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## **Ming Kei Energy Holdings Limited**

**明基能源控股有限公司\***

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8239)**

### **DISCLOSEABLE TRANSACTION: INVOLVING SUBSCRIPTION OF NEW SHARES IN WING HING INTERNATIONAL (HOLDINGS) LIMITED**

#### **DISCLOSEABLE TRANSACTION**

The Board announces that on 4 August 2008, the Company, entered into the Placing Letter, with Partners Capital pursuant to which, Partners Capital, as the placing agent to Wing Hing, has agreed to procure Wing Hing, as the issuer to allot and issue and the Company, as one of the subscribers, has agreed to subscribe in cash for the 1,600,000 Subscription Shares for a total subscription price of HK\$2,288,000, i.e. HK\$1.43 per new Wing Hing Share.

The Subscription is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in the 10,860,000 new Wing Hing Shares (including the Subscription Shares).

Upon Completion, the Subscription Shares represent approximately 2.00% of the issued share capital of Wing Hing as enlarged by the allotment and issue of the 10,860,000 new Wing Hing Shares.

The Subscription constitutes a discloseable transaction for the Company under the GEM Listing Rules. A circular containing, among other matters, details of the Subscription will be despatched to the Shareholders as soon as practicable in compliance with the GEM Listing Rules.

#### **INTRODUCTION**

On 4 August 2008, the Company, entered into the Placing Letter, with Partners Capital pursuant to which, Partners Capital, as the placing agent to Wing Hing, has agreed to procure Wing Hing, as the issuer to allot and issue and the Company, as one of the subscribers, has agreed to subscribe in cash for the Subscription Shares for a total subscription price of HK\$2,288,000.

\* *For identification purposes only*

## **THE PLACING LETTER**

Date: 4 August 2008

- Parties: (1) the Company, as one of the subscribers
- (2) Partners Capital Securities Limited, as placing agent to Wing Hing

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, both Partners Capital and Wing Hing and their respective ultimate beneficial owners are Independent Third Parties.

### **Subscription Shares**

Pursuant to the Placing Letter, the Company has agreed to subscribe for, and Partners Capital, as the placing agent to Wing Hing, has agreed to procure Wing Hing, as the issuer to allot and issue the Subscription Shares, representing approximately 2.32% of the issued share capital of Wing Hing as at the date of the Placing Letter and approximately 2.00% of the total issued share capital of Wing Hing as enlarged by the allotment and issue of the 10,860,000 new Wing Hing Shares upon Completion.

### **Subscription price**

The total subscription price for the Subscription Shares is HK\$2,288,000, i.e. HK\$1.43 per new Wing Hing Share, which shall be paid in cash by the Company upon Completion by internal resources of the Group.

The Subscription Price of HK\$1.43 represents (i) a discount of approximately 17.34% to the closing price of HK\$1.73 per Wing Hing Share as quoted on the Stock Exchange on 31 July 2008, being the last trading day for the Wing Hing Shares prior to the placing agreement of Wing Hing dated 1 August 2008; (ii) a discount of approximately 19.93% to the average closing price per Share of HK\$1.786 as quoted on the Stock Exchange for the last five consecutive trading days up to and including 31 July 2008, being the last trading day for the Wing Hing Shares prior to the placing agreement of Wing Hing dated 1 August 2008; and (iii) a discount of approximately 19.16% to the average closing price per Share of HK\$1.769 as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 31 July 2008, being the last trading day for the Wing Hing Shares prior to the placing agreement of Wing Hing dated 1 August 2008.

The Subscription Price is determined after arm's length negotiation between Wing Hing and Partners Capital with reference to the prevailing market price and the recent trading volume of Wing Hing Shares. The Directors (including the independent non-executive Directors) consider that the Subscription Price is fair and reasonable based on the current market conditions and that the Subscription is in the interests of the Company and the Shareholders as a whole.

The Board considers that the Placing Letter was entered into on normal commercial terms and its terms are fair and reasonable and the entering into of the Placing Letter is in the interests of the Company and the Shareholders as a whole.

## **Condition of the Subscription**

The Subscription is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the 10,860,000 new Wing Hing Shares (including the Subscription Shares).

## **Long-stop date and Completion**

The placing agreement between Partners Capital and Wing Hing may be terminated if the condition is not fulfilled on or before 15 August 2008 or such later date as may be agreed between Partners Capital and Wing Hing, in which case, the Placing Letter will also be terminated. The Completion is expected to take place on or before 15 August 2008 unless otherwise notified by Partners Capital.

## **INFORMATION OF WING HING**

Wing Hing is a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of Stock Exchange. Wing Hing Group is engaged in superstructure construction, foundation piling, substructure works, slope improvement, special construction projects, interior decoration and landscaping works in Hong Kong and is also engaged in the development and management of a series of sophora products and biological vegetable oil in the PRC.

On 20 June 2008, Wing Hing entered into a conditional sale and purchase agreement (subject to completion) in relation to the acquisition of a business engaged in metal refining, coal exploitation and trading in Guizhou Province (貴州省), the PRC.

According to the annual report of Wing Hing for the year ended 31 March 2008, the Wing Hing Group recorded an audited consolidated turnover of approximately HK\$480,292,000 and HK\$513,387,000 for each of the two years ended 31 March 2007 and 2008 respectively. The audited consolidated profit before and after taxation of Wing Hing Group for the year ended 31 March 2007 were approximately HK\$11,499,000 and HK\$10,765,000. The audited consolidated profit before and after taxation of Wing Hing Group for the year ended 31 March 2008 were approximately HK\$7,606,000 and HK\$6,021,000.

The audited total assets of Wing Hing Group as at 31 March 2007 and 31 March 2008 were approximately HK\$250,588,000 and HK\$584,731,000 respectively.

## **REASONS FOR THE SUBSCRIPTION**

The Group is principally engaged in mining, sale and distribution of coals in the PRC and it is also engaged in coordinating various logistics services for its customers.

As stated in the annual report of the Group for the year ended 31 March 2008, the Board believes that in view of the continuous robust growth of the economy and driven by an increasing growth of energy demand in the PRC due to unsustainable nature of the mining resources, the Group is optimistic of the prospects of the coal mining industry in the PRC. The Group will firmly seize the opportunity of the continue growth of demand in the coal market and strive to increase the raw coals production volume and continuously improving the growth quality. The Directors believe that the coal market in the PRC provides abundant business opportunities for the Group in the future.

Hence, the Directors have always been active in seeking business opportunities and to maximise the return of the Group as well as to improve its existing business further in the long run, the Group is actively looking for any other business opportunities elsewhere to improve its standard performance and improve Shareholders' return.

On 8 July 2008, the Company entered into a disposal agreement with a purchaser for the disposal of the entire equity interest in Precious Logistics Limited. Precious Logistics Limited and its subsidiaries are principally engaged in coordinating various logistics services in sea, road and air freight forwarding and other related logistics services. The disposal agreement is subject to the Company's shareholders' approval at an extraordinary general meeting to be convened and held by the Company. After the completion of the disposal, the Group will focus solely on its existing principal business of mining, sale and distribution of coals in the PRC.

On 18 July 2008, the Company entered into a non-legal binding memorandum of understanding in relation to the possible acquisition of a PRC company which is engaged in coal mining and sales of coal. The PRC company has been granted a mining exploitation permit (採礦許可証) issued by the Department of Land and Resources of Guizhou Province (貴州省國土資源廳), and such mining exploitation permit is valid until June 2018.

The Group considers that the Subscription provides (i) an opportunity to enjoy any potential capital gain in the value of the Wing Hing Shares (ii) the Subscription represents an opportunity for the Company to create a synergy effect with Wing Hing as both of them have participated or are going to participate in the coal mining industry; and (iii) a good investment channel for the Company, which is in the interests of the Shareholders and the Company as a whole.

The acquisition of approximately 2.00% of the issued share capital of Wing Hing as enlarged by the allotment and issue of the 10,860,000 new Wing Hing Shares was determined by the Board after taking into consideration of the internal resources of the Group.

Taking into account the benefits of the Subscription and based on the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Subscription are fair and reasonable and the Subscription is in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECTS OF THE SUBSCRIPTION**

At present, the Company intends to fund the Subscription by its internal resources. It is expected that the Subscription would not have any material impact on the financial position of the Group. The investment in Wing Hing will be accounted for as available-for-sale financial assets of the Company and the Group upon Completion.

## **GEM LISTING RULES IMPLICATIONS**

The Subscription constitutes a discloseable transaction for the Company under the GEM Listing Rules. A circular containing, among other matters, details of the Subscription will be despatched to the Shareholders as soon as practicable in compliance with the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	board of the Directors
“Company”	Ming Kei Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM

“Completion”	the completion of the subscription of Subscription Shares by the Company
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company from time to time
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Placing Agent” or “Partners Capital”	Partners Capital Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Letter”	the conditional Placing Letter dated 4 August 2008 entered into between the Company and the Placing Agent
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holder(s) of the Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares pursuant to the Placing Letter
“Subscription Price”	HK\$1.43 per Subscription Share
“Subscription Shares”	an aggregate of 1,600,000 new Wing Hing Shares to be subscribed by the Company pursuant to the Placing Letter

“Wing Hing”	Wing Hing International (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which is listed on the main board of the Stock Exchange (stock code: 621)
“Wing Hing Group”	Wing Hing and its subsidiaries
“Wing Hing Shares”	ordinary share(s) of HK\$1.00 each in the share capital of Wing Hing
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**Ming Kei Energy Holdings Limited**  
**Mr. Guo Xu**  
*Chairman*

Hong Kong, 5 August 2008

*As at the date of this announcement, the executive Directors are Mr. Yeung Leung Kong, Mr. Cheung King Shan, Mr. Guo Xu, Mr. Li Hai, Mr. Li Qing and Ms. Yick Mi Ching Dawnibilliy and the independent non-executive Directors are Mr. Sung Wai Tak, Herman, Mr. Fung Ho Yin and Mr. Chung Ho Tung.*

*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: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will remain on the GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting and the Company’s website at [www.mingkeienergy.com](http://www.mingkeienergy.com).*