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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)**

### **PROFIT WARNING**

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

The Board wishes to inform the Shareholders and potential investors that based on the Management Accounts, it is expected that the Management Accounts may expect to record a significant increase in Net Loss, Current Liabilities and Non-Current Liabilities respectively as compared to the Corresponding Year.

The information as contained in this announcement is only the preliminary assessment by the Company based on the Management Accounts which has not been confirmed nor audited by the Company's auditors.

**Shareholders and potential investors should exercise caution when dealing in the shares of the Company.**

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of the Ming Kei Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Group is principally engaged in investment holding and property investment in Hong Kong and the People's Republic of China (the “**PRC**”), business of general trading in the PRC and business of coal trading between PRC and Indonesia respectively.

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the Group's unaudited consolidated management accounts for the twelve months ended 31 March 2011 (the “**Management Accounts**”), it is expected

\* *For identification purposes only*

that the Management Accounts may expect to record a significant increase in the Group's net loss for the year (the "**Net Loss**"), current liabilities (the "**Current Liabilities**") and non-current liabilities (the "**Non-Current Liabilities**") respectively as compared to the corresponding year in 2010 (the "**Corresponding Year**").

Such expect to record a Net Loss was mainly attributable by (i) the increase of the administrative and other expenses, (ii) the impairment loss on the goodwill (the "**Goodwill**") and the intangible assets (the "**Intangible Assets**") arising from the acquisition (the "**Acquisition**") of the China Indonesia Friendship Coal Trading Company Limited (the "**CIFC**") and its subsidiary (collectively referred to as the "**CIFC Group**") and (iii) the loss on disposal of 49% equity interests in the Star Fortune International Investment Company Limited (the "**Star Fortune**") and its subsidiaries (collectively referred to as the "**SFII Group**").

The increased of the administrative and other expenses was due to the increased on the depreciation charges, Directors' remunerations, charges on the share-based payments, project expenses in related to the Acquisition and the disposal of the SFII Group and overseas and local travelling charged for the business trips.

On 29 October 2010 (the "**Completion Date**"), the Acquisition was completed with a total consideration of HK\$70 million (subject to adjustment). On the same day simultaneously, the assets, liabilities and contingent liabilities of the CIFC Group was accounted for and consolidated into the Group in accordance with the requirements of the Hong Kong Financial Reporting Standard 3 (Revised) "Business Combinations" (the "**HKFRS 3 (Revised)**"), of which will be disclosed in the Group's annual results for the twelve months ended 31 March 2011 (the "**Annual Results**").

As a result, among other things, the Group had recognized and recorded the Goodwill and the Intangible Assets on the Completion Date arising from the Acquisition respectively.

In accordance with the Hong Kong Accounting Standard 36 "Impairment of Assets", the Group had performed an impairment test on the Goodwill and the Intangible Assets arising from the Acquisition as at 31 March 2011 respectively, as a result, among other things, impairment loss on the Goodwill and the Intangible Assets were recognized and will be disclosed in the Group's Annual Results.

Reference are made to the announcement and circular (the "**Circular**") of the Company dated 26 August 2010 and 14 October 2010 respectively in relation to the Acquisition.

The Board wishes to emphasize that the impairment loss on the Goodwill and the Intangible Assets for the Annual Results respectively, does not affect the operating model of the CIFC Group as referred to on pages 18 and 19 of the Circular in particular maintaining a positive price gap between the purchase price and the selling price of at least US\$2 per metric tonne of coal sold, does not reduce the expected net profits to be derived from the business of CIFC Group, does not have impact on the profit guarantee as provided by the vendor and does not have impact to the CIFC Group's cashflows.

Reference are also made to the announcement and circular of the Company dated 5 July 2010 and 23 July 2010 respectively in relation to the very substantial disposal involving disposal of 49% equity interests in the Star Fortune.

As a result of the above reasons, it is expected that a substantial increase in the Group's unaudited consolidated net loss attributable to the owners of the Company for the Annual Results.

The significant increase in Current Liabilities and Non-Current Liabilities was mainly attributable by the completion of the Acquisition of the CIFIC Group, hence the current liabilities and non-current liabilities of the CIFIC Group consolidated into the Management Accounts.

Despite the Management Accounts is expected to record a significant increase in the Net Loss, Current Liabilities and Non-Current Liabilities respectively as compared with that for the Corresponding Year. The Board considers that the Group's overall financial positions are healthy and the Board remains positive on the prospects of the Group. Notwithstanding the foregoing, for the Annual Results, the Board confirms that the Group makes no investment in any financial derivatives, foreign exchange contracts, interest or currency swaps, hedgings or other financial arrangements for hedging purposes to reduce any currency risk nor made any over-the counter contingent forward transactions. The Board would like to emphasize that the Group's financial positions remain stable and has sufficient cash resources to meet its present and future cash flow requirements. The Board will constantly keep reviewing the Group's strategies and operations with a view to improve its business performance and Shareholders' return.

The Company is still in the process of finalizing the Group's Annual Results. The information as contained in this announcement is only the preliminary assessment by the Company based on the Management Accounts which has not been confirmed nor audited by the Company's auditors.

Shareholders and potential investors of the Company should read the Annual Results' announcement for the twelve months ended 31 March 2011 carefully, which is expected to be published on 23 June 2011.

**Shareholders and potential investors should exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 31 May 2011

*As at the date of this announcement, the Company's executive Directors are Ms. Yick Mi Ching, Dawnibilly and Mr. Tsang Ho Ka, Eugene, the Company's non-executive Director is Mr. Wong Wai Sing and the Company's 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 of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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 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](http://www.mingkeiholdings.com).*