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Ming Kei Holdings Limited

明基控股有限公司*

(incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8239)

**ANNOUNCEMENT FOR THIRD QUARTERLY RESULTS
FOR THE NINE MONTHS ENDED 31 DECEMBER 2012**

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE
STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)**

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the “Directors”) of Ming Kei Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.

* For identification purposes only

The board (the “Board”) of Directors is pleased to report the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three (the “Quarterly Period”) and nine (the “Period”) months ended 31 December 2012 together with the comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

		Three months ended 31 December 2012		Nine months ended 31 December 2012	
		(Unaudited) 2012 HK\$'000	(Unaudited) 2011 (Restated) HK\$'000	(Unaudited) 2012 HK\$'000	(Unaudited) 2011 (Restated) HK\$'000
	Notes				
Continuing operations					
Turnover	4	24,027	21,339	70,044	80,192
Cost of sales		(21,971)	(19,628)	(65,329)	(75,028)
Direct operating expenses		–	(72)	(33)	(218)
Gross profit		2,056	1,639	4,682	4,946
Other income, and gains and losses, net	4	166	774	2,931	1,195
Selling and distribution costs		(172)	(186)	(514)	(557)
Administrative and other expenses		(9,060)	(10,185)	(28,755)	(27,943)
Finance costs	5	–	(89)	–	(260)
Loss before income tax from continuing operations	6	(7,010)	(8,047)	(21,656)	(22,619)
Income tax	7	(161)	(203)	(543)	(647)
Loss for the period from continuing operations		(7,171)	(8,250)	(22,199)	(23,266)
Discontinued operation					
Loss for the period from discontinued operation	8	–	(261)	(64)	(52)
Loss for the period		(7,171)	(8,511)	(22,263)	(23,318)
Attributable to:					
Owners of the Company		(7,254)	(8,611)	(22,535)	(23,635)
Non-controlling interest		83	100	272	317
		(7,171)	(8,511)	(22,263)	(23,318)
Loss per share for loss attributable to owners of the Company	10				
From continuing and discontinued operations Basic and diluted (in HK Cents)		(1.77)	(5.10)	(7.08)	(14.00)
From continuing operations Basic and diluted (in HK Cents)		(1.77)	(4.95)	(7.06)	(13.97)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31 December 2012		Nine months ended 31 December 2012	
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Loss for the period	(7,171)	(8,511)	(22,263)	(23,318)
Other comprehensive income for the period, net of tax:				
— Exchange differences on translation of financial statements of overseas subsidiaries	40	91	8	964
— Reclassification adjustment of exchange reserves on disposal of interests in overseas subsidiaries	—	—	(1,198)	—
Total comprehensive income for the period	<u>(7,131)</u>	<u>(8,420)</u>	<u>(23,453)</u>	<u>(22,354)</u>
Attributable to:				
Owners of the Company	(7,214)	(8,520)	(23,725)	(22,671)
Non-controlling interest	83	100	272	317
	<u>(7,131)</u>	<u>(8,420)</u>	<u>(23,453)</u>	<u>(22,354)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December 2012 (Unaudited) HK\$'000	As at 31 March 2012 (Audited) HK\$'000
ASSETS AND LIABILITIES		
Non-current assets		
Property, plant and equipment	12,701	13,120
Intangible assets	47,425	47,425
Investment property	101,000	–
	<u>161,126</u>	<u>60,545</u>
Current assets		
Trade receivables	64,985	51,969
Refundable deposit	19,377	19,411
Prepayments, deposits and other receivables	7,185	11,879
Tax recoverable	306	20
Cash and cash equivalents	28,896	8,543
	<u>120,749</u>	<u>91,822</u>
Assets of a disposal group classified as held for sale	–	15,150
Total current assets	<u>120,749</u>	<u>106,972</u>
Current liabilities		
Trade payables	58,881	46,296
Accrued expenses and other payables	5,806	2,987
Amount due to a non-controlling equity owner of a subsidiary	1,950	1,950
Tax payable	3	1,188
	<u>66,640</u>	<u>52,421</u>
Liabilities of a disposal group classified as held for sale	–	607
Total current liabilities	<u>66,640</u>	<u>53,028</u>
Net current assets	<u>54,109</u>	<u>53,944</u>
Total assets less current liabilities	<u>215,235</u>	<u>114,489</u>
Non-current liabilities		
Deferred tax liabilities	7,825	7,825
Net assets	<u>207,410</u>	<u>106,664</u>
Capital and reserves		
Issued capital	5,045	1,967
Reserves	197,828	100,432
Equity attributable to owners of the Company	<u>202,873</u>	<u>102,399</u>
Non-controlling interest	<u>4,537</u>	<u>4,265</u>
Total equity	<u>207,410</u>	<u>106,664</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2012

	Attributable to owners of the Company								Non-controlling interest	Total equity
	Issued capital	Share premium	Contributed surplus	Capital reserve	Share option reserve	Exchange reserve	Accumulated losses	Total		
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note 17)									
At 1 April 2012	1,967	70,917	131,109	120,794	4,484	3,012	(229,884)	102,399	4,265	106,664
Loss for the period	-	-	-	-	-	-	(22,535)	(22,535)	272	(22,263)
Other comprehensive income for the Period	-	-	-	-	-	(1,190)	-	(1,190)	-	(1,190)
Total comprehensive income for the Period	1,967	70,917	131,109	120,794	4,484	1,822	(252,419)	78,674	4,537	83,211
Placements of new shares (Note 17(ii))	1,582	49,360	-	-	-	-	-	50,942	-	50,942
Open offer (Note 17(i))	1,153	45,954	-	-	-	-	-	47,107	-	47,107
Issue of new shares for acquisition of subsidiaries	343	25,807	-	-	-	-	-	26,150	-	26,150
Lapse of share options	-	-	-	-	(4,484)	-	4,484	-	-	-
At 31 December 2012	<u>5,045</u>	<u>192,038</u>	<u>131,109</u>	<u>120,794</u>	<u>-</u>	<u>1,822</u>	<u>(247,935)</u>	<u>202,873</u>	<u>4,537</u>	<u>207,410</u>

For the nine months ended 31 December 2011

	Attributable to owners of the Company								Non-controlling interest	Total equity
	Issued capital	Share premium	Contributed surplus	Capital reserve	Warranty reserve	Share option reserve	Exchange reserve	Accumulated losses	Total	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note 17)									
At 1 April 2011	1,688	49,362	131,109	120,794	2,164	8,969	1,869	(193,528)	122,427	126,985
Loss for the period	-	-	-	-	-	-	-	(23,635)	(23,635)	(23,318)
Other comprehensive income for the period	-	-	-	-	-	-	964	-	964	964
Total comprehensive income for the period	-	-	-	-	-	-	964	(23,635)	(22,671)	(22,354)
As at 31 December 2011	<u>1,688</u>	<u>49,362</u>	<u>131,109</u>	<u>120,794</u>	<u>2,164</u>	<u>8,969</u>	<u>2,833</u>	<u>(217,163)</u>	<u>99,756</u>	<u>104,631</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Ming Kei Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and continues as an exempted company with limited liability in accordance with the Bermuda Companies Act 1981 upon the change of domicile of the Company from the Cayman Islands to Bermuda becoming effective on 30 November 2009, and its shares are listed on the GEM. The address of its registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is at Room 2103, 21/F., No. 9 Queen’s Road Central, Central, Hong Kong.

The Company principally engaged in investment holding and its subsidiaries (together the “Group”) are principally engaged in property investment, and business of coal trading between the People’s Republic of China (the “PRC”) and Indonesia.

During the Period, the Group disposed of its 100% equity interests in Star International Business Company Limited (“SIB”) and its subsidiary (together referred to as the “SIB Group”).

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

2.1 Basis of preparation

The unaudited condensed consolidated interim financial statements of the Group for the three and nine months ended 31 December 2012 (the “Interim Financial Statements”) have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of the GEM Listing Rules. The Interim Financial Statements should be read in conjunction with the annual report of the Company for the year ended 31 March 2012 (the “Annual Report”), which has been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

2.2 Principal accounting policies

The Interim Financial Statements have been prepared under the historical cost convention.

The accounting policies and methods of computation adopted for preparation of the Interim Financial Statements are consistent with those applied in the preparation of the annual financial statements of the Group for the year ended 31 March 2012 in the Annual Report.

In the Period, the Group has applied, the following amendments to standards issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 April 2012.

HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures — Transfers of Financial Assets</i>
HKAS 12 Amendments	Amendments to HKAS 12 <i>Income Taxes — Deferred Tax: Recovery of Underlying Assets</i>

The adoption of these amendments has no significant impact on the Group’s Interim Financial Statements.

3. SEGMENT INFORMATION

The Group's operating segments are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments. Summary details of the operating segments are as follows:

- (a) The coal trading segment comprised the business of coal trading;
- (b) The property investment segment comprised investment in various properties for rental income purposes; and
- (c) The general trading segment comprised the business of trading of other merchandise goods. During the year ended 31 March 2012, the Group decided to cease the operation of the general trading segment. Accordingly, the general trading segment was re-classified from a continuing operation to a discontinued operation during that year, details of which are set out in note 8.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

In determining the Group's geographical segments, revenues and results are based on the location in which the customer is located.

Reportable segments

The following tables present revenue, results and certain asset, liabilities and expenditure information for the Group's reportable segments for the nine months ended 31 December 2012 and 2011.

	For the nine months ended 31 December 2012				
	Continuing operations			Discontinued operation	Total
	Coal trading (Unaudited) HK\$'000	Property investment (Unaudited) HK\$'000	Subtotal (Unaudited) HK\$'000	General trading (Unaudited) HK\$'000	
Segment revenue					
External sales and services and reportable segment revenue	<u>69,100</u>	<u>944</u>	<u>70,044</u>	<u>–</u>	<u>70,044</u>
Reportable segment profit/(loss)	<u>3,241</u>	<u>214</u>	<u>3,455</u>	<u>(64)</u>	<u>3,391</u>
Interest income	–	–	–	1	1
Depreciation	<u>–</u>	<u>(48)</u>	<u>(48)</u>	<u>–</u>	<u>(48)</u>

For the nine months ended 31 December 2011

	Continuing operations			Discontinued operation	
	Coal trading (Unaudited) HK\$'000	Property investment (Unaudited) HK\$'000	Subtotal (Unaudited) HK\$'000	General trading (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Segment revenue					
External sales and services and reportable segment revenue	<u>79,190</u>	<u>1,002</u>	<u>80,192</u>	<u>22,851</u>	<u>103,043</u>
Reportable segment profit/(loss)	<u>3,793</u>	<u>(301)</u>	<u>2,492</u>	<u>(52)</u>	<u>2,440</u>
Interest income	–	4	4	8	12
Depreciation	–	(149)	(149)	(2)	(151)
Gain on disposal of investment property	–	14	14	–	14
Fair value gain on investment properties	<u>–</u>	<u>179</u>	<u>179</u>	<u>–</u>	<u>179</u>

A reconciliation of reportable segment profit to consolidated loss before income tax is provided as follow:

	Nine months ended 31 December	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Continuing operations:		
Loss before income tax		
Reportable segment profit	3,455	2,492
Interest income	2	1
Gain on redemption/disposal of available-for-sale financial assets	–	147
Unallocated expenses	(25,113)	(24,999)
Finance costs	<u>–</u>	<u>(260)</u>
Consolidated loss before income tax	<u>(21,656)</u>	<u>(22,619)</u>

Except for the deposit paid for acquisition of subsidiaries as set out in Note 14, there has been no material change in total assets from the amount disclosed in the Annual Report.

There is no difference from the Annual Report in the basis of segmentation or in the basis of measurement of segment profit or loss.

4. TURNOVER AND OTHER INCOME, AND GAINS AND LOSSES, NET

	Three months ended 31 December 2012 (Unaudited) HK\$'000		Nine months ended 31 December 2012 (Unaudited) HK\$'000	
	2011 (Unaudited) HK\$'000		2011 (Unaudited) HK\$'000	
Continuing operations				
Turnover:				
Sales of goods	23,228	21,019	69,100	79,190
Rental income	799	320	944	1,002
	<u>24,027</u>	<u>21,339</u>	<u>70,044</u>	<u>80,192</u>
Other income, and gains and losses, net:				
Interest income	2	–	2	4
Gain on disposal of subsidiaries	–	–	2,143	–
Gain on disposal of investment property	–	–	–	14
Exchange (losses)/gains, net	(11)	(46)	(43)	49
Gain on redemption/disposal of available-for-sale financial assets	–	147	–	147
Sundry income	175	674	829	802
Fair value (loss)/gain on investment properties	–	(1)	–	179
	<u>166</u>	<u>774</u>	<u>2,931</u>	<u>1,195</u>

5. FINANCE COSTS

Interest expense on the following borrowing which is wholly repayable within five years:

	Three months ended 31 December 2012 (Unaudited) HK\$'000		Nine months ended 31 December 2012 (Unaudited) HK\$'000	
	2011 (Unaudited) HK\$'000		2011 (Unaudited) HK\$'000	
Continuing operations				
Promissory notes	–	89	–	260

6. LOSS BEFORE INCOME TAX

This is arrived at after charging the following:

	Three months ended 31 December 2012 (Unaudited) HK\$'000		Nine months ended 31 December 2012 (Unaudited) HK\$'000	
	2011 (Unaudited) (Restated) HK\$'000		2011 (Unaudited) (Restated) HK\$'000	
Continuing operations				
Cost of inventories sold	21,971	19,628	65,329	75,028
Depreciation	473	1,204	1,411	3,369

7. INCOME TAX

	Three months ended 31 December		Nine months ended 31 December	
	2012	2011	2012	2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Continuing operations				
Current tax — Hong Kong				
Charge for the period	157	198	531	629
Current tax — PRC				
Charge for the period	4	5	12	18
	<u>161</u>	<u>203</u>	<u>543</u>	<u>647</u>

Provision for Hong Kong profits tax is calculated at 16.5% on the estimated assessable profits for the current and prior periods. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries or places in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

8. DISCONTINUED OPERATION

General trading operation

During year ended 31 March 2012, in view of the low profit margins and keen competitions in the general trading industry, the Group decided to cease its general trading operation. Accordingly, the general trading operation was re-classified from a continuing operation to a discontinued operation. For the purpose of presenting this discontinued operation, the comparative unaudited condensed consolidated income statement and the related notes have been re-presented as if the operation discontinued during the prior period had been discontinued at the beginning of the comparative period.

The results of the discontinued operation for the current and prior periods, which had been included in the profit or loss, were as follows:

	Three months ended 31 December		Nine months ended 31 December	
	2012	2011	2012	2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Turnover	—	6,073	—	22,851
Cost of inventories sold	—	(5,711)	—	(21,637)
Gross profit	—	362	—	1,214
Other income, and other gains and losses, net	—	3	(7)	9
Administrative and other expenses	—	(626)	(57)	(1,275)
Loss before income tax	—	(261)	(64)	(52)
Income tax	—	—	—	—
Loss for the period from discontinued operation	<u>—</u>	<u>(261)</u>	<u>(64)</u>	<u>(52)</u>

The cash flows of the discontinued operation was as follows:

	Nine months ended	
	31 December	
	2012	2011
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Net cash used in operating activities	(4,278)	(3,550)
Effect of foreign exchange rate changes, net	(16)	260
Total net cash outflows	<u>(4,294)</u>	<u>(3,290)</u>

Basic loss per share for the discontinued operation for the Period is approximately HK Cents 0.02 (2011: HK Cents 0.03) based on the loss for the Period from the discontinued operation of approximately HK\$64,000 (2011: approximately HK\$52,000).

The denominators used are the same as those detailed in note 10 for the basic loss per share attributable to owners of the Company.

Basic and diluted loss per share amounts for the current and prior periods were equal as the convertible instruments of the Group outstanding during the current and prior periods had an antidilutive effect on the basic loss per share calculation from the discontinued operation for the current and prior periods.

9. DIVIDEND

The Board does not recommend for payment of a dividend for the Period (2011: HK\$Nil).

10. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the current and prior periods attributable to the owners of the Company, and the weighted average number of ordinary shares in issue during the current and prior periods.

The calculation of diluted loss per share for the period is based on the loss for the period attributable to the owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

As the Company's outstanding share options and warrants where applicable, had an anti-dilutive effect on the basic loss per share calculation for the current and prior periods, the conversion of the above potential dilutive shares is not assumed in the computation of diluted loss per share. Therefore the basic and diluted losses per share from (i) continuing and discontinued operations; and (ii) from continuing operations for the respective periods are equal.

(i) From continuing and discontinued operations

The calculation of basic and diluted loss per share is based on:

	Three months ended 31 December		Nine months ended 31 December	
	2012	2011	2012	2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss attributable to the owners of the Company, used in the basic and diluted loss per share calculations	<u>(7,254)</u>	<u>(8,611)</u>	<u>(22,535)</u>	<u>(23,635)</u>
	'000	'000	'000	'000
Weighted average number of ordinary shares for basic and diluted loss per share calculations	<u>409,094</u>	<u>168,802</u>	<u>318,074</u>	<u>168,802</u>

(ii) From continuing operations

The calculation of basic and diluted loss per share is based on:

	Three months ended 31 December		Nine months ended 31 December	
	2012	2011	2012	2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss attributable to the owners of the Company, used in the basic and diluted loss per share calculations	<u>(7,254)</u>	<u>(8,350)</u>	<u>(22,471)</u>	<u>(23,583)</u>
	'000	'000	'000	'000
Weighted average number of ordinary shares for basic and diluted loss per share calculations	<u>409,094</u>	<u>168,802</u>	<u>318,074</u>	<u>168,802</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

The Group is principally engaged in (i) property investment holding in Hong Kong; and (ii) business of coal trading business between the PRC and Indonesia.

Decrease in revenue were mostly contributed by the reduced of selling price per metric tonne of coal sold for the coal trading business and the disposal of SIB Group completed on 11 May 2012. The reduced of selling price per metric tonne of coal sold for did not have significant impact to the cash flows or the operating model of the coal trading business pursuant to pages 18 and 19 of the circular of the Company dated 14 October 2010, in particular maintaining a positive price gap between the purchase price and the selling price of at least US\$2 per metric tonne of coal sold. Given the letter of intents signed with the customers and suppliers separately, the coal trading business will continue and provide a stable and regular source of income to the Group.

Significant Investments, Material acquisitions and disposals, and Prospects

As part of its business plan, the Board will continue to explore and evaluate new businesses and investment opportunities which could be of good potential and/or long-term benefit to the Group.

Reference is made to the announcement of the Company dated 11 May 2012 in relation to a discloseable and connected transaction of the disposal of the entire issued share capital of Star International Business Company Limited, an indirect wholly owned subsidiary of the Company, and its subsidiary to Mr. Wong Wai Sing (“Mr. Wong”), the chairman of the Company and non-executive Director for the consideration of HK\$15.74 million pursuant to the agreement entered on 29 February 2012 was completed on 11 May 2012.

Reference is made to the circular of the Company dated 26 September 2012, and announcements of the Company dated 16 October 2012 and 24 October 2012. All Conditions were satisfied and the Completion took place on 24 October 2012, at which the Consideration Shares were issued to the Vendor in accordance with the Agreement. The Group completed the acquisition of the Sale Shares and the Sale Loan at a consideration of HK\$88,000,000, and warranted by the Vendor that the Property and the Target Group was free from any mortgage, charge, pledge or other security. The members of the Target Group are investment holding companies having no material assets other than their beneficial interests in the Property located in Tuen Mun, Hong Kong, valued at HK\$101,000,000 in accordance to the indicative valuation performed by the Valuer. At Completion, the Target Group became wholly-owned subsidiaries of the Company.

The Consideration of HK\$88.0 million was fully settled by:

- (1) the allotment and issue of the Consideration Shares for part of the balance of the Consideration, being approximately HK\$13.0 million;
- (2) internal fundings of the Group for part of the balance of the Consideration, being approximately HK\$13.9 million; and

- (3) the Funding Raising Exercise for the outstanding balance of the Consideration, being approximately HK\$61.1 million in aggregate, including:
- (i) on 14 August 2012, 115,251,000 offer shares of par value HK\$0.01 each of the Company were issued under an open offer at a subscription price of HK\$0.43 each for net proceeds of approximately HK\$45,954,000. Approximately HK\$38.0 million was applied for paying up part of the outstanding balance of the Consideration; and
 - (ii) during the Period, 33,760,000 and 46,100,000 placing shares (79,860,000 placing shares in aggregate) of the Company were placed at subscription prices at HK\$0.28 and HK\$0.36 respectively, for net proceeds of approximately HK\$8,561,000 and approximately HK\$15,464,000 respectively. Approximately HK\$7.6 million and HK\$15.5 million was applied for paying up part of the outstanding balance of the Consideration.

Given the annual gross rental income from the Property of approximately HK\$3.5 million represents a yield of approximately 4.0% to the Consideration, the Board considers the return satisfactory and the Acquisition is a good opportunity for the Group to achieve long term stable income and growth.

Further to all resolutions passed on the SGM, all Conditions to the Completion of the Agreement entered into between Star International and Mr. Yuan Huafeng, the Vendor, were satisfied and the Completion took place on 24 October 2012, at which the 34,300,000 Consideration Shares were allotted and issued by the Company at HK\$0.38 issued to the Vendor as part of the consideration.

Reference is made to the announcement of the Company dated 14 December 2012 in relation to the proposed acquisition of the entire issued share capital of Wider Trading Limited (the “Coal Acquisition”). On 14 December 2012, a non-legally binding MOU was entered for the Coal Acquisition. The Group could expand the regions of its coal trading business through the Coal Acquisition.

Reference is made to the announcement of the Company dated 10 January 2013 in relation to the potential disposal (the “Potential Disposal”) of the entire interests in an indirectly wholly owned subsidiary and its subsidiaries (the “Potential Disposal Group”), of which one of its subsidiaries currently is the beneficial owner of a property held for own use locating in the PRC, of the Company. As at the date of this announcement, no definitive agreement has been signed. If materialised, the Potential Disposal is expected to constitute a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and the Potential Disposal Group will cease to be subsidiaries of the Group.

Reference is made to the announcement of the Company dated 14 January 2013 in relation to the proposed acquisition of the entire issued share capital of Wider Trading Limited (the “Biodiesel Acquisition”). On 14 January 2013, a non-legally binding MOU was entered for the Biodiesel Acquisition. The Target Group, upon completion of the Reorganisation, is principally engaged in the research and development, production and sale of biodiesel products in the PRC.

Reference is made to the announcement of the Company dated 16 January 2013 in relation to the proposed rights issue (the “Rights Issue”) by provisionally allotting on the basis of five rights share (the “Rights Share(s)”) in nil-paid for every one share. The Rights Issue involved the allotment and issue of 2,522,616,485 Rights Shares at a price of HK\$0.02 per Rights Share. The gross proceeds of the Rights Issue will be approximately HK\$50.5 million. The Directors are of the view that the Rights Issue is consistent with the strategic plans of the Group and will enable the Company to raise funds for the Coal Acquisition and the Biodiesel Acquisition and provide an opportunity to all Shareholders to participate in the growth of the Company in proportion to their shareholdings.

Save as disclosed herein, there were no other significant investments, material acquisitions and disposals, and future plans for material investments or capital assets during the Period.

The Board will constantly keep reviewing the Group’s strategies and operations with a view to improve its business performance and Company’s shareholders’ returns. The Board considers that there are possibilities that the Group would identify suitable investment opportunities and are trying to identify and capture investment opportunities which will have greater potential returns and may enhance the earnings per share of the Group which may arise from time to time by taking advantage of the good market sentiments in future.

FINANCIAL REVIEW

The Group reported total turnover of approximately HK\$70,044,000 (2011: approximately HK\$80,192,000 (restated)) for the Period representing a decrease by approximately HK\$10,148,000 over the corresponding prior period. The decrement of revenue were mostly contributed by the reduction in selling price per metric tonne of coal sold for the coal trading business from approximately HK\$79,190,000 (restated) to approximately HK\$69,100,000 for the Period. Since completion of the Acquisition of Sale Shares on 24 October 2012, the Property was generated additional and steady rental income and cash flow of approximately HK\$799,000 during the Quarterly Period.

The Group’s gross profit was approximately HK\$4,682,000 for the Period (2011: approximately HK\$4,946,000 (restated)) representing a decrease by approximately HK\$264,000. The gross profit margin of approximately of 6.7% the comparable with corresponding prior period of approximately 6.2%.

Included in other income, and gains and losses, net of approximately HK\$2,931,000 (2011: approximately HK\$1,195,000 (restated)) was mainly a gain on disposal of SIB Group of approximately HK\$2,143,000 (2011: HK\$Nil) during the Period.

The Group’s selling and distribution costs for the Period decreased slightly to approximately HK\$514,000 (2011: approximately HK\$557,000 (restated)), which were arising from the Coal Trading Business and was in line with the trend of turnover during the Period.

The administrative and other expenses increased to approximately HK\$28,755,000 from approximately HK\$27,943,000 (restated) was mainly due to increase in rental expenses, the financial printing costs and the legal and professional fees.

Loss attributable to the owners of the Company for the Period was approximately HK\$22,535,000 (2011: approximately HK\$23,635,000 (restated)) which was comparable with last corresponding period.

The Group had no borrowings and had cash and cash equivalents of approximately HK\$28,896,000 (31 March 2012: approximately HK\$8,543,000). The increase was mainly due to net proceeds raised from a placing arrangement completed on 27 December 2012. Details were set out in the announcements of the Company dated 17 December 2012 and 27 December 2012.

During the Period, most of the transactions of the Group are denominated in Hong Kong dollars, Renminbi and United States dollars, and no hedging or other arrangements to reduce the currency risk have been implemented as the Board considers that the Group's exposure to foreign currency exchange is insignificant.

Save as disclosed, the Group did not have any charge on group assets or significant contingent liabilities or capital commitment as at 31 December 2012.

EMPLOYEE INFORMATION AND REMUNERATION POLICY

As at 31 December 2012, the Group employed a total of 15 employees (31 March 2012: 29). The salaries and benefits of the Group's employees are maintained at a competitive level and employees are rewarded on a discretionary performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually. The total employee remuneration, excluding Directors' remuneration, for the Period amounted to approximately HK\$3,778,000 (2011: approximately HK\$3,909,000).

CAPITAL STRUCTURE

Reference is made to the announcements the Company dated 17 December 2012 and 27 December 2012 in relation to, inter alia, the Placing. During the Quarterly Period, the placement of 78,370,000 Placing Shares was completed as all the conditions of the Placing had been fulfilled in accordance with the terms and conditions and had been successfully placed to not less than six Placees, who and whose ultimate beneficial owners were Independent Third Parties, at the Placing Price of HK\$0.350 per Placing Share.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2012, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO") which (i) were required to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or (ii) were recorded in the register required to be kept by the

Company under Section 352 of the SFO or otherwise notified to the Company and the Exchange pursuant to the required standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules (the “Model Code”) were as follows:

Long position in Shares of the Company

Name of Directors	Capacity	Number of ordinary shares held	Approximate percentage of shareholding in the Company
<i>Non-executive Directors</i>			
Mr. Wong	Beneficial owner	36,400	0.01
	Interest of a controlled corporation (<i>Note</i>)	75,676 (<i>Note</i>)	0.01
Mr. Tsang Ho Ka, Eugene (the “Mr. Tsang”)	Beneficial owner	7,940,104	2.03

Note: Mr. Wong is the chairman of the Company and a non-executive Director. Of the 112,076 Shares, 75,676 Shares are held by Ming Kei International Holding Company Limited (“MKIH”), a company which is wholly and beneficially owned by Mr. Wong, the sole executive director of MKIH. Accordingly he is deemed to be interested in such 75,676 Shares.

Save for those disclosed above, as at 31 December 2012, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to Company and the Exchange pursuant to the Model Code.

Save as disclosed below in the section headed “Share Option Scheme”, none of the Directors or chief executive (including their spouses and children under the age of 18), during the Period, held any interests in or was granted any right to subscribe for the securities of Company and its associated corporations (within the meaning of Part XV of the SFO), or had exercised any such rights.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at the annual general meeting (the “AGM 2012”) of the Company held on 2 August 2012 (the “New SOS”), the Company has adopted the new share options scheme and the previous share option scheme of the Company adopted on 26 October 2002 (the “Old SOS”) was terminated on the even date.

The movements in the share options under the Old SOS during the Period are set out as follows:

Categories of grantee	Date of grant	Exercisable period	Exercise price per share ⁽²⁾ HK\$	Closing price at the date of grant ⁽²⁾ HK\$	Outstanding as at 01/04/2012	Exercised/Granted during the Period	Lapsed during the Period	Outstanding as at 31/12/2012
Executive director ⁽¹⁾								
Ms. Yick Mi Ching, Dawnibilly ("Ms. Yick")	3 September 2010	3 September 2010 – 2 September 2020	0.755	0.755	7,940,104	–	(7,940,104)	–

Notes:

1. Ms. Yick retired as an executive Director with effect from 2 August 2012 and in accordance with the terms of the Old SOS, the outstanding share options were exercisable within a period of 3 months after the date of her retirement.
2. The closing price at grant date of the share option was HK\$1.51 per share, which is identical to the exercise price per share of HK\$1.51. Upon the completion of bonus issues, the exercise price is adjusted to HK\$0.755 per share, closing price at the grant date is adjusted to HK\$0.755 per share accordingly for illustration purpose only.

No options was granted or exercised during the Quarterly Period.

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct for securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries by the Company, the Directors have confirmed that they have complied with the provisions of Model Code throughout the Period.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2012, the Directors were not aware of any other person, other than the interests of the director or chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO.

INTERESTS IN A COMPETING BUSINESS

As at 31 December 2012, none of the Directors, the management shareholders or substantial shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) has engaged in any business that competes or might compete with the business of the Group, or have any other conflict of interests with the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor its subsidiaries has purchased, redeemed, sold or cancelled any of the Company's listed securities during the Period.

CORPORATE GOVERNANCE PRACTICES

Throughout the Period, the Company has been fully compliant with all the code provisions set out in Appendix 15 Corporate Governance Code (the "CG Code") of the GEM Listing Rules with the exception of the following deviations:

Code Provision A.4.1

Code Provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

Deviation

Non-executive Directors are not appointed for a fixed term. The Bye-laws of the Company stipulate that every director (including executive or non-executive directors) shall be subject to retirement for re-election at least once every three years. Therefore, the Company has adopted adequate measures to ensure the corporate governance of the Company complies with the same level to that required under the CG Code.

Code provision A.6.7

Code provision A.6.7 of the CG Code stipulates that the independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders.

Deviation

Mr. Kinley Lincoln James Lloyd ("Mr. Kinley"), Ir. Edmund Kwok King Yan ("Ir. Kwok"), Mr. Ho Chi Wai ("Mr. Ho") and Ms. Cui Ying ("Ms. Cui") are the independent non-executive Directors of the Company were unable to attend the AGM 2012 as they had other important business engagement.

Mr. Wong and Mr. Tsang, the non-executive Directors, and Mr. Ho and Ms. Cui, the independent non-executive Directors, were unable to attend the SGM held on 16 October 2012 as they had other important business engagement.

Code provision E.1.2

Code provision E.1.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting.

Deviation

The chairman of the Board, Mr. Wong, was unable to attend the AGM 2012 as he had other important business engagement. However, Ms. Yick, had chaired the AGM 2012 in accordance with Bye-laws of the Company.

AUDIT COMMITTEE

The unaudited condensed consolidated financial statements of the Group for the Period have been reviewed by the audit committee of the Company, which was of the opinion that the preparation of such financial information complied with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements and that adequate disclosures have been made.

By order of the Board of
Ming Kei Holdings Limited
Ho Pui Tin, Terence
Chief Executive Officer and Executive Director

Hong Kong, 14 February 2013

As at the date of this announcement, the executive Directors are Mr. Ho Pui Tin, Terence and Mr. Chow Pak Wah, Oliver, the non-executive Directors are Mr. Wong Wai Sing and Mr. Tsang Ho Ka, Eugene and the independent non-executive Directors are Mr. Kwok Kam Tim, Mr. Ho Chi Wai and Ms. Cui Ying.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website (www.hkgem.com) for at least 7 days from the date of its posting and the Company’s website at www.mkhld.com.