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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)**

### **MEMORANDUM OF UNDERSTANDING IN RESPECT OF POSSIBLE ACQUISITION OF THE ENTIRE INTEREST IN OCEAN BEST ASIA PACIFIC LIMITED**

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rule.

#### **MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE ACQUISITION**

The Board announces that on 17 July 2009 (after trading hours), Star Enterprise, an indirect wholly-owned subsidiary of the Company, entered into a non-legally binding MOU with Ms. Xu in relation to the Possible Acquisition. A refundable earnest money of HK\$2,000,000 has been paid by the Group pursuant to the MOU and deposited to an interest-bearing saving client account of the solicitors of Star Enterprise as stakeholder.

The Target is incorporated in Hong Kong and is principally engaged in trading of sea sand.

**The Board wishes to emphasis that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition is materialised, it will or will not constitute a notifiable and/or connected transaction on the part of the Company. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company in the event any Formal Agreement has been signed.**

\* For identification purposes only

This announcement is made by the Company and the Group pursuant to Rule 17.10 of the GEM Listing Rules.

## **MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE ACQUISITION**

The Board announces that Star Enterprise, an indirect wholly-owned subsidiary of the Company entered into the non-legally binding memorandum of understanding with Ms. Xu in relation to the Possible Acquisition.

Date: 17 July 2009 (after trading hours)

Parties:

- (i) The purchaser: Star Enterprise, an indirectly wholly-owned subsidiary of the Company;
- (ii) The vendor: Ms. Xu, the legal and beneficial owner of the entire issued share capital of the Target

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Ms. Xu is not a connected person of the Company and is an independent third party not connected with the Company and its connected persons.

### **Major terms of the MOU**

Under the MOU, it is proposed that Star Enterprise, will acquire the entire issued share capital of the Target from Ms. Xu.

Under the MOU, both Star Enterprise and Ms. Xu will proceed to the negotiation for a legally-binding Formal Agreement on or before 16 October 2009 (or such later date to be agreed by the parties thereto).

It is also agreed that Ms. Xu will not, prior to 16 October 2009, negotiate with any party for the Possible Acquisition.

### **Earnest Money**

The Earnest Money of HK\$2,000,000 was paid by the Group to the solicitors of Star Enterprise, forthwith upon the signing of the MOU, which the solicitors of Star Enterprise, shall act as stakeholder of the Earnest Money and deposit it into an interest-bearing savings client account maintained with a licensed bank in Hong Kong.

In the event that legal binding Formal Agreement is entered into by the parties or, as the case may be, their respective nominees, both Ms. Xu and Star Enterprise confirm that the Earnest Money together with interest accrued thereon shall be applied towards in satisfying part of the consideration for the sale and purchase of the Sale Shares to be specified in the legal binding Formal Agreement and the Earnest Money together with interest accrued thereon shall be released to Ms. Xu or, as the case may be, her nominees.

In the event that the legal binding Formal Agreement is not entered into by the parties or as the case may be, their respective nominees, on or before 16 October 2009 or such later date as the parties may mutually agree; the Earnest Money, together with interest accrued thereon, shall be returned to Star Enterprise within three Business Days from the said date.

The consideration for the Possible Acquisition (including the method of payment) shall be subject to further negotiation between the parties to the MOU and the due diligence to be conducted by the Group on the Target.

The MOU does not constitute legally-binding commitment in respect of the Possible Acquisition. The Possible Acquisition is subject to the execution and completion of the Formal Agreement.

If the Formal Agreement is entered into, it is expected that the Possible Acquisition will or will not constitute a notifiable and/or connected transaction on the part of the Company pursuant to the GEM Listing Rules. In this regard, the Company will comply with the reporting, disclosure and/or Shareholders' approval requirements under the GEM Listing Rules.

### **Reasons for the Possible Acquisition**

Star Enterprise is an investment holding company. The Group is principally engaged in mining, sale and distribution of coals in the PRC. Subsequent to the completion of the very substantial disposal of 51% equity interests in Star Fortune International Investment Company Limited on 3 July 2009, the Company is also engaged in investment holding and property investment.

Following the disposal of Star Fortune International Investment Company Limited and its subsidiaries as announced by the Company dated 7 May 2009, 12 June 2009 and 3 July 2009, the Group has been looking for further investment opportunities in order to broaden the Group's business and maximising the return of the Shareholders.

The Target is principally engaged in the trading of sea sand from Cambodia and Vietnam to Singapore.

The Group viewed the prospect for the trading of sea sand as a good opportunity due to the fact that (i) Singapore needs to continue carrying out a number of massive reclamation projects for both private and public housing estates and recreational facilities to meet the growing population, (ii) massive economic and infrastructure development will be built on the reclaimed land and (iii) the sourcing of sea sand by Singapore from its neighborhood countries is unsustainable. Subject to the due diligence to be conducted by the Group on the Target, it is expected that the Possible Acquisition will be a good opportunity for the Group.

**The Board wishes to emphasize that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition is materialized,**

**it will or will not constitute a notifiable and/or connected transaction on the part of the Company. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company in the event any Formal Agreement has been signed.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Business Day”	a day (other than a Saturday, a Sunday and a public) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Board”	the board of Directors from time to time
“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 (stock code: 8239)
“connected persons”	has the meaning ascribed thereto in the GEM Listing Rules
“Director(s)”	the director(s) of the Company (including the independent non-executive directors) from time to time
“Earnest Money”	HK\$2,000,000 being a refundable earnest money paid by the Group under the MOU to the solicitors of Star Enterprise, as stakeholder of Star Enterprise, for the Possible Acquisition
“Formal Agreement”	the formal sale and purchase agreement which may or may not be entered into in relation to the Possible Acquisition
“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”	the Hong Kong Special Administrative Region of the PRC
“MOU”	the non-legally binding memorandum of understanding dated 17 July 2009 entered into between Star Enterprise and Ms. Xu setting out the preliminary understanding in relation to the Possible Acquisition
“Ms. Xu”	Ms. Xu Jinping, a Hong Kong citizen, beneficially interested in the entire equity interests in the Target

“Possible Acquisition”	the possible acquisition by the Group from Ms. Xu of the entire issued share capital of the Target as contemplated in the MOU
“PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Shareholder(s)”	holders of the issued Shares from time to time
“Share(s)”	share(s) of HK\$0.01 each in the capital of the Company
“Star Enterprise”	Star Enterprise Investment Company Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Ocean Best Asia Pacific Limited which is a company incorporated in Hong Kong with limited liability, the shares of which is wholly-owned by Ms. Xu
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board of  
**Ming Kei Energy Holdings Limited**  
**Mr. Tsang Ho Ka, Eugene**  
*Chief Executive Officer and Executive Director*

Hong Kong, 17 July 2009

*As at the date of this announcement, the executive Directors are Ms. Yick Mi Ching Dawnibilly, Mr. Tsang Ho Ka, Eugene, Mr. Wong Wai Sing and Mr. Luk Yue Kan, and the independent non-executive Directors are Mr. Fung Ho Yin, Mr. Sung Wai Tak, Herman, 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).*