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*

(incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 8239)

(1) VERY SUBSTANTIAL DISPOSAL INVOLVING DISPOSAL OF 49% EQUITY INTERESTS IN STAR FORTUNE INTERNATIONAL INVESTMENT COMPANY LIMITED; AND (2) RESUMPTION OF TRADING

Financial adviser to the Company

INCU Corporate Finance Limited

THE DISPOSAL AGREEMENT

On 20 May 2010 (after trading hours), Star Fortune, an indirectly wholly-owned subsidiary of the Company, entered into the Disposal Agreement, with the Purchaser, a wholly-owned subsidiary of China Sonangol, the Company and China Sonangol for the disposal of the Sale Shares, representing 49% equity interests in the Target held by Star Fortune for a total consideration of HK$50,000,000.

* *For identification purpose only*

Reference is made to the Former Disposal Agreement pursuant to which Star Fortune agreed to sell and the Purchaser agreed to purchase 51% equity interests of the Target at the total consideration of HK$100,000,000. The Former Disposal constituted a very substantial disposal on the part of the Company under the GEM Listing Rules. Pursuant to Rule 19.22 of the GEM Listing Rules, as the Former Disposal completed on 3 July 2009, which is within 12 months before the Proposed Disposal, the Former Disposal and the Proposed Disposal would be aggregated.

The Proposed Disposal, when aggregated with the Former Disposal, constitutes a very substantial disposal on the part of the Company under the GEM Listing Rules. The Disposal Agreement and the transactions contemplated thereunder will be subject to Shareholders' approval by way of poll at the SGM to be convened and held by the Company.

A circular containing, among other things, further details of the Disposal Agreement and the transactions contemplated thereunder together with the notice of the SGM will be despatched to the Shareholders.

Completion of the Proposed Disposal and the transactions contemplated thereunder may or may not take place. Shareholders and potential investors should exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been suspended with effect from 9:30 a.m. on 24 May 2010 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 6 July 2010.

Reference is made to the announcement and circular of the Company dated 7 May 2009 and 12 June 2009 respectively regarding the disposal of 51% equity interests in the Target, and the two announcements of the Company dated 3 July 2009 and 3 February 2010 respectively relating to the completion of the Former Disposal Agreement and the fulfillment of the profit guarantee as referred to in the Former Disposal Agreement.

THE DISPOSAL AGREEMENT

Date: 20 May 2010 (after trading hours)

Parties:	(1)	Vendor:	Star Fortune
	(2)	Vendor's guarantor:	The Company
	(3)	Purchaser:	Lasting Power
	(4)	Purchaser's guarantor:	China Sonangol

The Purchaser is a wholly-owned subsidiary of China Sonangol, a company the issued shares of which are listed on the main board of the Stock Exchange. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser, China Sonangol and their ultimate beneficial owners are Independent Third Parties.

Assets to be disposed of

The Sale Shares, representing 49% of the issued share capital of the Target.

Consideration

The Disposal Consideration is HK$50,000,000 and shall be paid by the Purchaser in cash in the following manner:

(a) a sum of HK$20,000,000, being the Deposit and partial payment of the Disposal Consideration has been paid by the Purchaser and deposited by the Purchaser to the escrow account with Purchaser's solicitors as the escrow agent on the date of the Disposal Agreement and shall be released to Star Fortune upon Completion subject to the terms and conditions as stated in the Escrow Agreement; and

(b) the balance of the Disposal Consideration of HK$30,000,000 shall be paid by the Purchaser to Star Fortune on Completion.

Basis of the Disposal Consideration

The Disposal Consideration was arrived at after arm's length negotiations between the parties to the Disposal Agreement with reference to (i) the reasons for the Disposal as discussed under the section headed "Reasons for and benefits of the disposal" below; (ii) no profit guarantee nor performance guarantee obligation similar to those as provided under the Former Disposal is given in this Proposed Disposal, thus there is no potential risk of future reduction in Disposal Consideration; (iii) the waiver of the obligation under the Former Performance Guarantee (for the Second Annual Period) in this Proposed Disposal will relieve the Company from the fulfillment of guarantee as discussed under the section headed "Former Performance Guarantee" below; (iv) the equity interest being disposed of under the Proposed Disposal is a non-controlling stake; and (v) the entire Disposal Consideration will be in cash and payable upon Completion.

The Disposal Consideration was comparatively less than the consideration in the Former Disposal. Having considered that (i) the Disposal Consideration is fixed at the time the Disposal Agreement is entered into and there will be no future adjustment mechanism as there is no profit guarantee or performance guarantee under the Proposed Disposal; (ii) the Company has not guaranteed nor is obligated to fulfill any performance guarantee and profit guarantee subsequent to Completion; (iii) the waiver of the Performance Guarantee of 900,000 tonnes coal sold for the Second Annual Period as part of the Proposed Disposal; and (iv) investors are generally interested in controlling interest and thus non-controlling interest is generally harder to dispose and is generally of less value than the controlling one in most of the acquisitions nowadays, the Directors consider that such discount as compared to the consideration in the Former Disposal is justified. Please also refer to the section headed "Basis of the consideration for the three transactions and the reasons" below for further elaboration.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Disposal Agreement and the transactions contemplated thereunder are entered into on normal commercial terms following arm's length negotiations among the parties to the Disposal Agreement and the terms are fair and reasonable and the Proposed Disposal is in the interests of the Company and the Shareholders as a whole.

Conditions

The Disposal is conditional upon the following conditions being satisfied or waived on or before 31 August 2010 or such later date as Star Fortune and the Purchaser may agree in writing:

1. Star Fortune has a good title to the Sale Shares free from Encumbrances and that Star Fortune is the sole registered and beneficial owner of the Sale Shares;

2. all necessary consents and approvals required to be contained on the part of Star Fortune, and the Company as required under the GEM Listing Rules having been obtained;

3. all necessary consents and approvals required to be contained on the part of the Purchaser and China Sonangol as required under the Main Board Listing Rules having been obtained;

4. all approvals, consents, authorizations and licenses including but not limited to the exploration and exploitation permits necessary for the business and operation of the Target Group not having been revoked or withdrawn and are still valid and effective;

5. the representations and warranties given by Star Fortune and the Company remaining true and correct in all material respect;

6. the representations and warranties given by the Purchaser and China Sonangol remaining true and correct in all material respect;

7. the passing by the Shareholders at the SGM to be convened and held of any ordinary resolutions approving the Disposal Agreement and the transactions contemplated thereunder;

8. the passing by the shareholders of China Sonangol at its special general meeting to be convened and held of an ordinary resolution approving the Disposal Agreement and the transactions contemplated thereunder;

9. Star Fortune having performed in all material respects all of the covenants and agreements required to be performed by it under the Disposal Agreement;

10. the Purchaser having performed in all material respects all of the covenants and agreements required to be performed by it under the Disposal Agreement; and

11. no statute, regulation or decision which would prohibit, restrict or materially delay the sale and purchase of the Sale Shares or the operation of any member of the Target Group after Completion having been proposed, enacted or taken by any governmental or official authority.

The Purchaser may waive conditions 5 and 9 at any time by notice in writing to Star Fortune whereas conditions 1, 2 and 7 cannot be waived by the Purchaser. Star Fortune may waive conditions 6 and 10 at any time by notice in writing to the Purchaser, whereas conditions 3 and 8 cannot be waived by Star Fortune. Conditions 4 and 11 above shall only be waived by the Purchaser and Star Fortune mutually.

If the above conditions have not been satisfied or waived (as the case may be) on or before 31 August 2010 or such later date as the parties to the Disposal Agreement may agree in writing (the "**Long Stop Date**"), neither parties shall be bound to proceed with the sale and purchase of the Sale Shares and the outstanding obligation under the Disposal Agreement shall cease to be of any effect. Star Fortune shall take necessary action to return the Deposit paid by the Purchaser with interest to the Purchaser within three Business Days after the Long Stop Date.

Completion

Completion of the Disposal Agreement will take place on the Completion Date.

After Completion of the Disposal Agreement, the Group will not have any interest in the Target, and therefore the Target Group will cease to be the associates of the Group.

Former Performance Guarantee

Pursuant to the Former Disposal Agreement, Star Fortune and the Company have guaranteed to the Purchaser that the Actual Sales Volume of coal sold by the PRC Subsidiary A for each of the First Annual Period and the Second Annual Period respectively shall not be less than 900,000 tonnes (based on the coal sold as stated in the value-added tax invoices).

As at the date of this announcement, the unaudited Actual Sales Volume of coal sold by the PRC Subsidiary A for the First Annual Period has been fulfilled and according to the Former Disposal Agreement, the outstanding balance of the consideration of HK$10 million will be released by the Purchaser's solicitors within five Business Days upon the Purchaser in receipt of the Output Accounts and receipt of irrevocable instruction letter jointly signed by Star Fortune and the Purchaser confirming fulfilment of the Former Performance Guarantee (for the First Annual Period) which is expected to be on or before 31 July 2010.

Pursuant to the Disposal Agreement, the parties thereto have agreed that the performance guarantee for the Second Annual Period shall be waived.

Further announcement will be made by the Company regarding the receipt of the remaining consideration under the Former Performance Guarantee.

Non-competition and non-solicitation

For a period of two (2) years following Completion, except for as otherwise authorised by the Disposal Agreement or agreed to in writing by the Purchaser, none of Star Fortune or the Company will on behalf of itself or any other person, either as principal, agent, partner, member, shareholder, employee, consultant, representative, director or officer or in any other capacity (i) directly or indirectly own, manage, operate or control, or be employed by, engaged in or assist anyone to engage in, or have a financial interest in, any business in Bei Ta Mountain, Qi Tai County, Xinjiang Uygur Autonomous Region, the PRC (中國新疆維吾爾自治區奇台縣北塔山) (the "**Region**") which competes with the business of the Target or the Target Group in the Region; or (ii) directly or indirectly solicits or entice away any person who is or has been a customer of the Target or the Target Group within two (2) years before the Completion; and (iii) directly or indirectly solicits or endeavours to entice away from or discourage from being employed by the Target or the Target Group any person who is at the date of the Disposal Agreement an officer or employee of the Target or the Target Group whether or not such person would commit a breach of contract by reason of leaving service (save and except for those director(s) and/or supervisor(s) and/or company secretary(ies) and/or legal representative(s) appointed or designated by Star Fortune in each of the Target or the Target Group who will resign from their respective positions immediately upon Completion); and (iv) directly or indirectly employ or engage or attempt to employ or engage or negotiate or arrange the employment or engagement by any other person, firm or company of any person who is at the date of the Disposal Agreement an officer or employee of the Company or the Target Group (save and except for those director(s) and/or supervisor(s) and/or company secretary(ies) and/or legal representative(s) appointed or designated by Star Fortune in each of the Target or the Target Group who will resign from their respective positions immediately upon Completion).

INFORMATION ON THE TARGET GROUP, THE PURCHASER AND CHINA SONANGOL

The Target Group is principally engaged in mining, sale and distribution of coals in the PRC. The Target is an investment holding company and the Target Subsidiaries are responsible for the main operation of the Target Group. As at the date of this announcement, the Target, through the Target Subsidiaries, owns the entire interest in the mining rights (採礦許可證) granted by the relevant PRC authorities to conduct mining activities in the Kaiyuan Open Pit Coal Mine (凱源露天煤礦) and the exploration permit (礦產資源勘查許可證) granted by the relevant PRC authorities to conduct exploration activities in the Zexu Open Pit Coal Mine (澤旭露天煤礦).

China Sonangol is an investment holding company and its subsidiaries are principally engaged in (i) the provision of management services related to oil trading marketing; and (ii) mining, sale and distribution of coal. The Purchaser is an investment holding company and is a wholly-owned subsidiary of China Sonangol.

The financial information of the Target Group for the period from 12 April 2007 (date of incorporation) to 31 March 2008 and the financial years ended 31 March 2009 and 2010 (as adjusted to bring into line any dissimilar accounting policies that may exist) are as follows:

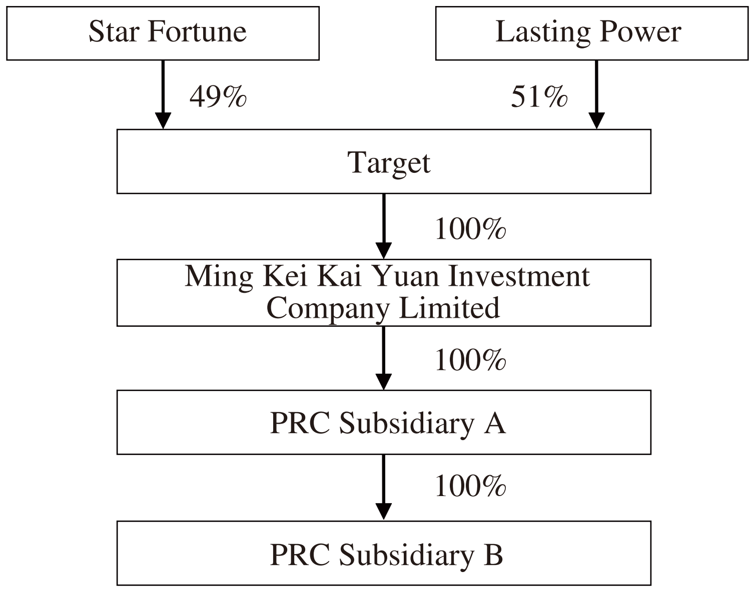
	For the period from 12 April 2007 (date of incorporation) to 31 March 2008 (audited) *HK$'000*	**For the year ended 31 March 2009 (audited)** *HK$'000*	**For the year ended 31 March 2010 (audited)** *HK$'000*
Results			
Turnover	35,071	127,705	150,040
Profit before tax and impairment of intangible assets *(Note)*	51,259	31,736	1,197
Profit/(loss) before tax *(Note)*	51,259	(1,128,483)	(53,364)
Profit/(loss) after tax	53,233	(836,342)	(43,476)

	As at 31 March 2008 (audited) *HK$'000*	**As at 31 March 2009 (audited)** *HK$'000*	**As at 31 March 2010 (audited)** *HK$'000*
Total assets	1,562,929	343,994	238,140
Net assets/(liabilities)	116,465	(766,670)	145,790

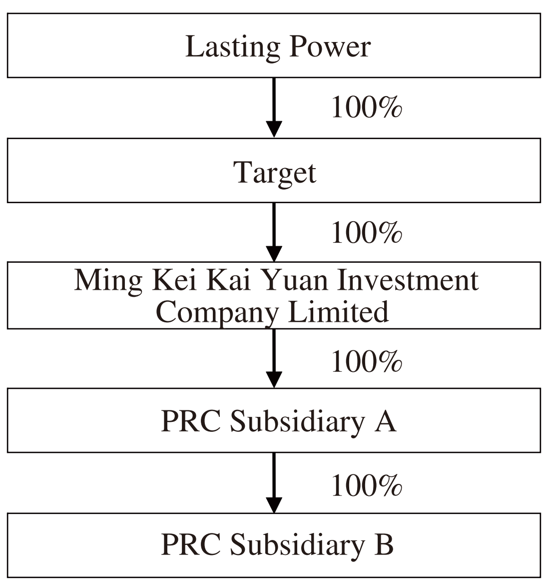
Note: The profit for the period ended 31 March 2008 has included the "excess of the Group's share of net fair value of the interests in subsidiaries acquired over the cost of the acquisition" of HK$50.8 million attributed to the Former Acquisition. Reference is also made to the Company's annual report 2007/2008 dated 30 June 2008 and the Company's announcement dated 4 February 2009 respectively.

Set out below is the shareholding structure of the Target Group immediately before and after Completion:

Immediately before Completion:



Immediately after Completion:



REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in investment holding and property investment in Hong Kong and the PRC and business of general trading in the PRC respectively. Star Fortune is an indirect wholly-owned subsidiary of the Company and is currently directly holding 49% equity interests in the Target. The Target and its subsidiaries are principally engaging in mining, sale and distribution of coals in the PRC and are beneficially interested in two Coal Mines located in Xinjiang Uygur Autonomous Region, the PRC, namely Kaiyuan Open Pit Coal Mine (凱源露天煤礦) and Zexu Open Pit Coal Mine (澤旭露天煤礦).

The Company acquired 100% of the Target Group in July 2007 with a view that coal mining business is in a fast growing trend with immense potential. However, due to the global financial crisis in 2008, the coal mining industry has not been growing as fast as expected and the Company disposed of 51% equity interests in the Target in July 2009.

After completion of the Former Disposal, the remaining 49% equity interests in the Target has been accounted for as interests in associates by the Group, and since then its financial performance has not been consolidated with that of the Group under the acquisition method of accounting. Such non-consolidation of financial results would mean that there would be no direct financial contributions of the Target Group, such as turnover, to that of the Group.

Former Acquisition, Former Disposal and the Proposed Disposal

The consideration for the Former Acquisition which completed in 2007 was HK$1 billion which is based on among other factors, profit guarantee for the Target Group of approximately 16.67 times (with reference to the price to earnings ratio of comparable companies) provided by the vendor at that time.

Out of the HK$1 billion consideration, HK$282 million were satisfied by the issue of promissory notes with maturity dates on 19 November 2010, of which (i) an amount of HK$160 million has been directly waived or redeemed at deep discount by the holders (details of which are disclosed in the announcement of the Company dated 13 February 2009); and (ii) an amount of HK$80 million has been reduced by the revision of profit guarantee under the Former Acquisition (details of which are disclosed in the announcement and circular of the Company dated 7 May 2009 and 12 June 2009 respectively). As a whole, the principal amounts of the promissory notes were reduced by a total of HK$240 million and correspondingly, the total consideration for the Former Acquisition was reduced from HK$1 billion to HK$760 million.

The consideration for the Former Disposal which was completed in July 2009 was HK$100 million and the consideration of the Proposed Disposal is HK$50 million.

Impairment after the Former Acquisition

Reference is made to the annual report 2008/2009 of the Company for the year ended 31 March 2009 in which the Group recorded an impairment loss of approximately HK$1,160.22 million attributable to the mining right and the exploration right of the Target Group. Such impairment loss reflected the reduction in values of the Coal Mines as compared to those as at

31 March 2008 as reflected in the carrying values of the mining right and the exploration right of the Target Group recorded in the audited consolidated financial statements of the Group as at 31 March 2008, in which the values of the Coal Mines are assessed by independent valuer. The impairment loss was due to (i) the global financial crisis which affected the economy of China and the mining business; (ii) the slower economic growth, uncertainty of the economic recovery and the difficulty in securing financing from financial institutions on favorable terms, the Directors adopted a prudent approach to delay the production plan of the PRC Subsidiary B; and (iii) various changes in the valuation assumptions used by the independent valuer, including but not limited to the increase in discount rate to reflect the increased risk premium and change in expected return at the time of valuation by the independent valuer, the expectation of change in future expected coal selling price and change in expected production, selling and administration cost and expected capital expenditure. As a result, the values of the Coal Mines as at 31 March 2009 were reduced as compared to those as at 31 March 2008, which resulted in an impairment loss of approximately HK$1,160.22 million for the financial year ended 31 March 2009.

Former Disposal

The consideration for the Former Disposal was arrived at after arm's length negotiations between the parties to the Former Disposal Agreement with reference to, amongst other factors, the price to earning ratio of approximately 4.90 times of the Former Profit Guarantee attributable to the 51% equity interests in the Target, which was agreed with reference to the price to earning ratios of a number of Hong Kong listed companies engaging in similar business in the coal mining industry.

Basis of the consideration for the three transactions and the reasons

The basis why the consideration for the Former Acquisition, Former Disposal and the Proposed Disposal was decreased significantly and the reasons for the Former Disposal and the Proposed Disposal are summarised as follows:

(1) the drastic change in the international financial environment between 2007 and 2009. Approximately one year after the completion of the Former Acquisition in 2007, the world economy (including that of the PRC) was badly hit by the global financial tsunami, which led to a global recession, slowing down of world coal mining industry and reduction in price of coal by approximately 40% from its peak to after financial tsunami (according to the data provided by Bloomberg);

(2) the Group recorded an impairment loss of approximately HK$1,160.22 million attributable to the mining right and the exploration right of the Target Group. Such impairment loss reflected the reduction in value of the Coal Mines as assessed by the independent valuer at the time of valuation;

(3) the frequent natural disasters such as earthquakes, flooding, snowstorms and political instability in the region where the Target Group operates affect the smooth operation of the production process, the expectation of change in future expected coal selling price and change in expected production, selling and administration cost and expected capital expenditure make the investment in the region less attractive to the Company;

(4) in view that the financial tsunami in 2008 had resulted in slower economic growth, uncertainty of the economic recovery, the difficulty in securing financing from financial institutions on favorable terms, and the political instability in the region where the Target Group operates, the Directors adopted a prudent approach to delay its plan to commence exploration of the Zexu Open Pit Coal Mine (澤旭露天煤礦) owned by the PRC Subsidiary B;

(5) the intense competition and price pressure of the coal products of the Target Group resulted from the entrance of various private local competitors nearby; and

(6) the increase in production cost and selling cost of the coal (i.e. delivery cost and labour cost) and the decrease in coal price have reduced the profit margin of the coal mining business, which makes the investment in the region less attractive to the Company.

The three transactions were entered into in different points of time between 2007 to 2010, when the global environment changes drastically from a prosperity economy, to badly hit by the financial tsunami and the wide spreading of the credit crunch initialed from Europe and subsequently sign of recession. The change in market environment and the market atmosphere affected the rational statistics of the Target Group and the Coal Mines, the valuation assumptions by the independent valuer at the time of valuation as well as the commercial decision of the Directors. In view of the above, the Board is of the opinion that it is justifiable for the Group to dispose of the Target Group at the aforesaid consideration.

In view of the limited financial contribution from the investment in the Target Group and other factors the Directors have considered as mentioned above, the Directors consider that the Proposed Disposal provides an opportunity for the Company to realise the investment and devote more time and resources to strengthen its existing core business (namely property investment and business of general trading) or to re-allocate its resources to other investment opportunities which may have better returns and make direct contributions to the results of the Group for the benefits of the Shareholders as a whole.

FUTURE PROSPECT AND OPERATION OF THE GROUP

Pursuant to Rule 17.26 of the GEM Listing Rules, an issuer shall carry out, directly or indirectly, a sufficient level of operations or have tangible assets of sufficient value and/or intangible assets for with a sufficient potential value to warrant the continued listing of the issuer's securities.

Level of operation

After completion of the Former Disposal, the Group will continue to engage in (i) the new business. of property investment in Hong Kong and the PRC; and (ii) general trading in the PRC respectively. The Group has been involved in new business of property investment in Hong Kong since August 2009 and in the PRC since July 2009, and general trading in the PRC since September 2009 respectively and these businesses will continue after Completion.

Since the commencement of these new businesses, their turnover and results were fully consolidated into the consolidated financial statements of the Group. Reference is made to the annual results announcement or annual report 2009/2010 of the Company for the year ended 31 March 2010, though the contribution from these business activities did not reflect the scale of such businesses on a 12-month basis since the new businesses commenced during the year. The Group recorded an audited turnover from the property investment and the business of general trading of approximately HK$0.89 million and HK$14.21 million respectively for the year ended 31 March 2010. Set out below are the information about the new business:

1. *General trading business*

   In general, all the major operation activities of the trading business took place in Beijing with tight supervision from senior officers of an indirect wholly-owned subsidiary of the Group established in Shenzhen, the PRC (the "SZ Subsidiary"). It was established for performing administrative function of the general trading business. The operation activities of the SZ Subsidiary include: (i) performing market research on sourcing from new suppliers and identifying new customers, elaborating pricing set by customers and supplier; (ii) negotiating the purchase cost and selling price with suppliers and customers respectively; (iii) preparing the sales contracts to customers; (iv) issuing purchase orders to supplier and sales invoices to customers; (v) scheduling delivery plan from supplier to customers' warehouses; (vi) ensuring the delivery is made to customers on a timely basis; and (vii) performing inspection on the physical appearance and quantity of the products.

   Before the commencement of the trading business with customers, the SZ Subsidiary will conduct a basic due diligence review on the background of the potential customers, including but not limited to conducting litigation searches and obtaining information from the potential customers directly to ascertain whether to trade with such potential customers.

   The trading business is solely carried out on an indent basis. Usually, the trading sales are initiated by the sales orders placed by customers. The Group would then negotiate and obtain price quotation from the supplier. Once all terms and conditions are mutually agreed between the SZ Subsidiary and the customers and between the SZ Subsidiary and supplier respectively, the SZ Subsidiary would sign the contracts with them separately.

   The prices of the products are determined based on cost plus method, in accordance with the requirements as stated in the sales order. Normally within one month after the purchase order is signed, the goods will be delivered to the Group by the supplier and the Group will arrange the same to be delivered to the customers immediately.

   Currently, the products for the general trading business of the Company in the PRC consists of construction and decoration materials, electronics appliances and components as well as motor vehicles components.

   Reasons for conducting the general trading business:

   Products available by the Group are construction and decoration materials, electronics appliances and components as well as motor vehicles components respectively.

Products traded by the trading company are mainly telecommunication equipments which are normally used/assembled in large scale point-to-point telecommunication data transmission/linkage and storage system, such as communication and monitoring system between the headquarter and local offices for certain kinds of business-to-business (B2B) or acting as channel of daily transportation network. The Group believes that the demand of those large scale telecommunication equipments would be increased sharply in the near future and such business will enjoy ample potential opportunities as:

i. Beijing's economy continue to grow rapidly after the Olympics Games in year 2008;

ii. many new multi-national corporations and local corporations' headquarter have been established and are expanding in Beijing;

iii. the frequent communication between the government departments/businesses/households in Beijing and other cities;

iv. rapid modernization and urbanization of rural area around Beijing which increase the demand of the telecommunication equipments;

v. continuous infrastructure and construction projects in Beijing, the PRC; and

vi. the recent announcement of the 3 net combined (三網融合) policy by the PRC Government will stimulate the demand of large scale telecommunication equipments.

In addition to the above reasons, the Group's current supplier is a state-owned enterprise which (i) provides products which are of high and reliable qualities; and (ii) offers all components involved in those telecommunication systems which reduces the cost of purchase. We have established a close relationship with our supplier, which facilitates our business operation and enable us to provide our customers with reliable source of products.

In addition, in order to reduce the impact of global financial crisis on the PRC economy, the PRC government had announced important measures for boosting internal demand, increasing investment and stimulating domestic consumption, together with its practice of proactive fiscal policies and loose monetary policies. In view of such measures made by the PRC government, the Directors are optimistic about the prospect of its trading business within the PRC, and are confident that it will contribute positively to the business of the Group.

Further, after the completion of the Former Disposal, the Target Group has been accounted for as interests in associates in the consolidated financial statements of the Group, and since then its financial performance would not be consolidated with that of the Group under the acquisition method of accounting. Such non-consolidation of financial results would mean there would be no direct financial contributions of the Target Group, such as turnover, to that of the Group. In contrast, the turnover generated from the general trading business will be consolidated with the Group's consolidated income statement, and contribute directly to the financial performance of the Group, and the trading business would therefore generate a better return than that of the Target Group after the completion of the Former Disposal due to its direct financial contribution to the consolidated financial statements of the Group.

In view of the reasons above and the reasons set out in the paragraph headed "Basis of the consideration for the three transactions and the reasons" under the section headed "Reasons for and Benefits of the Disposal" above, the Directors consider that it was in the interests of the Company and its Shareholders to conduct the Proposed Disposal and start the trading business after the completion of the Former Disposal.

Development plan:

The trading business of the Group commenced in October 2009 and is still in its development stage. As at the date of this announcement, the Group has entered into three letters of intent with one new and two different existing customers respectively (collectively referred to as the "Trading Customers") for long term acquisition contracts with the aggregate amounts of RMB28 million starting from the period of 1 July 2010 to 30 June 2011 for different electronic appliances. As some of the customers of the Trading Customers are state-owned enterprises, the secure of the long terms acquisition contracts will strengthen the stability of the trading business of the Company.

In the future, the Company will further negotiate with different potential suppliers and/or customers for sourcing of products and expanding its clientele. With the increase in sales demand, the Group expects that better discount will be granted by the supplier when negotiate for sourcing of the products. As such, the Company expects a higher gross profit margin will be obtained.

The Group does not foresee any need for extra fund for funding the trading business in the forthcoming 12 months period.

2. *Property investment*

Though the rising trend of the property market in Hong Kong and the PRC has been slowed down and price of the properties in Hong Kong and the PRC has been adjusted downward recently due to the regulations and policies imposed by Hong Kong and the PRC government towards the property market, the Directors will continue to explore opportunities to invest in good quality properties in both Hong Kong and the PRC to strengthen its property investment business.

Assets of potential value

Based on the audited consolidated financial statements of the Group as at 31 March 2010, after Completion of the Proposed Disposal, the estimated total assets of the Group will be approximately HK$193.55 million and estimated net assets of the Group will be approximately HK$186.95 million. Based on the audited consolidated financial statements of the Group as at 31 March 2010, apart from the estimated working capital and cash position of the Group, the estimated total assets after Proposed Disposal will comprise mainly investment properties amounting to approximately of HK$23.14 million, investments in available-for-sale financial assets of approximately HK$10.56 million, and office premise and property, plant and equipment of approximately HK$19.18 million.

FINANCIAL EFFECT OF THE DISPOSAL

As a result of the Proposed Disposal, subject to review and confirmation of the Company's auditors, the Group expects to record an estimated unaudited loss on the Proposed Disposal of approximately HK$20.69 million, which is calculated based on the Disposal Consideration, and the Group's interests in associates (i.e. the 49% of audited consolidated net assets value of the Target Group, as adjusted to bring into line any dissimilar accounting policies that may exist) as at 31 March 2010 of approximately HK$71.44 million and taking into account the reclassification of exchange reserve contributed by the Target Group of approximately HK$6.75 million as at 31 March 2010 and the direct costs of the Proposed Disposal of approximately HK$6.00 million.

Having considered (i) the reasons for the Proposed Disposal as discussed above; (ii) the waiver of the Former Performance Guarantee for the Second Annual Period; (iii) the non-controlling interests of the Group in the Target Group; (iv) the opportunity for the Company to realise the investment; and (v) the Disposal Consideration enhances the cash resources of the Group for possible future investment with better profitability when opportunities arise, the Board is of the opinion that it is justifiable for the Group to dispose of the Target Group at the aforesaid Disposal Consideration. Furthermore, the Proposed Disposal will enable the management of the Company to concentrate and allocate more of the Company's resources on the trading business, property investment business or any other opportunities which may arise for the interest of the Company and Shareholders as a whole.

The aforementioned estimations for the loss on Proposed Disposal are for illustrative purpose only and do not purport to represent how the actual financial position of the Group will be upon Completion.

INTENDED USE OF PROCEEDS

The gross proceeds from the Proposed Disposal will amount to approximately HK$50.00 million. The net proceeds receivable by the Company, after deducting all direct costs, fees and expenses to be borne by the Company are estimated to be approximately of HK$44.00 million. As at the date of this announcement, there is not any specific development and investment plan for the Company, hence the entire net proceeds will be used for the working capital of the Group which could strengthen the existing trading and property investment business of the Company.

As at the date of this announcement, the Directors have no intention to conduct nor have been engaged in any discussions, arrangements, negotiations or proposals, whether concluded or not, for any further acquisition or disposal of the Group's business or assets.

Having stated the above, the Group has been actively looking for any other investment projects though no specific targets or investment opportunities have been identified as at the date of this announcement. Further announcement will be made should any potential investment is identified pursuant to the GEM Listing Rules.

GEM LISTING RULES IMPLICATIONS

Pursuant to Rule 19.22 of the GEM Listing Rules, as the Former Disposal for the 51% equity interests in the Target completed on 3 July 2009, which is within 12 months before the Proposed Disposal, the Former Disposal and the Proposed Disposal would be aggregated.

The Proposed Disposal, when aggregated with the Former Disposal, constitutes a very substantial disposal on the part of the Company under the GEM Listing Rules. The Disposal Agreement and the transactions contemplated thereunder will be subject to Shareholders' approval at the SGM by way of poll.

A circular containing, among other things, further details of the Disposal Agreement and the transactions contemplated thereunder together with the notice of the SGM will be despatched to the Shareholders.

Completion of the Proposed Disposal and the transactions contemplated thereunder may or may not take place. Shareholders and potential investors should exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been suspended with effect from 9:30 a.m. on 24 May 2010 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 6 July 2010.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

"Actual Sales Volume"	the volume of coal sold by the PRC Subsidiary A as stated on the value-added tax invoices

"associates"	has the meaning associated thereto in the GEM Listing Rules
"Board"	the board of Directors from time to time
"Business Day(s)"	a day on which licensed banks in Hong Kong are open for normal banking business throughout their normal business hours (excluding Saturdays and Sundays)
"China Sonangol"	China Sonangol Resources Enterprise Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock code: 1229)
"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 (stock code: 8239)
"Coal Mines"	Kaiyuan Open Pit Coal Mine (凱源露天煤礦) and Zexu Open Pit Coal Mine (澤旭露天煤礦)
"Completion"	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Disposal Agreement
"Completion Date"	within five (5) Business Days after all the conditions precedent have been fulfilled or waived by the Purchaser or Star Fortune (or such later date as the parties to the Disposal Agreement may agree in writing)
"connected persons"	has the meaning ascribed thereto in the GEM Listing Rules
"Consideration Balance"	HK$30,000,000 being balance of the Disposal Consideration
"Deposit"	the sum of HK$20,000,000 paid by the Purchaser to an escrow account of the Purchaser's solicitors upon signing of the Disposal Agreement, being refundable deposit and part payment of the Disposal Consideration which will be released to Star Fortune on Completion
"Directors"	the directors of the Company (including the independent non-executive directors) from time to time

"Disposal Agreement"	the conditional disposal agreement dated 20 May 2010 and entered into among Star Fortune, the Company, China Sonangol and the Purchaser in relation to the sale and purchase of the Sale Shares
"Disposal Consideration"	the aggregate consideration of HK$50,000,000 for the sale and purchase of 49% equity interests in the Target pursuant to the Disposal Agreement
"Encumbrances"	shall mean any mortgage, charge, pledge, lien, equities, hypothecation or other encumbrance, priority of security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-lease back arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
"Escrow Agreement"	the escrow agreement dated 20 May 2010, entered into between the Purchaser, the Purchaser's solicitors and Star Fortune in respect of the escrow of the Deposit in the escrow account of the Purchaser's solicitors
"First Annual Period"	for the first twelve (12) months ending immediately after 3 July 2009, the completion date of the Former Disposal
"Former Acquisition"	the acquisition of the entire issued share capital of Ming Kei Kai Yuan Investment Company Limited by the Target, which was completed on 19 November 2007
"Former Disposal"	the disposal of 51% equity interests in the Target by Star Fortune, which was completed on 3 July 2009
"Former Disposal Agreement"	the sale and purchase agreement dated 30 April 2009 entered into among Star Fortune, the Company, the Purchaser and China Sonangol in relation to the sale and purchase of the 51% equity interests in the Target
"Former Performance Guarantee"	the guarantee given by Star Fortune that the Actual Sales Volume of coal sold by the PRC Subsidiary A for each of the First Annual Period and the Second Annual Period shall not be less than 900,000 tonnes (based on the coal sold as stated in the value-added tax invoices)
"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 (which shall exclude, where the context requires, the Target Group immediately after Completion) from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Parties"	third parties independent of the Company and its connected persons
"Kaiyuan Open Pit Coal Mine"	Kaiyuan Open Pit Coal Mine (凱源露天煤礦) located at Bei Ta Mountain, Qi Tai County, Xinjiang Uygur Autonomous Region, the PRC (中國新疆維吾爾自治區奇台縣北塔山)
"Main Board Listing Rules"	the Rules Governing the Listing of Securities on the main board in the Stock Exchange
"Output Accounts"	two separate statements issued by auditor certifying the Actual Sales Volume of coal sold by PRC Subsidiary A for the First Annual Period and the Second Annual Period
"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
"PRC Subsidiary A"	木壘縣凱源煤炭有限責任公司 (transliterated as Mulei County Kai Yuan Company Limited), a wholly-owned foreign enterprise established in the PRC and is indirectly and beneficially owned as to 100% by the Target
"PRC Subsidiary B"	奇台縣澤旭商貿有限責任公司 (transliterated as Qitai County Zexu Trading Company Limited), a company established in the PRC and is beneficially owned as to 100% by the PRC Subsidiary A
"Proposed Disposal"	the proposed disposal of the 49% equity interests in the Target under the Disposal Agreement
"Purchaser" or "Lasting Power"	Lasting Power Investments Limited (力恒投資有限公司), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of China Sonangol
"Sale Shares"	representing 49 shares of US$1.00 each in the capital of the Target, representing 49% of the entire issued share capital of the Target

"Second Annual Period"	for the first twelve (12) months ending immediately after the First Annual Period
"SGM"	the special general meeting of the Company to be convened and held by the Company to consider and if thought fit, to approve the Disposal Agreement and the transactions contemplated thereunder
"Shareholders"	holders of the issued Shares from time to time
"Share(s)"	share(s) of HK$0.01 each in the capital of the Company
"Star Fortune"	Star Fortune International Development Company Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target"	Star Fortune International Investment Company Limited, a company incorporated in the British Virgin Islands with limited liability and an associate of the Group
"Target Group"	The Target, together with the Target Subsidiaries
"Target Subsidiaries"	together, Ming Kei Kai Yuan Investment Company Limited, the PRC Subsidiary A and the PRC Subsidiary B
"Zexu Open Pit Coal Mine"	Zexu Open Pit Coal Mine (澤旭露天煤礦), located at Bei Ta Mountain, Qi Tai County, Xinjiang Uygur Autonomous Region, the PRC (中國新疆維吾爾自治區奇台縣北塔山)
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"US$"	United States dollars, the lawful currency of the United States
"%"	per cent.

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

Hong Kong, 5 July 2010

As at the date of this announcement, the executive Directors are Ms. Yick Mi Ching Dawnibilly and Mr. Tsang Ho Ka, Eugene, 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 or deceptive; and (ii) there are no other matters the omission of which would make any statement in this announcement misleading.

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.