

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Ming Kei Holdings Limited
明基控股有限公司*

(formerly known as Ming Kei Energy Holdings Limited

明基能源控股有限公司)*

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

(Stock Code: 8239)

**(I) REPAYMENT OF PROMISSORY NOTE AND
(II) CONNECTED TRANSACTION –
ISSUE OF CONVERTIBLE BONDS**

Financial Adviser to the Company



INCUB Corporate Finance Limited

REPAYMENT OF PROMISSORY NOTE

On 17 February 2010 (after trading hours), the Company repaid the Promissory Note in the aggregate amount of HK\$20,000,000. As at the date of this announcement, the outstanding amount of the Promissory Note is HK\$20,000,000.

* For identification purpose only

ISSUE OF CONVERTIBLE BONDS

On 17 February 2010 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe or procure subscription by its nominee(s) for the Convertible Bonds in the principal amount of HK\$20,000,000 with the rights to convert into 11,976,047 Conversion Shares at initial Conversion Price of HK\$1.67 (subject to adjustments) per Conversion Share. The subscription price payable by the Subscriber or procured by the Subscriber to be payable by its nominee(s) under the Subscription Agreement will be satisfied by setting off against the outstanding principal amount of the Promissory Note of HK\$20,000,000.

GEM LISTING RULES IMPLICATIONS

As the Subscriber and Mr. Wong are Substantial Shareholders and thus, connected persons of the Company, the issue of the Convertible Bonds constitutes a non-exempt connected transaction on the part of the Company under the GEM Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirements.

GENERAL

As at the date of this announcement, the Subscriber and Mr. Wong hold an aggregate of 10,032,000 Shares, representing approximately 19% of the entire issued share capital of the Company. Pursuant to Chapter 20 of the GEM Listing Rules, the Subscriber, Mr. Wong and their respective associates are required to abstain from voting on the resolution at the SGM of the Company to approve the issue of the Convertible Bonds.

The Independent Board Committee comprising all the independent non-executive Directors, will be formed to advise the Independent Shareholders as to the fairness and reasonableness of the issue of the Convertible Bonds. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The circular containing, among other matters, further information on the issue of the Convertible Bonds, a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, a letter from the Independent Board Committee to the Independent Shareholders, a notice of the SGM and a proxy form will be despatched to the Shareholders within 21 days after the publication of this announcement.

REPAYMENT OF PROMISSORY NOTE AND ISSUE OF CONVERTIBLE BONDS

(1) Repayment of Promissory Note

On 17 February 2010 (after trading hours), the Company repaid the Promissory Note in the aggregate amount of HK\$20,000,000. As at the date of this announcement, the outstanding amount of the Promissory Note is HK\$20,000,000.

(2) Issue of Convertible Bonds

On 17 February 2010 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe or procure subscription by its nominee(s) for Convertible Bonds in the principal amount of HK\$20,000,000 with the rights to convert into 11,976,047 Conversion Shares at initial Conversion Price of HK\$1.67 (subject to adjustments) per Conversion Share. The subscription price payable by the Subscriber or procured by the Subscriber to be payable its nominee(s) under the Subscription Agreement will be satisfied by setting off against the outstanding principal amount of the Promissory Note of HK\$20,000,000.

The Convertible Bonds

The terms of the Convertible Bonds have been negotiated on an arm's length basis and the principal terms of which are summarised below:

Principal amount

HK\$20,000,000

Interest

The Convertible Bonds shall carry no interest

Maturity

The third anniversary of the date of issue of the Convertible Bonds

Denomination

In multiples of HK\$1,000,000

Form

Registered form only

Conversion price

The initial Conversion Price of HK\$1.67 per Conversion Share represents (i) a discount of approximately 7.73% to the closing price of HK\$1.81 per Share as quoted on the Stock Exchange on 17 February 2010, the day for the entering into of the Subscription Agreement; and (ii) a discount of approximately 9.24% to the average of the closing prices per Share of HK\$1.84 for the last five trading days immediately before the entering into of the Subscription Agreement.

The Conversion Price is subject to adjustment for, among other matters, sub-division, consolidation or reclassification of new Shares, issue of Shares by way of capitalisation of profit or reserves, capital distribution, issue Shares for cash or issue consideration Shares at a price which is less than 80% of the market price, bonus issues, rights issues and other dilutive events and repurchase of any Shares by the Company.

Conversion

The holder(s) of the Convertible Bonds has/have the rights to convert the whole or any part of the principal amount of the Convertible Bonds into Conversion Shares from time to time following the issue of the Convertible Bonds at the Conversion Price of HK\$1.67 per Conversion Share at integral multiples of HK\$1,000,000 save that if the outstanding principal amount of the relevant Convertible Bonds is less than HK\$1,000,000, the whole (but not part only) of the outstanding principal amount of the relevant Convertible Bonds must be converted.

The conversion rights attaching to the Convertible Bonds shall only be exercisable to the extent that such conversion will not (i) result in the public float of the Company unable to meet the requirement under the GEM Listing Rules; or (ii) trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the holder of the Convertible Bonds which exercised the conversion right and the party(ies) acting in concert (as defined under the Takeovers Code).

Ranking

The Conversion Shares upon issue will rank pari passu in all respects among themselves and with all other Shares in issue on the date of such allotment and issue.

Redemption

The Company shall redeem the Convertible Bonds which remain outstanding by 4:00 p.m. on the date immediately following three years after the first issue of the Convertible Bonds at 100% of the principal amount. The Company shall not redeem any outstanding Convertible Bonds prior to the Maturity Date.

Transferability

The Convertible Bonds may be transferred or assigned to any third party in whole multiples of HK\$1,000,000 (or such lesser amount as may represent the entire principal amount thereof) with prior written consent of the Company and prior approval of the Stock Exchange, if so required. The Company shall give notice to the Stock Exchange for any transfer of the Convertible Bonds and shall state whether any connected person of the Company is involved.

Voting

The holder(s) of the Convertible Bonds will not be entitled to attend or vote at any meetings of the Company by reason only of being the holder(s) of the Convertible Bonds.

Events of default

The Convertible Bonds will contain events of default provisions which provide that on the occurrence of certain events of default specified in the conditions of the Convertible Bonds (e.g. repayment overdue, insolvency and liquidation), each of the Bondholders shall be entitled to demand for immediate repayment of the principal amount outstanding under the relevant Convertible Bonds.

The Conversion Shares

Upon full conversion of the Convertible Bonds in the principal amount of HK\$20,000,000 by the holder(s) of the Convertible Bonds at the Conversion Price, a maximum of 11,976,047 Conversion Shares will be issued. The Conversion Shares will represent: (i) approximately 22.68% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 18.49% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares assuming the conversion rights attaching to the Convertible Bonds are exercised in full. The Conversion Price is determined between the Company and the Subscriber after arm's length negotiations with reference to the prevailing market price of the Shares.

No application will be made for listing of, or permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

The Company will seek a specific mandate from the Independent Shareholders for the allotment and issue of the Conversion Shares. In this regard, a special general meeting of the Company will be convened and held to pass the necessary resolution to approve the Subscription Agreement and the transactions contemplated thereunder.

Conditions precedent

Completion of the Subscription Agreement is conditional upon the fulfillment of the following conditions precedent:

- (i) the passing by the Independent Shareholders at a special general meeting of the Company to be convened and held, of the necessary resolutions to approve the Subscription Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Conversion Shares to the holder(s) of the Convertible Bonds);

- (ii) all necessary consents and approvals required to be obtained on the part of the Company and the Subscriber in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained; and
- (iii) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Conversion Shares.

If any of the above conditions are not fulfilled on or before 31 March 2010 or such other date as the Company and the Subscriber may agree, the Subscription Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Subscription Agreement save in respect of any antecedent breach of any obligation under the Subscription Agreement.

Completion

Completion will take place on the day falling on the third Business Day after the conditions precedent of the Subscription Agreement are fulfilled.

Reason for the issue of Convertible Bonds

The Group is principally engaged in investment holding and property investment in Hong Kong and the PRC and business of general trading in PRC respectively.

As at the date of this announcement, there is an outstanding Promissory Note of HK\$20,000,000. The Promissory Note will mature on 19 November 2010. Repayment of the Promissory Note by the issue of the Convertible Bonds, will (i) extend the time for repayment of the amount of HK\$20,000,000 without incurring any interest; (ii) reserve more financial resources of the Company for the funding of future investments when opportunities arise; and (iii) broaden the capital base of the Company upon exercise of the conversion rights attaching to the Convertible Bonds, if any. Accordingly, the Directors (excluding the independent non-executive Directors whose opinion will be provided after considering the advice from the independent financial adviser) are of the view that the issue of the Convertible Bonds to the Subscriber under the Subscription Agreement are in the interest of the Company and the shareholders as a whole.

The Directors (excluding the independent non-executive Directors whose opinion will be provided after considering the advice from the independent financial adviser) consider that the terms and conditions of the Subscription Agreement, which were arrived at after arm's length negotiations between the Company and the Subscriber, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Fund Raising Activity in past 12 months

The following is the equity fund raising activity conducted by the Group in the past 12 months immediately preceding the date of this announcement:

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds as announced	Actual use of proceeds
29 December 2009	Private placing of non-listed warrants	HK\$1.6 million	As general working capital of the Group	As general working capital of the Group

Changes of Shareholding

As at the date of this announcement, the Company has 52,800,000 Shares in issue. Set out below is the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately upon Completion, assuming there would not be any allotment and issue of new Shares or Share repurchase by the Company and after exercising in full of the conversion rights attaching to the Convertible Bonds based on the best knowledge, information and belief of the Directors:

Shareholders	As at the date of this announcement		Immediately after full exercise of the conversion rights attaching to the Convertible Bonds (for illustration purposes only) (Note 4)	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
The Subscriber– Ming Kei International Holding Co. Ltd (Note 1) (“ Ming Kei ”)	6,780,000	12.84	18,756,047	28.96
Mr. Wong (Note 1)	3,252,000	6.16	3,252,000	5.02
<i>Sub-total</i>	10,032,000	19.00	22,008,047	33.98
Lonestar Group Limited (Note 2)	200,000	0.38	200,000	0.31
Mr. Luk Yue Kan (Note 3)	1,200	0.00	1,200	0.00
Public	42,566,800	80.62	42,566,800	65.71
Total	52,800,000	100.00	64,776,047	100.00

Notes:

1. Ming Kei is wholly and beneficially owned by Mr. Wong, a non-executive Director and a sole executive director of Ming Kei. Therefore Mr. Wong is deemed to be interested in the shares of Ming Kei.
2. Lonestar Group Limited is wholly and beneficially owned by Mr. Tsang Ho Ka, Eugene, an executive Director.
3. Mr. Luk Yue Kan is an executive Director.
4. For illustration purpose only. Pursuant to the terms and conditions of the Convertible Bonds, holder(s) of the Convertible Bonds may exercise all or part of the conversion rights attaching to the Convertible Bonds provided that the issue of the relevant Conversion Shares to it/them will not result in (i) the public float of the Company unable to meet the requirement under the GEM Listing Rules or (ii) trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the holder(s) of the Convertible Bonds which exercised the conversion right and the party(ies) acting in concert as defined under the Takeovers Code.

(3) GEM Listing Rules Implications

The Subscriber is a company incorporated in Hong Kong which is wholly and beneficially owned by Mr. Wong. As at the date of this announcement, the Subscriber and Mr. Wong hold an aggregate of 10,032,000 Share, representing approximately 19% of the entire issued share capital of the Company as at the date of this announcement. As the Subscriber and Mr. Wong are the Substantial Shareholders and thus, connected persons of the Company, the issue of the Convertible Bonds constitutes a non-exempt connected transaction on the part of the Company under the GEM Listing Rules and is subject to reporting, announcement and Independent Shareholders' approval requirement.

(4) General

Pursuant to Chapter 20 of the GEM Listing Rules, the Subscriber, Mr. Wong and their respective associates are required to abstain from voting on the resolution at the special general meeting of the Company to approve the issue of the Convertible Bonds.

The Independent Board Committee comprising all the independent non-executive Directors, will be formed to advise the Independent Shareholders as to the fairness and reasonableness of the issue of the Convertible Bonds. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other matters, further information on the issue of the Convertible Bonds, a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, a letter from the Independent Board Committee to the Independent Shareholders, a notice of the SGM and a proxy form will be despatched to the Shareholders within 21 days after the publication of this announcement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

“associate(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors from time to time
“Business Day”	any day (excluding a Saturday and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Ming Kei Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda, with limited liability and the issued Shares of which are listed on GEM
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Conversion Price”	the initial conversion price of HK\$1.67 per Conversion Share (subject to adjustments) of the Convertible Bonds
“Conversion Share(s)”	new Share(s) to be allotted and issued to the holder(s) of the Convertible Bonds upon exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	the zero coupon convertible bonds with a three-year term in the principal amount of HK\$20,000,000
“Directors”	the directors of the Company from time to time
“GEM”	the Growth Enterprises Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM

“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	a board comprising all the independent non-executive Directors to advise the Independent Shareholders as to the terms of the issue of the Convertible Bonds and transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than the Subscriber and Mr. Wong and those who are required to abstain from voting under the GEM Listing Rules and their respective associates (if any)
“Maturity Date”	the third anniversary from the date of issue of the Convertible Bonds
“Mr. Wong”	Mr. Wong Wai Sing, a non-executive Director and a Substantial Shareholder
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Promissory Note”	the zero coupon promissory note in the principal amount of HK\$40,000,000 issued by the Company to the Subscriber
“SGM”	the special general meeting of the Company to be convened and held for considering and, if though fit, approving, among other matters, the issue of the Convertible Bonds and the transactions contemplated thereunder
“Share(s)”	shares of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Ming Kei International Holding Co. Limited (明基國際集團有限公司), a company incorporated in Hong Kong with limited liability, a substantial Shareholder, which is wholly and beneficially owned by Mr. Wong

“Subscription”	the subscription of the Convertible Bonds by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 17 February 2010 entered into between the Company and the Subscriber in respect of the subscription of the Convertible Bonds
“Substantial Shareholder”	has the meaning ascribed thereto in the GEM Listing Rules
“Takeover Code”	The Hong Kong Code on Takeovers & Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 17 February 2010

As at the date of this announcement, the executive Directors are Ms. Yick Mi Ching Dawnibilly, Mr. Tsang Ho Ka, Eugene and Mr. Luk Yue Kan, the non-executive Director is Mr. Wong Wai Sing and the independent non-executive Directors are Mr. Sung Wai Tak, Herman, Mr. Kwok Kam Tim and Mr. Kinley Lincoln James Lloyd.

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.mingkeiholdings.com.