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Ming Kei Holdings Limited

明基控股有限公司*

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

(Stock Code: 8239)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF POTENTIAL ACQUISITION

This announcement is made by the Company pursuant to the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 17.10 of the GEM Listing Rules.

MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POTENTIAL ACQUISITION

The Board announces that on 14 January 2013 (after trading hours), the Potential Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the non-legally binding MOU with the Potential Vendor in relation to the Potential Acquisition.

The Target Group, upon completion of the Reorganisation, is principally engaged in the research and development, production and sale of biodiesel products in the PRC.

The Board wishes to emphasize that no binding agreement in relation to the Potential Acquisition has been entered into by the Potential Vendor and the Potential Purchaser as at the date of this announcement. Shareholders and potential investors should note that the Potential Acquisition may or may not proceed. If the Potential Acquisition is materialised, it may constitute a notifiable transaction on the part of the Company under the GEM Listing Rules. Shareholders and the potential investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Potential Acquisition will be made by the Company in the event any Formal Agreement has been signed.

This announcement is made by the Company pursuant to the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 17.10 of the GEM Listing Rules.

MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POTENTIAL ACQUISITION

The Board announces that on 14 January 2013 (after trading hours), the Potential Purchaser, a direct wholly-owned subsidiary of the Company, entered into the non-legally binding MOU with the Potential Vendor in relation to the Potential Acquisition.

Date: 14 January 2013 (after trading hours)

Parties: Elite Best Enterprises Limited, the Potential Purchaser; and
Liu Mei Mei, the Potential Vendor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Potential Vendor is an individual and Independent Third Party.

Major terms of the MOU

Under the MOU, it is proposed that the Potential Purchaser will acquire 51% of the entire issued share capital of the Target, upon completion of Reorganisation, from the Potential Vendor.

The consideration for the Potential Acquisition (including the amount and the way of settlement) shall be subject to further negotiation between the parties concerned, with reference to the business valuation of the Target Group to be conducted by an independent valuer.

Under the MOU, both the Potential Purchaser and the Potential Vendor will proceed to the negotiation for a legally-binding Formal Agreement on or before the date falling three (3) months from the date of the MOU (or such later date as the Potential Purchaser may agree). The entering into of the Formal Agreement shall be subject to, including but not limited to, the due diligence review to be conducted by the Group on the Target Group.

It is currently contemplated by the parties that the Formal Agreement would contain representations, warranties, undertakings and indemnities to be given by the Potential Vendors which are usual for transactions similar to the sale and purchase of the Sale Share as contemplated by the MOU. The Formal Agreement will contains the following conditions precedent, inter alia,

- (1) the Potential Purchaser being satisfied with the results of the due diligence review on the Target Group to be conducted by the Potential Purchaser;
- (2) business valuation of the entire Target Group to be conducted by an independent valuer shall be not less than RMB45,000,000;
- (3) the completion of the Reorganisation; and

- (4) any other conditions which may be agreed by the parties to the MOU and included in the Formal Agreement.

Under the MOU, it is also agreed that neither the Target nor the Potential Vendor will during the Exclusivity Period negotiate with any party other than the Potential Purchaser or its affiliates for the Potential Acquisition. During the Exclusivity Period, the Group will commence the due diligence works on the Target and other related issues involved in the Potential Acquisition.

The MOU does not constitute legally-binding commitment on the part of the Potential Vendor and the Potential Purchaser in respect of the Potential Acquisition. The Potential Acquisition will be subject to the execution and completion of the Formal Agreement.

If the Formal Agreement is entered into, it is expected that the Potential Acquisition will constitute a notifiable 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, as and when appropriate.

Information of the Target Group

The Target and the Hong Kong Subsidiary are principally engaged in investment holding. The Target Group, upon completion of Reorganisation, is principally engaged in the research and development, production and sale of biodiesel products in the PRC.

The Hong Kong Subsidiary is the sole shareholder of the PRC Subsidiary, which has a registered and paid-up capital of RMB5,000,000. As at the date of this announcement, the registered and paid-up capital of the PRC Subsidiary is beneficially held by the Hong Kong Subsidiary.

Reasons for the Potential Acquisition

The Group is principally engaged in investment holding and property investment in the PRC and business of coal trading between the PRC and Indonesia respectively.

As part of its business plan, the Board will continue to explore and evaluate new businesses and investment opportunities which could be of good potential and/or long-term benefit to the Group. The Directors consider that the Potential Acquisition, if materialize, represents an attractive investment opportunity of the Group as it will provide the Group with an additional income source and an opportunity to tap into the business of biodiesel products. The Directors believe that the Potential Acquisition, if materialize, would further enhance the future growth of the Group and maximise returns to the Shareholders. Should there be any further significant development with respect to the Potential Acquisition of any of these projects and investment opportunities, the Company will issue announcement as and when required under the GEM Listing Rules.

In addition, the Group may consider further equity fund raising activities as necessary for financing the Potential Acquisition and to further enhance the Group's working capital, if and when considered necessary. Further announcement will be made by the Company in compliance with the requirements of the GEM Listing Rules.

The Board wishes to emphasize that no binding agreement in relation to the Potential Acquisition has been entered into by the Potential Vendor and the Potential Purchaser as at the date of this announcement. Shareholders and potential investors should note that the Potential Acquisition may or may not proceed. If the Potential Acquisition is materialised, it may constitute a notifiable transaction on the part of the Company under the GEM Listing Rules. Shareholders and the potential investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Potential 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:

“associate(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	the board of Directors from time to time
“BVI”	the British Virgin Islands
“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)
“Director(s)”	the director(s) of the Company (including the independent non-executive directors) from time to time
“Exclusivity Period”	the period from the date of the MOU to the date falling three (3) months from the date of the MOU, during which the Potential Vendor will not negotiate with any party other than the Potential Purchaser for the Potential Acquisition
“Formal Agreement”	the formal sale and purchase agreement which may or may not be entered into by the Potential Vendor and the Potential Purchaser in relation to the Potential 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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Hong Kong Subsidiary”	China Dragon Foundation Creature Fuel Technology (International) Limited, a company incorporated in Hong Kong which is wholly owned by the Potential Vendor
“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 party(ies) independent of the Company and not connected with any Director, chief executive or substantial shareholders or management shareholders of the Company or its subsidiaries or any of their respective associates
“MOU”	the non-legally binding memorandum of understanding dated 14 January 2013 (after trading hours) entered into between the Potential Purchaser and the Potential Vendor setting out the preliminary understanding in relation to the Potential Acquisition
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“PRC Subsidiary”	Guangzhou Longji Petroleum Chemical Industry Co., Limited [#] (廣州市瀧基能源科技有限公司), a wholly foreign owned enterprise established in the PRC which is wholly owned by the Hong Kong Subsidiary
“Potential Acquisition”	the potential acquisition by the Potential Purchaser from the Potential Vendor of the 51% equity interests of the Target, upon completion of the Reorganisation as contemplated in the MOU
“Potential Purchaser”	Elite Best Enterprises Limited, a company incorporated in the BVI with limited liability, a direct wholly-owned subsidiary of the Company
“Potential Vendor”	Liu Mei Mei, an Independent Third Party, being the potential vendor under the MOU
“Reorganisation”	together, (i) completion of subscription of 99 shares in the Company by the Potential Vendor; and (ii) completion of acquisition by the Company of the entire issued share capital of the Hong Kong Subsidiary
“RMB”	Renminbi, the lawful currency of the PRC
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	First May Holdings Limited, a company incorporated in the BVI with limited liability, 1 issued share, representing the entire issued share capital, is wholly and beneficially owned by the Potential Vendor as at the date of this announcement
“Target Group”	together, the Target, Hong Kong Subsidiary, and the PRC Subsidiary after completion of Reorganisation
“%”	per cent.

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

Hong Kong, 14 January 2013

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

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

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

** For identification purposes only*

[#]The English transliteration of the Chinese names in this announcement, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.