospitality supplies business and operating supplies and equipment business for the five months ended 31 May 2020 (the “**Period**”) were approximately HK\$392.9 million and HK\$38.4 million respectively, which were decreased by 47.4% and 27.3% respectively as compared with the corresponding period in previous year.

Personal Care and Anti-Epidemic Products Business

In early 2020, the Group switched some of the production lines to produce alcoholic instant hand sanitizers under “Pasion” brand and “everybody LABO” brand and production of 3-ply disposable face masks under “Pasion” brand and “Ming Fai” brand. During the Period, the Group had further expanded the product portfolio under “Pasion” brand by adding personal care and anti-epidemic products which included all-purpose disinfectant sprays, alcoholic disinfectant hand sprays, alcoholic disinfectant wet wipes and anti-epidemic travel kits.

For the five months ended 31 May 2020, the unaudited revenues of personal care and anti-epidemic products are as follows:

Category	Revenue HK\$ million
Alcoholic instant hand sanitizers and disinfectant spray products	107.1
3-ply disposable face masks	22.7
Others	2.6
Total	132.4

* For identification purpose only

As always, the Group pursues high standard of quality in our products. All of the above-mentioned products passed the tests by SGS Hong Kong Limited, of which the 3-ply disposable face masks under “Pasion” brand has also obtained “Hong Kong Q-Mark” licence issued by Hong Kong Q-Mark Council.

Other Income and Cost Reduction

In view of various governmental subsidies and cost reduction policies, including those to alleviate economic downturn in different regions, it is estimated that the governmental subsidies and cost reductions benefitting to the Group are as follows:

Region	First Half of 2020 HK\$ million	Second Half of 2020 HK\$ million <i>(Note)</i>
The People’s Republic of China	11.3	2.7
Hong Kong	0.9	4.2
Other regions	0.5	0.6
Total	12.7	7.5

Note: according to currently available information on the published governmental subsidies and cost reduction policies in those regions.

In addition, during the six months ended 30 June 2020, the Group recorded an item of other income of approximately HK\$8.2 million on the resulting gain and realisation of exchange reserve upon dissolution of a subsidiary.

The board of directors of the Company will continue to assess the impact of the Pandemic on the Group’s financial performance and operations and closely monitor the Group’s exposure to the risks and uncertainties in this connection. In the meantime, the Group will continue to use our strengths to explore new business opportunities. The Company will take necessary measures and make further announcement(s) as and when appropriate.

Shareholders of the Company and potential investors should accordingly exercise caution when dealing in the shares of the Company.

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

Hong Kong, 6 July 2020

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. MA Chun Fung Horace, Mr. NG Bo Kwong and Mr. SUN Eric Yung Tson.