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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2012

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of Ming Kei Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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.

* *For identification purpose only*

FINANCIAL RESULTS

The board (the "Board") of directors (the "Directors") of Ming Kei Holdings Limited (the "Company") presents the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2012, together with the comparative figures for the year ended 31 March 2011, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2012

	Notes	**2012 HK$'000**	2011 HK$'000 (Restated)
Continuing operations			
Turnover	4	**100,631**	54,804
Cost of sales		**(93,892)**	(51,083)
Direct operating expenses		**(291)**	(261)
Gross profit		**6,448**	3,460
Other income, and other gains and losses, net	4	**(1,217)**	(33,771)
Selling and distribution costs		**(728)**	(325)
Administrative and other expenses		**(39,499)**	(57,134)
Finance costs	6	**(350)**	(150)
Loss before income tax from continuing operations		**(35,346)**	(87,920)
Income tax	7	**(224)**	1,040
Loss for the year from continuing operations		**(35,570)**	(86,880)
Discontinued operations			
Loss for the year from discontinued operations	8	**(679)**	(19,710)
Loss for the year	5	**(36,249)**	(106,590)
Attributable to:			
Owners of the Company	9	**(36,356)**	(106,038)
Non-controlling interest		**107**	(552)
		(36,249)	(106,590)
Loss per share attributable to owners of the Company	9		
From continuing and discontinued operations			
— Basic (Hong Kong dollar)		**(0.211)**	(0.647)
— Diluted (Hong Kong dollar)		**(0.211)**	(0.647)
From continuing operations			
— Basic (Hong Kong dollar)		**(0.207)**	(0.527)
— Diluted (Hong Kong dollar)		**(0.207)**	(0.527)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2012

	2012 HK$'000	2011 HK$'000
Loss for the year	**(36,249)**	(106,590)
Other comprehensive income for the year, net of tax:		
— Change in fair value of available-for-sale financial assets	**–**	448
— Reclassification adjustment of fair value gain included in profit or loss on redemption of available-for-sale financial assets	**–**	(780)
— Exchange differences on translation of financial statements of overseas subsidiaries	**1,143**	1,811
— Exchange differences on translation of financial statements of overseas associates	**–**	471
— Reclassification adjustment of exchange reserves on disposal of interests in overseas associates	**–**	(7,218)
Total comprehensive income for the year	**(35,106)**	(111,858)
Attributable to:		
Owners of the Company	**(35,213)**	(111,306)
Non-controlling interest	**107**	(552)
	(35,106)	(111,858)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**13,120**	17,282
Investment properties	10	**—**	22,004
Intangible assets	12	**47,425**	51,085
Deposit and direct cost paid for possible acquisition of subsidiaries		**—**	4,009
		60,545	94,380
Current assets			
Trade receivables	13	**51,969**	33,724
Refundable deposit		**19,411**	19,448
Prepayments, deposits and other receivables		**11,879**	6,269
Tax recoverable		**20**	—
Cash and cash equivalents		**8,543**	18,032
		91,822	77,473
Assets of a disposal group classified as held for sale		**15,150**	—
Total current assets		**106,972**	77,473
Current liabilities			
Trade payables	14	**46,296**	30,106
Accrued expenses and other payables		**2,987**	2,251
Amount due to a non-controlling owner of a subsidiary		**1,950**	—
Promissory note		**—**	3,650
Tax payables		**1,188**	432
		52,421	36,439
Liabilities of a disposal group classified as held for sale		**607**	—
Total current liabilities		**53,028**	36,439
Net current assets		**53,944**	41,034
Total assets less current liabilities		**114,489**	135,414
Non-current liabilities			
Deferred tax liabilities		**7,825**	8,429
Net assets		**106,664**	126,985
CAPITAL AND RESERVES			
Issued capital	15	**1,967**	1,688
Reserves		**100,432**	120,739
Equity attributable to owners of the Company		**102,399**	122,427
Non-controlling interest		**4,265**	4,558
Total equity		**106,664**	126,985

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2012

	Issued capital	Share premium	Con-tributed surplus	Capital reserve	Statutory reserve fund	Warrant reserve	Share option reserve	Con-vertible bonds reserve	Asset revaluation reserve	Exchange reserve	Accu-mulated losses	Attributable to owners of the Company	Non-controlling interest	Total
	HK$'000 (Note 15)	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Balance at 1 April 2010	664	25,434	131,109	120,794	6,356	1,734	–	1,172	332	6,805	(93,846)	200,554	–	200,554
Loss for the year	–	–	–	–	–	–	–	–	–	–	(106,038)	(106,038)	(552)	(106,590)
Other comprehensive income for the year	–	–	–	–	–	–	–	–	(332)	(4,936)	–	(5,268)	–	(5,268)
Total comprehensive income for the year	–	–	–	–	–	–	–	–	(332)	(4,936)	(106,038)	(111,306)	(552)	(111,858)
Issue of new shares on conversion of convertible bonds	24	3,997	–	–	–	–	–	(1,172)	–	–	–	2,849	–	2,849
Recognition of share-based payments, net of issuing expenses	–	–	–	–	–	–	8,969	–	–	–	–	8,969	–	8,969
Issue of warrants	–	–	–	–	–	3,246	–	–	–	–	–	3,246	–	3,246
Issue of new shares on exercise of warrants	156	21,095	–	–	–	(2,816)	–	–	–	–	–	18,435	–	18,435
Issue of new shares on bonus issue	844	(1,164)	–	–	–	–	–	–	–	–	–	(320)	–	(320)
Transfer upon disposal of associates	–	–	–	–	(6,356)	–	–	–	–	–	6,356	–	–	–
Non-controlling interest arising on acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	5,110	5,110
Balance at 31 March 2011	1,688	49,362	131,109	120,794	–	2,164	8,969	–	–	1,869	(193,528)	122,427	4,558	126,985
Balance at 31 March 2011 and 1 April 2011	1,688	49,362	131,109	120,794	–	2,164	8,969	–	–	1,869	(193,528)	122,427	4,558	126,985
Loss for the year	–	–	–	–	–	–	–	–	–	–	(36,356)	(36,356)	107	(36,249)
Other comprehensive income for the year	–	–	–	–	–	–	–	–	–	1,143	–	1,143	–	1,143
Total comprehensive income for the year	–	–	–	–	–	–	–	–	–	1,143	(36,356)	(35,213)	107	(35,106)
Dividend paid to a non-controlling owner of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	(400)	(400)
Issue of new shares on exercise of warrants	200	11,164	–	–	–	(2,164)	–	–	–	–	–	9,200	–	9,200
Issue of new shares on exercise of share options	79	10,391	–	–	–	–	(4,485)	–	–	–	–	5,985	–	5,985
Balance at 31 March 2012	**1,967**	**70,917**	**131,109**	**120,794**	**–**	**–**	**4,484**	**–**	**–**	**3,012**	**(229,884)**	**102,399**	**4,265**	**106,664**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2012

	2012	2011
	HK$'000	HK$'000
Cash flows from operating activities		
Loss before income tax from continuing and discontinued operations	**(36,025)**	(107,630)
Adjustments for:		
Interest income	**(15)**	(281)
Gain on redemption of available-for-sale financial assets	**—**	(780)
Written off/loss on disposal of property, plant and equipment	**82**	72
Gain on disposal of investment property	**(14)**	—
Impairment loss on goodwill	**—**	24,425
Impairment loss on intangible assets	**3,660**	8,915
Fair value (gain)/loss on investment properties, net	**(664)**	1,703
Loss on disposal of associates	**—**	20,211
Depreciation	**4,580**	3,974
Share-based payments	**—**	9,162
Share of results of associates	**—**	861
Finance costs	**350**	150
	(28,046)	(39,218)
Increase in trade receivables	**(18,259)**	(28,844)
Increase in refundable deposit	**—**	(7,022)
Increase in prepayments, deposits and other receivables	**(5,626)**	(85)
Increase in trade payables	**16,276**	30,106
Increase/(decrease) in accrued expenses and other payables	**1,343**	(1,432)
Decrease in amount due to an associate	**—**	(81)
Increase/(decrease) in amount due to a non-controlling owner of a subsidiary	**1,950**	(13,106)
Cash used in operations	**(32,362)**	(59,682)
Interest received	**15**	281
Tax paid	**(92)**	—
Net cash used in operating activities	**(32,439)**	(59,401)
Cash flows from investing activities		
Acquisition of subsidiaries	**—**	(65,220)
Escrow money received	**—**	10,000
Repayment of loan from an associate	**—**	28,500
Disposal of associates	**—**	43,618
Purchases of property, plant and equipment	**(2,459)**	(1,960)
Proceeds from disposal of an investment property	**10,944**	—
Proceeds from disposal of property, plant and equipment	**—**	563
Proceeds from disposal of available-for-sale financial assets	**—**	11,008
Deposits and direct cost refunded from/(paid for) possible acquisition of subsidiaries, net	**4,000**	(4,009)
Net cash generated from investing activities	**12,485**	22,500

	2012 HK$'000	2011 HK$'000
Cash flows from financing activities		
Proceeds from issue of new shares on exercise of warrants	**9,200**	18,435
Proceeds from issue of new shares on exercise of shares options	**5,985**	—
Proceeds from issue of warrants	**—**	3,246
Direct costs of bonus issue	**—**	(320)
Direct costs on issue of share options	**—**	(193)
Dividend paid to a non-controlling owner of a subsidiary	**(400)**	—
Repayment of promissory note	**(4,000)**	—
Net cash generated from financing activities	**10,785**	21,168
Net decrease in cash and cash equivalents	**(9,169)**	(15,733)
Cash and cash equivalents at beginning of year	**18,032**	33,277
Effect of foreign exchange rate, net	**216**	488
Cash and cash equivalents at end of year	**9,079**	18,032
Analysis of the balances of cash and cash equivalents		
Cash and cash equivalents	**8,543**	18,032
Cash and cash equivalents attributable to assets of a disposal Group classified as held for sale	**536**	—
	9,079	18,032

Notes:

1. ORGANISATION AND OPERATIONS

Ming Kei Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and continues as an exempted company with limited liability in accordance with the Bermuda Companies Act 1981 upon the change of domicile of the Company from the Cayman Islands to Bermuda becoming effective on 30 November 2009, and its shares are listed on The Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is at Unit 01, 3/F., Wheelock House, 20 Pedder Street, Central, Hong Kong.

The Company principally engaged in investment holding and its subsidiaries (collectively referred to as the "Group") are principally engaged in business of coal trading between the People's Republic of China (the "PRC") and Indonesia, property investment, and business of general trading in the PRC.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs – effective 1 April 2011

HKFRSs (Amendments)	Improvements to HKFRSs 2010
Amendments to HK(IFRIC) – Interpretation 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
HKAS 24 (Revised)	Related Party Disclosures

Except as explained below, the adoption of these new/revised standards and interpretations has no significant impact on the Group's financial statements.

HKAS 24 (Revised) – Related Party Disclosures

HKAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationship of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*[1]
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*[4]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures –Transfers of Financial Assets*[1]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*[4]
HKFRS 9	*Financial Instruments*[6]
HKFRS 10	*Consolidated Financial Statements*[4]
HKFRS 11	*Joint Arrangements*[4]
HKFRS 12	*Disclosure of Interests in Other Entities*[4]
HKFRS 13	*Fair Value Measurement*[4]
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*[3]
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*[2]
HKAS 19 (2011)	*Employee Benefits*[4]
HKAS 27 (2011)	*Separate Financial Statements*[4]
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*[4]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*[5]
Amendments to HKAS 1 (Revised)	Clarification of the Requirements for Comparative Information[4]
Amendments to HKAS 16	Classification of Servicing Equipment[4]
Amendments to HKAS 32	Tax Effect of Distribution to Holders of Equity Instruments[4]

[1] Effective for annual periods beginning on or after 1 July 2011
[2] Effective for annual periods beginning on or after 1 January 2012
[3] Effective for annual periods beginning on or after 1 July 2012
[4] Effective for annual periods beginning on or after 1 January 2013
[5] Effective for annual periods beginning on or after 1 January 2014
[6] Effective for annual periods beginning on or after 1 January 2015

The amendments to HKFRS 7 improve the disclosure requirements for transfer transactions of financial assets and allow users of financial statements to better understand the possible effects of any risks that may remain with the entity on transferred assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

The amendments to HKAS 12 introduce a rebuttable presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The amendments will be applied retrospectively.

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit or loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

HKFRS 12 integrates and makes consistent the disclosure requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 "Financial Instruments: Disclosures". HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and so far concluded that the application of these new/revised HKFRSs will have no material impact on the Group's financial statements.

3. SEGMENT INFORMATION

The Group's operating segments are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments. Summary details of the operating segments are as follows:

(a) The coal trading segment comprised the business of coal trading;

(b) The property investment segment comprised investment in various properties for rental income purposes;

(c) The general trading segment comprised the business of trading of other merchandise goods. During the current year, the Group decided to cease the operation of the general trading segment. Accordingly, the general trading segment was classified as a discontinued operation and the comparative figures of this segment were re-classified from a continuing operation to a discontinued operation during the current year; and

(d) The mining segment comprised the mining, exploration and sale of coal in the PRC and the operation was disposed of by the Group in the prior year. Accordingly, the mining segment was classified as a discontinued operation during the prior year.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

In determining the Group's geographical segments, revenues and results are based on the location in which the customer is located.

(i) Business segments

2012

	Continuing operations			Discontinued operation	
	Coal trading HK$'000	**Property investment HK$'000**	**Subtotal HK$'000**	**General trading HK$'000**	**Consolidated HK$'000**
SEGMENT REVENUE					
External sales and services	**99,307**	**1,324**	**100,631**	**22,936**	**123,567**
Inter-segment revenue	**–**	**–**	**–**	**–**	**–**
Reportable segment revenue	**99,307**	**1,324**	**100,631**	**22,936**	**123,567**
Reportable segment profit/(loss)	**1,259**	**(1,124)**	**135**	**(2,325)**	**(2,190)**
Interest income	**–**	**5**	**5**	**10**	**15**
Depreciation charges	**–**	**(198)**	**(198)**	**(3)**	**(201)**
Impairment loss on intangible asset	**(3,660)**	**–**	**(3,660)**	**–**	**(3,660)**
Gain on disposal of investment properties	**–**	**14**	**14**	**–**	**14**
Fair value gain on investment properties	**–**	**664**	**664**	**–**	**664**
Reportable segment assets	**117,963**	**15,170**	**133,133**	**2,989**	**136,122**
Additions to non-current assets	**–**	**–**	**–**	**–**	**–**
Reportable segment liabilities	**(57,574)**	**(639)**	**(58,213)**	**(3)**	**(58,216)**

2011

	Continuing operations			Discontinued operations (Restated)			
	Coal trading HK$'000	Property investment HK$'000	Subtotal HK$'000	General trading HK$'000	Mining HK$'000	Subtotal HK$'000	Consolidated HK$'000
SEGMENT REVENUE							
External sales and services	53,555	888	54,443	22,177	–	22,177	76,620
Inter-segment revenue	–	369	369	–	–	–	369
Reportable segment revenue	53,555	1,257	54,812	22,177	–	22,177	76,989
Reportable segment (loss)/profit	(31,033)	(4,152)	(35,185)	1,362	(21,072)	(19,710)	(54,895)
Interest income	–	4	4	8	–	8	12
Depreciation charges	–	(247)	(247)	(3)	–	(3)	(250)
Share of results of associates	–	–	–	–	(861)	(861)	(861)
Loss on disposal of associates	–	–	–	–	(20,211)	(20,211)	(20,211)
Impairment loss on goodwill	(24,425)	–	(24,425)	–	–	–	(24,425)
Impairment loss on intangible asset	(8,915)	–	(8,915)	–	–	–	(8,915)
Fair value loss on investment properties	–	(1,703)	(1,703)	–	–	–	(1,703)
Reportable segment assets	103,320	25,561	128,881	9,505	–	9,505	138,386
Additions to non-current assets	51,085	42	51,127	1	–	1	51,128
Reportable segment liabilities	(42,899)	(440)	(43,339)	(2)	–	(2)	(43,341)

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities:

	2012	2011
	HK$'000	HK$'000
Revenue		
Reportable segment revenue	**123,567**	76,989
Elimination of inter-segment revenue	**–**	(8)
Consolidated revenue from continuing and discontinued operations	**123,567**	76,981

	2012	2011
	HK$'000	HK$'000
		(Restated)
Loss before income tax from continuing operations		
Reportable segment profit/(loss)	**135**	(35,185)
Interest income	**–**	269
Gain on disposal of available-for-sale financial assets	**–**	780
Sundry income	**147**	–
Unallocated corporate expenses	**(35,278)**	(53,634)
Finance costs	**(350)**	(150)
Consolidated loss before income tax from continuing operations	**(35,346)**	(87,920)

	2012	2011
	HK$'000	HK$'000
Total assets		
Reportable segment assets	**136,122**	138,386
Unallocated corporate assets	**31,395**	33,467
Consolidated total assets	**167,517**	171,853

	2012	2011
	HK$'000	HK$'000
Total liabilities		
Reportable segment liabilities	**(58,216)**	(43,341)
Unallocated corporate liabilities	**(2,637)**	(1,527)
Consolidated total liabilities	**(60,853)**	(44,868)

(ii) Geographical segments

The following table provides an analysis of the Group's revenue from external customers and non-current assets other than financial instruments and deferred tax assets (the "Specified non-current assets"):

	Revenue from external customers		**Specified non-current assets**	
	2012	2011	**2012**	2011
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**99,432**	53,855	**49,455**	67,569
PRC	**24,135**	23,126	**11,090**	26,811
	123,567	76,981	**60,545**	94,380

(iii) Information about major customers

Revenue from one customer (2011: two customers) contributed to more than 10% of the Group's revenue in the amount of HK$99,307,000, (2011: HK$53,555,000 and HK$21,280,000 respectively) for the year ended 31 March 2012 as included in the above disclosures for coal trading segment revenue (2011: coal trading and general trading segment revenue respectively).

4. TURNOVER, OTHER INCOME, AND OTHER GAINS AND LOSSES, NET

Turnover is the Group's revenue, which represents the invoiced value of goods sold and services rendered, net of rebates and discounts; and rental income. All significant transactions amongst the companies comprising the Group have been eliminated on consolidation. An analysis of the Group's turnover, other income, and other gains and losses is as follows:

	Notes	**2012** **HK$'000**	2011 HK$'000 (Restated)
Continuing operations			
Turnover:			
Sale of goods		**99,307**	53,555
Rental income		**1,324**	1,249
		100,631	54,804
Other income, and other gains and (losses), net:			
Interest income		**5**	273
Gain on redemption of available-for-sale financial assets		**–**	780
Loss on disposal of property, plant and equipment		**–**	(72)
Gain on disposal of investment property		**14**	–
Sundry income		**410**	291
Consultancy service income		**1,350**	–
Impairment loss on goodwill	11	**–**	(24,425)
Impairment loss on intangible assets	12	**(3,660)**	(8,915)
Fair value gain/(loss) on investment properties	10	**664**	(1,703)
		(1,217)	(33,771)
Discontinued operation			
Turnover:			
Sale of goods	8	**22,936**	22,177
Other income, and other gains and (losses), net:			
Interest income		**10**	8
Loss on disposal of associates		**–**	(20,211)
	8	**10**	(20,203)

5. LOSS FOR THE YEAR

The Group's loss for the year (including continuing and discontinued operations) is arrived at after charging the following:

	2012 HK$'000	2011 HK$'000
Cost of inventories sold	**115,610**	71,759
Auditor's remuneration	**380**	630
Direct operating expenses arising on rental-earning investment properties	**291**	261
Depreciation	**4,580**	3,974
Write-off of property, plant and equipment	**82**	–
Net exchange loss	**41**	59
Staff costs (excluding directors' remuneration)		
Salaries and wages	**5,065**	5,464
Pension scheme contributions	**187**	180
	5,252	5,644
Total share-based payments	**–**	9,162
Minimum lease payments under operating leases for land and buildings*	**4,728**	2,340

* Included in the balance as at 31 March 2012 is approximately HK$1,928,000 (2011: HK$402,000) in respect of rental expenses for a director's quarter. This balance has been included in the amount of directors' remuneration.

6. FINANCE COSTS

Interest expense on the following borrowings, which are all wholly repayable within five years:

	2012 HK$'000	2011 HK$'000
Continuing operations		
Promissory notes	**350**	135
Convertible bonds	**–**	15
Total	**350**	150

7. INCOME TAX

(a) The amount of income tax charge/(credit) in the consolidated income statement represents:

	2012	2011
	HK$'000	HK$'000
Continuing operations:		
Hong Kong		
Current tax charge for the year	**805**	416
Deferred tax credit	**(604)**	(1,471)
PRC		
Current tax charge for the year	**23**	15
	224	(1,040)

Provision for Hong Kong profits tax is calculated at 16.5% on the estimated assessable profits for the year ended 31 March 2012 (2011: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries or places in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

(b) The tax charge/(credit) for the year can be reconciled to the accounting loss as follows:

	2012	2011
	HK$'000	HK$'000
		(Restated)
Loss before income tax		
– from continuing operations	**(35,346)**	(87,920)
– from discontinued operation (Note 8)	**(679)**	(19,710)
	(36,025)	(107,630)
Tax calculated at the rate of 16.5% (2011: 16.5%)	**(5,944)**	(17,759)
Tax effect of tax rates of other jurisdictions	**(357)**	(272)
Tax effect of income non-taxable for taxation purpose	**–**	(46)
Tax effect on unused tax losses not recognised and expenses not deductible for taxation purpose	**6,525**	17,037
Income tax charge/(credit) for the year	**224**	(1,040)

8. DISCONTINUED OPERATIONS

General trading operation

During the current year, in view of the low profit margins and keen competitions in the general trading industry, the Group decided to cease its general trading operation. Accordingly, the general trading operation was classified as a discontinued operation. For the purpose of presenting this discontinued operation, the comparative consolidated income statement and the related notes have been re-presented as if the operation discontinued during the year had been discontinued at the beginning of the comparative period.

Mining operation

During the prior years, the Group was engaged in the operation of mining, sale and distribution of coals in the PRC through Star Fortune International Investment Company Limited ("SFII") and its subsidiaries (collectively referred to as the "SFII Group").

Pursuant to the disposal of all of the Group's equity interest in the SFII Group during the prior years, the Group's interests in the SFII Group have been derecognised from the financial statements of the Group and the operation of mining, sale and distribution of coals in the PRC was classified as discontinued in the prior year.

The results of the discontinued operations for the current and prior years, which were included in the profit or loss, were as follows:

	Notes	**2012** **HK$'000**	2011 HK$'000 (Restated)
Turnover	4	**22,936**	22,177
Cost of inventories sold		**(21,718)**	(20,676)
Gross profit		**1,218**	1,501
Other income, and other gains and losses, net	4	**10**	(20,203)
Administrative and other expenses		**(1,907)**	(147)
Share of results of associates		**–**	(861)
Loss before income tax	7(b)	**(679)**	(19,710)
Income tax		**–**	–
Loss for the year from discontinued operations		**(679)**	(19,710)

The cash flows of the discontinued operations were as follows:

	2012	2011
	HK$'000	HK$'000
		(Restated)
Net cash (used in)/generated from operating activities	**(2,524)**	4,429
Net cash generated from investing activities	**–**	43,618
Effect of foreign exchange rate changes, net	**148**	201
Total net cash (outflows)/inflows	**(2,376)**	48,248

Basic and diluted loss per share for the discontinued operations for the current year is approximately HK$0.004 (2011: HK$0.120 (restated)) based on the loss for the current year from the discontinued operations of approximately HK$679,000 (2011: HK$19,710,000 (restated)).

The denominators used are the same as those detailed in Note 9 for the basic loss per share for continuing operations attributable to owners of the Company.

9. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the year attributable to the owners of the Company, and the weighted average number of ordinary shares in issue during the year. Basic and diluted loss per share amounts for the year ended 31 March 2011 was adjusted to reflect the bonus issue that took place during the year ended 31 March 2011.

The calculation of diluted loss per share for the year is based on the loss for the year attributable to the owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

As the Company's outstanding convertible bonds, share options and warrants where applicable had an anti-dilutive effect to the basic loss per share calculation for the current and prior years, the conversion of the above potential dilutive shares is not assumed in the computation of diluted loss per share. Therefore the basic and diluted losses per share (i) from continuing and discontinued operations; and (ii) from continuing operations for the respective years are equal.

(i) From continuing and discontinued operations

The calculations of basic and diluted loss per share are based on:

	2012 HK$'000	2011 HK$'000
Loss		
Loss attributable to the owners of the Company, used in the basic and diluted loss per share calculations	**(36,356)**	(106,038)

	Number of shares 2012 '000	 2011 '000
Shares		
Weighted average number of ordinary shares for basic and diluted loss per share calculations	**171,974**	163,786

(ii) From continuing operations

The calculations of basic and diluted loss per share are based on:

	2012 HK$'000	2011 HK$'000 (Restated)
Loss		
Loss attributable to the owners of the Company, used in the basic and diluted loss per share calculations	**(35,677)**	(86,328)

	Number of shares 2012 '000	 2011 '000
Shares		
Weighted average number of ordinary shares for basic and diluted loss per share calculations	**171,974**	163,786

10. INVESTMENT PROPERTIES

	2012 HK$'000	2011 HK$'000
Fair value:		
At beginning of year	**22,004**	23,136
Fair value gain/(loss) on investment properties (Note 4)	**664**	(1,703)
Disposal of an investment property	**(10,900)**	–
Re-classified into assets held for sale	**(12,153)**	–
Exchange realignments	**385**	571
At the end of the year	**–**	22,004

The Group's entire properties interest are held under operating leases to earn rentals or capital appreciation purposes which are measured using fair value model and are classified and accounted for as investment properties.

An analysis of the carrying amount of investment properties which includes land and buildings situated in Hong Kong and the PRC is as follows:

	2012 HK$'000	2011 HK$'000
Located in Hong Kong, held under medium term lease	**–**	10,600
Located in the PRC, held under medium term lease	**–**	11,404
	–	22,004

During the year, an investment property located in the PRC was re-classified as asset held for sale pursuant to a disposal agreement, which were revalued at its open market value at the date of re-classification by reference to a valuation carried out by Greater China Appraisal Limited ("Greater China Appraisal"), an independent firm of professionally qualified valuers.

As at 31 March 2011, the investment properties of the Group were revalued at their open market value by reference to a valuation carried out on that date by Greater China Appraisal.

A revaluation surplus of HK$664,000 (2011: deficit of HK$1,703,000) was resulted, which was recognised in profit or loss for the year ended 31 March 2012.

11. GOODWILL

	2012 HK$'000	2011 HK$'000
At beginning of year:		
Cost	**24,425**	–
Acquisition of subsidiaries (Note 16)	**–**	24,425
Impairment loss	**(24,425)**	(24,425)
At end of year	**–**	–
At end of year:		
Cost	**24,425**	24,425
Accumulated impairment losses	**(24,425)**	(24,425)
Net carrying amount	**–**	–

Goodwill arising during the prior year related to the acquisition of equity interest in the China Indonesia Friendship Coal Trading Company Limited ("CIFC", together with its 90%-owned subsidiary are collectively referred to as the "CIFC Group") and has been allocated to the coal trading cash generating unit (the "Coal Trading CGU").

Goodwill attributable to the Coal Trading CGU was fully impaired during the year ended 31 March 2011, details of which are set out in Note 16.

12. INTANGIBLE ASSETS

	The LOIs HK$'000
The Group	
Cost:	
At 1 April 2010	–
Acquisition of subsidiaries (Note 16)	60,000
At 31 March 2011 and 2012	**60,000**
Accumulated impairment losses:	
At 1 April 2010	–
Impairment loss (Note 4)	8,915
At 31 March 2011	8,915
Impairment loss (Note 4)	3,660
At 31 March 2012	**12,575**
Carrying amount:	
At 31 March 2012	**47,425**
At 31 March 2011	51,085

The LOIs relate to the Coal Trading CGU and represented separate legally binding master framework purchase agreements entered into between the CIFC Group and a customer and a supplier, which were acquired as part of the Group's acquisition of the CIFC Group. The useful lives of the LOIs were estimated by the Group to be indefinite as the LOIs are renewed automatically and unconditionally at no additional cost.

Impairment testing of the Coal Trading CGU

The recoverable amounts of the Coal Trading CGU as at 31 March 2012 and 31 March 2011 were assessed by the directors by reference to the professional valuation performed by Greater China Appraisal.

The recoverable amount of the Coal Trading CGU is determined based on a fair value less costs to sell calculation using a cash flow projection according to the financial budgets approved by management for the next 5 years and extrapolates cash flows beyond the 5 years with the key assumptions stated below:

Key assumptions used in the fair value less costs to sell calculation:

	2012
– Growth in revenue year-on-year	No growth
– Post-tax discount rate per annum	13.68%
– Budgeted gross margins	5.6%

The basis used to determine the value assigned to the growth in revenue and the budgeted gross margins is the management's expectation of market development and future performance of the Coal Trading CGU. The discount rate used reflects specific risks relating to the coal trading industry.

The Group is of the opinion, based on the fair value less costs to sell calculation, the intangible assets representing LOIs of the Coal Trading CGU are partially impaired by the amount of HK$3,660,000 as compared with their recoverable amounts as at 31 March 2012 and was charged to profit or loss during the current year. The above impairment losses are mainly attributable to the decrease in the estimated future profitability of the Coal Trading CGU as a result of a decrease in the expected sales volume of the coal traded from the Coal Trading CGU, and hence the recoverable amount of the Coal Trading CGU arising from the fair value less costs to sell calculation.

13. TRADE RECEIVABLES

(i) The ageing analysis of the Group's trade receivables as at the end of reporting period, based on invoice date, is as follows:

	2012	2011
	HK$'000	HK$'000
Within 90 days	**20,125**	32,324
91 to 180 days	**31,844**	1,400
	51,969	33,724

(ii) The Group normally allows an average credit term of 60 to 90 days (2011: 60 to 90 days) to its trade customers. For certain well-established customers with good repayment history and creditworthiness, the Group allows an average credit period beyond 90 days.

(iii) The aging analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

	The Group	
	2012	2011
	HK$'000	HK$'000
Not yet past	**20,125**	32,324
Past due	**31,844**	1,400
	51,969	33,724

Receivables that were neither past due nor impaired relate to a number of diversified customers for which there is no recent history of default.

Receivables that were past due but not impaired related to an independent customer that has a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of the balance as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over the balance.

The carrying amounts of the trade receivables approximate their fair values.

14. TRADE PAYABLES

An ageing analysis of the trade payables of the Group at the end of reporting period, based on the invoice date, is as follows:

	The Group	
	2012	2011
	HK$'000	HK$'000
Within 90 days	**18,867**	28,706
91 to 180 days	**19,566**	1,400
181 - 365 days	**7,863**	–
	46,296	30,106

The trade payables were non-interest-bearing and were normally settled on an average credit term of 60 to 90 days.

15. SHARE CAPITAL

	Notes	2012 Number of shares '000	2012 Amount HK$'000	2011 Number of shares '000	2011 Amount HK$'000
Authorised:					
Ordinary shares of HK$0.01 each					
At beginning and end of year		**10,000,000**	**100,000**	10,000,000	100,000
Issued and fully paid:					
Ordinary shares of HK$0.01 each					
At beginning of year		**168,802**	**1,688**	66,446	664
Conversion of convertible bonds	(i)	**–**	**–**	2,395	24
Exercise of warrants	(ii)	**–**	**–**	15,560	156
Bonus issue	(iii)	**–**	**–**	84,401	844
Exercise of warrants	(iv)	**20,000**	**200**	–	–
Exercise of share options	(v)	**7,940**	**79**	–	–
At end of year		**196,742**	**1,967**	168,802	1,688

Notes:

(i) During the year ended 31 March 2011, the convertible bonds with the principal amount of HK$4,000,000 and carrying value of HK$2,849,000 had been converted into 2,395,000 ordinary shares of HK$0.01 each of the Company at the conversion price, of which HK$24,000 was credited to share capital and the remaining balance of HK$2,825,000 was credited to the share premium account. In addition, an amount of HK$1,172,000 has been transferred from convertible bonds reserve to the share premium account.

(ii) During the year ended 31 March 2011 and before the bonus issue (Note (iii) below), 15,560,000 new ordinary shares of par value HK$0.01 each were issued on exercise of 15,560,000 warrants at an aggregate consideration of HK$18,435,000 of which HK$156,000 was credited to share capital and the remaining balance of HK$18,279,000 was credited to the share premium account. In addition, the related net premium of HK$2,816,000 received on issue of warrants was transferred from warrant reserve to the share premium account.

(iii) During the year ended 31 March 2011, the directors of the Company proposed a bonus issue to qualifying shareholders of the Company on the basis of one bonus share for every one existing share held by qualifying shareholders whose names appear on the register of members of the Company on 24 January 2011 (the above collectively referred to as the "Bonus Issue").

Pursuant to a ordinary resolution duly passed by shareholders at the special general meeting of the Company held on 24 January 2011, the Bonus Issue was approved.

Upon the completion of the Bonus Issues during the prior year, an aggregate of 84,401,047 bonus shares of par value HK$0.01 each were issued, of which HK$844,000 was credited to share capital and the same amount was debited to the share premium account. In addition, the issuing expenses attributable to the Bonus Issue in the amount of HK$320,000 debited to the share premium account.

(iv) During the year ended 31 March 2012, 20,000,000 new ordinary shares of par value HK$0.01 each were issued on exercise of 20,000,000 warrants at an aggregate consideration of HK$9,200,000, of which HK$200,000 was credited to share capital and the remaining balance of HK$9,000,000 was credited to the share premium account. In addition, the related net premium of HK$2,164,000 received on issue of warrants was transferred from warrant reserve to the share premium account.

(v) During the year ended 31 March 2012, 7,940,000 new ordinary shares of par value HK$0.01 each were issued on exercise of 7,940,000 share options at an aggregate consideration of HK$5,985,000 (net of issuing expenses), of which HK$79,000 was credited to share capital and the remaining balance of HK$5,906,000 was credited to the share premium account. In addition, an amount attributable to the related share options of HK$4,485,000 has been transferred from share option reserve to the share premium account.

16. BUSINESS COMBINATION

On 29 October 2010, the Group acquired from the Mr. Woo ("CIFC Vendor") (i) the entire equity interest in CIFC, an investment holding company, which owns 90% equity interests in China Energy Trading Company Limited ("China Energy"), a company incorporated in Hong Kong with limited liability which engaged in the business of coal trading between the PRC and Indonesia; and (ii) the attributable amount due by CIFC to the CIFC Vendor (the "CIFC Shareholder's Loan") (collectively referred to as the "Acquisition"), at a total consideration of HK$70,000,000 (subject to adjustment), of which HK$66,000,000 was satisfied in cash and a contingent consideration of HK$4,000,000 (the "Contingent Consideration") was satisfied by way of issuing a promissory note in the aggregate principal amount of HK$4,000,000 (the "CIFC Promissory Note") by the Company. As at the date of Acquisition, fair value of total consideration was HK$69,515,000, net of discounting effective on the fair value of the CIFC Promissory Note of HK$485,000.

The payment of the Contingent Consideration by the Company is subject to fulfillment of the profit guarantee (the "Profit Guarantee") provided by the CIFC Vendor to the Group that the actual audited net profit after tax and before any extraordinary items or exceptional items and before all non-cash items of China Energy for the period from 1 January 2011 to 31 December 2011 (the "Actual Profit") will not be less than HK$4,000,000. In the event that the Profit Guarantee is not achieved, the Contingent Consideration will be adjusted downwards by setting off against the payment obligations of the Company under the CIFC Promissory Note on a dollar to dollar basis for an amount equivalent to the difference between the Profit Guarantee (i.e. HK$4,000,000) and the Actual Profit. In the event that China Energy records a loss in its Actual Profit, the Actual Profit shall be deemed zero. As such, the maximum amount to be set off in case of loss-making results shall be the total principal value of the CIFC Promissory Note, i.e. HK$4,000,000 and the adjusted total consideration will be HK$66,000,000, which has been paid in full in cash as at 31 March 2011. As at the date of the Acquisition and as at 31 March 2011, the Group was confident that the Profit Guarantee would be achieved and the entire principal amount of the CIFC Promissory Note would be paid to the CIFC Vendor. The CIFC Promissory Note in the principal amount of HK$4,000,000 has been fully repaid.

The Group has elected to measure the non-controlling interest in the CIFC Group at the non-controlling interest's proportionate share of fair value of the CIFC Group's identifiable net assets.

The Group incurred costs directly attributable to the Acquisition of HK$7,631,000. These costs have been expensed and are included in the administrative and other expenses in the profit or loss.

The goodwill of HK$24,425,000 was mainly attributable to the anticipated profitability as expected by management of the Group for the business of coal trading business and the staff experience of the CIFC Group. The goodwill recognised is not expected to be deductible for income tax purposes.

Since the completion of the Acquisition, the CIFC Group contributed to the Group's revenue and loss amounting to HK$53,555,000 and HK$31,033,000, respectively for the prior year.

Had the above business combination taken place at the beginning of the prior year, the loss of the Group for the prior year would have been approximately HK$106,599,000 and there would be no impact on the Group's revenue for the prior year as the CIFC Group had yet to commence its business prior to the completion of the Acquisition.

Details of the net assets acquired and the goodwill arising from the Acquisition were as follows:

	Notes	Acquiree's carrying amount before business combination HK$'000	Fair value adjustment HK$'000	Fair value adjustment as at the Acquisition HK$'000
Net assets acquired:				
The LOIs	12	–	60,000	60,000
Refundable deposit		12,426	–	12,426
Cash and cash equivalents		780	–	780
Amount due to a non-controlling owner of a subsidiary		(13,106)	–	(13,106)
The CIFC Shareholder's Loan		(7)	–	(7)
Deferred tax liabilities		–	(9,900)	(9,900)
Non-controlling interest		(100)	(5,010)	(5,110)
		(7)	45,090	45,083
Goodwill arising from the Acquisition	11			24,425
Add: Assignment of CIFC Shareholder's Loan				7
				69,515
Consideration satisfied by:				
Cash				66,000
Promissory note at fair value				3,515
Total consideration				69,515
Net cash outflow arising on the Acquisition:				
Cash and cash equivalents acquired				(780)
Consideration paid in cash				66,000
				65,220

DIVIDEND

No dividend has been paid or declared by the Company during the year (2011: HK$Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

The principal activity of Ming Kei Holdings Limited (the "Company") is an investment holding.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in investment holding in the People's Republic of China (the "PRC"), and business of coal trading between PRC and Indonesia respectively.

The business of coal trading between PRC and Indonesia mostly consists of trading of steam coals.

BUSINESS REVIEW

For the year ended 31 March 2012, the Group achieved revenue of approximately HK$100.63 million (2011: approximately HK$54.80 million (restated)) for the coal trading business (the "Coal Trading Business"), and business of property investments, representing a significant increased by approximately HK$45.83 million or 83.63% over the corresponding prior year ended. The increment was mostly contributed by the revenue stream which derived from the Coal Trading Business which commenced in November 2010 and the increase in income from the property investments.

For the year ended 31 March 2012, the Group recorded total revenue of approximately HK$100.63 million (2011: approximately HK$54.80 million (restated)) which was derived from the Coal Trading Business and property investments respectively which accounted for approximately of 98.69% and 1.31% respectively (for the continuing operations) (2011: approximately of 97.72% and 2.28% respectively (for the continuing operations)). Details of the Group's revenue are disclosed in the financial statements under Note 3 and Note 4 "SEGMENT INFORMATION"and "TURNOVER, OTHER INCOME, AND OTHER GAINS AND LOSSES, NET" respectively.

The Group generated an operating profit for the continuing operations of approximately HK$0.14 million for the year ended 31 March 2012 (2011: operating loss of approximately HK$35.18 million (restated)). The Group generated an operating profit of approximately HK$1.26 million for the year ended 31 March 2012 (2011: operating loss of approximately HK$31.03 million) for the Coal Trading Business segments. The Group generated an operating loss of approximately HK$1.12 million for the year ended 31 March 2012 (2011: approximately HK$4.15 million (restated)) for the property investments segments.

The Group's gross profit was approximately HK$6.45 million for the year ended 31 March 2012 (2011: approximately HK$3.46 million (restated)). The gross profit increased dramatically as compared to the corresponding prior year ended was mostly contributed by the revenue stream derived from the Coal Trading Business and increase in income from the property investments. The gross profit margin was approximately of 6.41% for the year ended 31 March 2012 (2011: approximately of 6.31% (restated)).

For the year ended 31 March 2012, the Group's selling and distribution costs amounted to approximately HK$0.73 million (2011: approximately HK$0.33 million), the selling and distribution costs are in relation to the selling expenses for the Coal Trading Business.

For the year ended 31 March 2012, the Group's administrative and other expenses amounted to approximately HK$39.50 million (2011: approximately HK$57.13 million (restated)), which represented the decreased by approximately HK$17.63 million or 30.86%, as compared to the corresponding prior year ended. The decrement was contributed by the decreased of the overseas and local travelling expenses incurred for the business trips and recorded of nil legal and professional fees in relation to the acquire of the Coal Trading Business and share-based payments respectively in the current year ended under reviewed.

For the year ended 31 March 2012, the Group's finance costs amounted to approximately HK$0.35 million (2011: approximately HK$0.15 million), the increased by approximately HK$0.20 million or by 133.33% was contributed by the imputed interest on the promissory notes in the current year ended under reviewed.

For the year ended 31 March 2012, the Group recorded a fair value gain on investment properties of approximately HK$0.66 million (2011: fair value loss on investment properties of approximately HK$1.70 million), which represented increased in fair value of the Group's investment properties which are hold for investment purposes during the current year ended under reviewed.

For the year ended 31 March 2012, the Group recorded a gain on disposal of the investment properties of approximately HK$0.01 million (2011: HK$Nil).

For the year ended 31 March 2012, the Group recorded an impairment loss on intangible assets (the "Intangible Assets") of approximately of HK$3.66 million (2011: HK$8.92 million) arising from the China Indonesia Friendship Coal Trading Company Limited (the "CIFC") and its subsidiary (collectively referred to as the "CIFC Group") which the CIFC Group is principally engaged in the business of coal trading between PRC and Indonesia. An impairment testing has been carried out as at 31 March 2012 and impairment loss was recognised in the income statement. Details of the Group's impairment loss on Intangible Assets and disclosed in the financial statements under Note 12 "INTANGIBLE ASSETS".

The impairment loss on Intangible Assets is mostly due to the reduced of the quantity of coal sold during the current year ended under reviewed. The impairment loss on Intangible Assets recognised for the year ended 31 March 2012 did not have significant impact to the CIFC Group's cash-flows and did not affect the operating model of the CIFC Group as referred to on pages 18 and 19 of the circular of the Company dated on 14 October 2010, 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.

Apart from these, the CIFC Group had no other debts or borrowings and had a net cash position and a bank interest income of approximately HK$1.32 million (2011: HK$1.08 million) and approximately HK$131 (2011: HK$34) respectively for the year ended 31 March 2012.

The Group recorded the share of loss of associates, net of tax, of approximately HK$0.86 million for the corresponding prior year ended, which represented the share of 49% results attributed by the Star Fortune International Investment Company Limited (the "SFII") and its subsidiaries (collectively referred to as the "SFII Group") to the Group. The SFII Group is principally engaged in mining, sale and distribution of coals in the PRC. The 49% equity interests in the SFII were disposed of on 16 August 2010 and the SFII Group ceased to be the associates of the Group simultaneously.

The Group recorded a loss for the corresponding prior year ended from discontinued operations of approximately HK$19.71 million (restated) which mainly represented the loss on disposal of associates for the prior year ended.

For the year ended 31 March 2012, the Group recorded a loss attributable to owners of the Company of approximately HK$36.36 million (2011: approximately HK$106.04 million) represented a significant decreased in loss by approximately HK$69.68 million or 65.71%. The overall decrease in loss attributable to the owners of the Company as compared to the corresponding prior year ended was mainly attributable by (i) the increased of the revenue stream derived from the Coal Trading Business and the increased of revenue stream from the General Trading Business and property investment respectively; (ii) the decrease of the administrative and other expenses; (iii) the recorded of nil loss from the discontinued operation for the disposal of the 49% equity interests in the SFII for the current year ended and (iv) the record of nil impairment losses on goodwill and decrease in impairment loss on Intangible Assets for the CIFC Group for the current year ended under reviewed.

Liquidity, financial resources and capital structure

As at 31 March 2012, the Group had net current assets of approximately HK$53.94 million (2011: approximately HK$41.03 million) including cash and bank balances of approximately HK$8.54 million (2011: approximately HK$18.03 million). The Group had no other bank overdraft facilities and bank borrowing as at 31 March 2011 and 2012 respectively.

The debt ratio (defined as total liabilities over total assets) of the Group as at 31 March 2012 was approximately 0.36 (2011: approximately 0.26).

In April 2012, the Company entered into a placing agreement (the "Placing") pursuant to which the placing agent conditionally agreed to place, on a best effort basis, of not less than six placees for up to 33,760,000 new shares (the "Share") of the Company at a price of HK$0.28 per placing Share. The net proceeds from the Placing of approximately HK$8.8 million will be used for potential acquisition activities as identified by the Group from time to time and as the general working capital of the Group.

The Directors are of the view that additional funding will strengthen the financial position of the Group for any future investment and development, which will be beneficial and in the interests of the Group and the shareholders of the Company (the "Shareholders") as a whole.

The shares (the "Shares") of the Company have been listed on the Growth Enterprises Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 15 November 2002.

5,000,000 new Shares (the "Conversion of the Unlisted Warrants 1") were issued and allotted on 10 January 2012 to the unlisted warrants' subscriber for the unlisted warrants which subscribed in September 2010 (the "Subscription of 2010 Unlisted Warrants").

5,000,000 new Shares (the "Conversion of the Unlisted Warrants 2") were issued and allotted on 14 February 2012 to the unlisted warrants' subscriber for the Subscription of 2010 Unlisted Warrants.

10,000,000 new Shares (the "Conversion of the Unlisted Warrants 3") were issued and allotted on 22 February 2012 to the unlisted warrants' subscriber for the Subscription of 2010 Unlisted Warrants.

7,940,104 share options (the "Share Options") were exercised by an eligible participant during the current year under reviewed and 7,940,104 new Shares were issued and allotted on 13 March 2012.

As a result of the Conversion of the Unlisted Warrants 1, Conversion of the Unlisted Warrants 2, Conversion of the Unlisted Warrants 3 and Share Options respectively, additional 27,940,104 new Shares were issued and allotted by the Company during the current year under reviewed.

As at 31 March 2012, the total issued Shares is 196,742,198.

Charge of group assets

As at 31 March 2012, the Group did not have any material charge of assets. (2011: HK$Nil).

Foreign exchange exposure

The reporting currencies of the Group is Hong Kong Dollars (the "HKD").

The Group has transactional currency exposures. Such exposures arise from the business operations in the PRC denominated in the Renminbi (the "RMB") and the coal trading operation in between PRC and Indonesia denominated in the United States dollars (the "USD").

As at 31 March 2012, the Group had a minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities were principally denominated in the functional currencies, i.e. RMB and USD, used by the Group entities or in the USD for HKD functional currency Group entities.

As HKD is pegged to USD, the Group considers the risk of movements in exchange rates between HKD and USD to be insignificant for transactions denominated in USD. The RMB is not freely convertible into other foreign currencies and conversion of the RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government.

As at 31 March 2012, the Group does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate.

The Group adopts a conservative treasury policy with most of the bank deposits being kept in HKD or RMB or USD, or in the local currencies of the operating subsidiaries (as the case may be) to minimize exposure to foreign exchange risks.

As at 31 March 2012, the Group had 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 the Group's financial positions remain stable and has sufficient cash resources to meet its present and future cash flow requirements.

Treasury policies

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

Significant Investment

There was no significant investment held by the Group for the year ended 31 March 2012.

(2011: On 22 November 2010, Star Enterprise Investment Company Limited (the "Star Enterprise"), an indirect wholly owned subsidiary of the Company, delivered the redemption notice to the Proteus Growth Fund Ltd. for a fully redemption of the Class A shares (the "Redemption") which subscribed by the Group on 2 November 2009.

The Redemption constituted a discloseable transaction of the Company under Rule 19.06(2) under the Rules Governing the Listing of Securities in the GEM (the "GEM Listing Rules") and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under the GEM Listing Rules.

Save as disclosed above, there was no other significant investment held by the Group for the year ended 31 March 2011.)

Material acquisitions or disposals of subsidiaries and affiliated companies

On 29 February 2012, Star Fortune International Group Company Limited (the "Star Fortune"), a directly wholly owned subsidiary of the Company, entered into the agreement pursuant (the "Star Agreement") to which Star Fortune has agreed to sell and Mr. Wong Wai Sing, the executive Director and chairman of the Group has agreed to purchase the entire issued share capital of Star International Business Company Limited (the "Star International"), an indirectly wholly owned subsidiary of the Company, which is wholly-owned by Star Fortune and the sale loan for the consideration of HK$15.74 million.

The Star Agreement constituted a discloseable and connected transaction on the part of the Company under Chapter 19 of the GEM Listing Rules.

The Star Agreement was completed in May 2012 and the Star International ceased to be the subsidiary of the Group since then.

Save as disclosed above, there was no other material acquisitions or disposals of subsidiaries and affiliated companies held by the Group as at 31 March 2012.

(2011: On 20 May 2010, Star Fortune International Development Company Limited (the "SFID"), an indirect wholly-owned subsidiary of the Company, entered into a conditional disposal agreement (the "Disposal Agreement") with the purchaser, a wholly-owned subsidiary of the Nan Nan Resources Enterprise Limited (formerly known as International Resources Enterprise Limited and China Sonangol Resources Enterprise Limited respectively) (a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange), for the disposal of the sale shares, representing 49% equity interests in SFII, held by SFID for a total cash consideration of HK$50 million.

The Disposal Agreement was completed on 16 August 2010 and the SFII ceased to be the associates of the Group.

On 26 August 2010, Star Coal International Investment Company Limited (the "Star Coal"), an indirect wholly owned subsidiary of the Company, as a purchaser, entered into the conditional sale and purchase agreement (the "Conditional S&P") with Mr. Woo Man Wai, David (the "Vendor David"), pursuant to which Star Coal agreed to acquire and the Vendor David agreed to sell its entire issued share capital of CIFC and the sale loan for a total consideration of HK$70 million.

The Conditional S&P was completed on 29 October 2010 (the "Conditional S&P Completion") and upon the Conditional S&P Completion, the Company has interested in the 100% equity interests in the CIFC, the accounts of the CIFC Group will be consolidated into the consolidated financial statements of the Group.

Save as disclosed above, there was no other material acquisitions or disposals of subsidiaries and affiliated companies held by the Group as at 31 March 2011.)

Disposal of real property

On 3 August 2011, the Star Energy International Investment Company Limited, an indirect wholly-owned subsidiary of the Company entered into the provisional sale and purchase agreement with the purchasers, in relation to the disposal of an investment property held by the Group in Sorrento (the "Sorrento Property"), 1 Austin Road West, Kowloon, Hong Kong (the "Property Disposal") for a cash consideration of HK$11.3 million.

The Property Disposal constituted a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

The Property Disposal completed in September 2011 and the Sorrento Property ceased to be an investment property of the Group since then.

There was no other disposal of property by the Group as at 31 March 2012.

(2011: There was no disposal of property by the Group as at 31 March 2011.)

Proposed Acquisition

There was no proposed acquisition held by the Group as at 31 March 2012.

(2011: On 25 February 2011, Starry Gold Resources Investment Limited, an indirect wholly-owned subsidiary of the Company, entered into the non-legally binding memorandum of understanding (the "MOU") with the vendors in relation to a possible acquisition of a target group which will be principally engaged in mining, exploitation and sale of talc in the Hubei Province, the PRC upon the completion of the reorganisation and successful renewal of the mining permit.

There was no other proposed acquisition held by the Group as at 31 March 2011.)

Material events after reporting date

On 24 May 2012, Star International Business Development Company Limited (the "Star International Business") an indirect wholly owned subsidiary of the Company, the purchaser, entered into the agreement (the "Property Agreement") with the vendor pursuant to which Star International Business has agreed to acquire the sale shares and the sale loan from the vendor for a consideration of HK$88 million, which shall be payable by the Star International Business to the vendor as to (i) HK$20 million in cash upon the signing of the Property Agreement and the balance of the consideration being HK$68 million in cash at completion.

Details of the Property Agreement have been set out in the announcements of the Company dated 24 May 2012 and 8 June 2012 respectively.

The Property Agreement constituted a major transaction on the part of the Company under Chapter 19 of the GEM Listing Rules.

There was no other material events after reporting date held by the Group as at 31 March 2012.

(2011: There was no material events after reporting date held by the Group as at 31 March 2011.)

Segment information

The Group's operating segments are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's operating segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other operating segments. Summary details of the operating segments are as follows:

— The coal trading segment comprised the business of coal trading;

— The general trading segment comprised the business of trading of other merchandise goods (ceased in January 2012);

— The property investment segment comprised investment in various properties for rental income purposes; and

— The mining segment comprised the mining, exploration and sale of coal in the PRC and the operation was disposed of by the Group in the current year. Accordingly, the mining segment was classified as a discontinued operation and the comparative figures of this segment were re-classified from a continuing operation to discontinued operation during the prior year, details of which are set out in Note 8 of this announcement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Employee information and remuneration policy

As at 31 March 2012, the Group employed a total of 29 employees (2011: 25). The salaries and benefits of the Group's employees are maintained at a competitive level and employees are rewarded on a discretionary performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually. Year-ended bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme and medical scheme to its employees in HK. Social insurance contributions were made by the Group for its employees in the PRC in accordance with the relevant PRC regulations.

The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or any material labour dispute. The Group also operates a share option scheme (the "Scheme") where share options to subscribe for shares of the Company may be granted to the eligible participants of the Group. No share options have been granted to the eligible participants under the Scheme during the current year under reviewed.

Staff costs, excluding Directors' remuneration, decreased by approximately 6.9% to approximately HK$5.25 million (2011: approximately HK$5.64 million).

Share Option Scheme

On 26 October 2002, the Company conditionally adopted the Share Option Scheme (the "Scheme") under which share options to subscribe for the shares of the Company may be granted under the terms and conditions stipulated therein. Details of the movements in the share options granted and exercised during the year ended 31 March 2012 under the Scheme are disclosed in the paragraph of "SHARE OPTION SCHEME".

Details of future plans for material investment or capital assets

Save as disclosed above on the "Proposed Acquisition" and "Material events after reporting date" the Directors do not have any future plans for material investment or capital assets as at 31 March 2012.

Contingent liabilities

The Group had no material contingent liabilities as at 31 March 2011 and 2012 respectively.

Commitments

Operating lease commitments:

The Group leases its office premises and a director's quarter under operating lease arrangements, with leases negotiated for terms ranging from two to three years. None of the leases includes contingent rentals.

As at 31 March 2012, the Group had commitment for future minimum lease payments under non-cancellable operating lease which fall due as follows:

	2012	2011
	HK$'000	HK$'000
Within one year	**6,391**	4,342
In the second to fifth year inclusive	**6,815**	7,494
	13,206	11,836

The operating leases relate to office premises for terms of three years to year 2015.

PROSPECTS AND APPRECIATION

For the year ended 31 March 2012, the Group achieved revenue of approximately HK$100.63 million (2011: approximately HK$54.80 million (restated)) for the Coal Trading Business and property investments respectively, representing a significant increased by approximately HK$45.83 million or 83.63% over the corresponding prior year ended. The increment was mostly contributed by the revenue stream which derived from the Coal Trading Business and the increase in income from the property investments.

Pursuant to the rising property market in HK surpassed its previous peak in 1997 during the second quarter in the financial year 2011/2012, the government has implemented several policies aimed at cooling down the overheating residential property market and curbing speculation in the luxury residential property, such as the introduction of the Special Stamp Duty which had the direct impacts on the HK residential market. Hence, on 3 August 2011, the Group entered into a provisional sale and purchase agreement with the purchasers in relation to Property Disposal of a Group's investment property which acquired in August 2009 for a cash consideration of HK$11.3 million and for a gain of approximately of HK$0.01 million. The Directors consider that the Property Disposal represents a good opportunity for the Group to yield a reasonable return to its investment in this investment property and the Property Disposal was completed in September 2011.

For the Coal Trading Business which accounted for approximately of 98.69% of the Group's turnover (for the continuing operations) and the Directors expected that given the signed Customers LOI and the Suppliers LOI, the Coal Trading Business will continue and provide a stable and remain as a main source of turnover to the Group. In January 2012, the profit guarantee given by the vendor during the acquired of the Coal Trading Business was achieved and dividend of HK$3.6 million was received by the Group simultaneously.

In view of the low profit margins, facing the keen competitions from the local competitors and the infrequent orders from the Trading Customers since the ceased of the Acquisition Contracts. The Group cease to engage the General Trading Business start from the first quarter of 2012, the cessation of it will not have a material effects to the Group for the current year ended under reviewed, however, it will not further contributed any turnover to the Group on the forthcoming financial year of 2012/2013. During the current year ended under reviewed, the Group was more focused on the Coal Trading Business.

In April 2012, the Company entered into a placing agreement (the "Placing Agreement") pursuant to which the placing agent conditionally agreed to place, on a best effort basis, of not less than six placees for up to 33,760,000 new shares (the "Share") of the Company at a price of HK$0.28 per placing Share. The net proceeds from the placing (the "Placing") of approximately HK$8.8 million will be used for potential acquisition activities as identified by the Group from time to time and as the general working capital of the Group.

The Directors are of the view that additional funding will strengthen the financial position of the Group for any future investment and development, which will be beneficial and in the interests of the Group and the shareholders (the "Shareholders") of the Company as a whole.

Pursuant to the regulations and policies adopted by PRC government towards the speculation on the property market. In February 2012, the Group entered into a sale and purchase agreement with the purchasers in relation to the Xinjiang Disposal of a Group's investment property for a cash consideration of HK$15.74 million. The Directors consider that the Xinjiang Disposal represents a good opportunity for the Group to yield a reasonable return to its investment in this investment property and the Xinjiang Disposal was completed in May 2012.

Following the Property Disposal and the Xinjiang Disposal respectively, the Board is identifying the other investment property investments' opportunity in both HK and PRC respectively. In May 2012, the Group entered into a conditional sales and purchase agreement in relation to the acquisitions of a Property. The Directors consider that there is a higher profit potential for quality properties in HK and taking into account the fair value of the Property, the rental income that it is enabled to generate, potential capital appreciation of the Property and there are no other policies or implementation for the commercial property by the government as which applied on the residential property.

The Board will constantly keep reviewing the Group's strategies and operations with a view to improve its business performance and Shareholders' return. As usual and with available funds on hand, the Group is capable to actively looking for possible future investments with or within the property investments and coal trading sectors or other sector(s) with growth potential to improve its Shareholders' value.

The Board has performed business review to streamline the current business operations and improve the financial position of the Group. New investment opportunities in any other business section with or within the property investments' sector and coal trading sector or other sectors respectively has also been constantly submitted for review. We believe that it would not only enhance the overall profitability but also improve the business scope of the Group.

Lastly, on behalf of the Board of Directors, I would like to take this opportunity to express my gratitude to all employees, Shareholders, partners and customers for their continued support and dedication. The Group will continue to put our best effects to produce good economic results and better returns to our Shareholders.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2012, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

(i) Interests in shares

Name	Capacity of interests	Number of ordinary shares held	Approximate percentage of shareholding in the Company
Ming Kei International Holding Co. Limited (the "Ming Kei") (Note 1)	Beneficial owner	75,676 (L) (Note 2 and 3)	0.038
Mr. Wong Wai Sing (the "Mr. Wong")	Beneficial owner	36,400 (L) (Note 3)	0.018
	Interest of controlled corporation	75,676 (L) (Note 2 and 3)	0.038
Mr. Tsang Ho Ka, Eugene (the "Mr. Tsang")	Beneficial owner	7,940,104 (L) (Note 3)	4.035

(ii) Interests in share options

Name of Director	Date of grant	Exercisable period	Exercise price per Share HK$	Number of share options granted	Approximate percentage of shareholding in the Company
Ms. Yick Mi Ching, Dawnibilly	3 September 2010	3 September 2010 to 2 September 2020	0.755	7,940,104 (L) (Note 3)	4.035

Notes:

1. Ming Kei is wholly and beneficially owned by Mr. Wong, an executive Director and a sole executive director of Ming Kei.

2. Ming Kei is wholly and beneficially owned by Mr. Wong, therefore, Mr. Wong, is deemed to be interested in the 75,676 Shares in which Ming Kei is interested.

3. The letter "L" denoted a long position in shares.

Save as disclosed above, as at 31 March 2012, none of the Directors nor the chief executives of the Company had any other interests and short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO or otherwise required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 March 2012, there are no interests and short positions of persons, other than the Directors or chief executives of the Company, in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who are, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or substantial shareholders as recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the paragraphs headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES" above and "SHARE OPTION SCHEME" below, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

On 26 October 2002, the Company conditionally adopted the Share Option Scheme (the "Scheme") under which share options to subscribe for the shares of the Company may be granted under the terms and conditions stipulated therein. On 3 September 2010, the Board conditionally resolved to grant an aggregate of 7,940,104 (subsequently adjusted to 15,880,208 immediately after of the bonus issue) shares at HK$1.51 (subsequently adjusted to HK$0.755 immediately after the bonus issue) per share under the Scheme, which had been approved by shareholders of the Company at the special general meeting held on 5 November 2010. As at 31 March 2012, 7,940,104 granted share options during the current year ended under reviewed were still outstanding. Details number of share options granted, exercised and their respective exercise price and exercisable period are as follows:

Categories of grantees	Date of grant	Exercisable period	Exercise price per share	Closing price at the date of grant	Outstanding as at 01/04/2011	Granted during the year	Exercised during the year	Outstanding as at 31/03/2012
			HK$	HK$				
Directors								
Ms. Yick Mi Ching, Dawnibilly	3 September 2010	3 September 2010 – 2 September 2020	0.755	0.755 (Note)	7,940,104	–	–	7,940,104
Mr. Tsang Ho Ka, Eugene	3 September 2010	3 September 2010 – 2 September 2020	0.755	0.755 (Note)	7,940,104	–	7,940,104	–
					15,880,208	–	7,940,104	7,940,104

Note: The closing price at grant date of the share option was HK$1.51 per share, which is identical to the exercise price per share of HK$1.51. Upon the completion of bonus issues, the exercise price is adjusted to HK$0.755 per share, closing price at the grant date is adjusted to HK$0.755 per share accordingly for illustration purpose only.

DIRECTORS' INTERESTS IN CONTRACTS

No director of the Company had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during or at the end of the year.

DIRECTORS' INTEREST IN COMPETING INTERESTS

Up to the date of this annual results announcement, none of the Directors, the management shareholders or substantial shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete with the business of the Group, or have any other conflict of interests with the Group.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year under reviewed.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities during the year under reviewed.

COMPETITION AND CONFLICT OF INTERESTS

As at 31 March 2012, none of the Directors, the management shareholders or substantial shareholders of the Company or any of their respective associates (as referred to in Note 3 to Rule 6.35 of the GEM Listing Rules) have engaged in any business that competes or may compete with the business of the Group, or have any other conflict of interests with the Group.

CORPORATE GOVERNANCE PRACTICES

Ming Kei Holdings Limited (the "Company") and its subsidiaries (collectively refer to as the "Group") is committed to promoting high standards of corporate governance. The board (the "Board") of directors (the "Directors") of the Company believe that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding the shareholders' interests and the Group's assets.

During the year ended 31 March 2012, the Company has complied with all the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 15 of the Rules Governing the Listing of Securities on the Growth Enterprise Market (the "GEM") (the "GEM Listing Rules") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), save and except for the following:

1. A.1.3 of CG Code requires of at least 14 days notice should be given to all Directors for a regular Board Meeting. For all other Board meetings, reasonable notice should be given. Due to the practical reasons, 14 days' advanced notifications have not been given to all meetings of the Board of Directors. Reasons have been given in the notifications in respect of those meetings of the Board where it is not practical to give 14 days' advanced notification. The Board will use its best endeavours to give 14 days' advanced notifications of Board meeting to the extent practicable;

2. A.4.1 of the CG Code requires that all non-executive director should be appointed for a specifics term, subject to re-election. Currently, all independent non-executive Directors are not appointed for a specific term. They are, however, subject to the retirement by rotation and re- election of Directors in the Bye-laws of the Company. Since their appointment will be reviewed when they are due for re-election, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those set out in the CG Code; and

3. E.1.2 of the CG Code requires that the chairman of the Board should attend the annual general meeting. Due to other business commitment, Mr. Wong Wai Sing, the chairman of the Board, is unable to attend the Company's 2012 annual general meeting held on Thursday, 2 August 2012 but he has appointed Ms. Yick Mi Ching, Dawnibilly to act as his representative at the said meeting.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the code of conduct for securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 (the "Securities Code") of the GEM Listing Rules. During the year ended 31 March 2012, the Company had made specific enquiry to all Directors and the Company was not aware of any non-compliance with the required standard set out in the Securities Code.

AUDIT COMMITTEE

The audit committee was set up on 26 October 2002 with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules. The primary duties of the audit committee (the "AC") are to review and supervise the financial reporting process and internal control system of the Group. As of the date of this announcement, the AC comprises of five members, Mr. Kwok Kam Tim, Mr. Kinley Lincoln James Lloyd, Ir. Edmund Kwok King Yan, Mr. Chan Kin Sang and Mr. Ng Wing Hang respectively, all are being independent non-executive Directors. The AC held four meetings during the year. The Group's audited results for the year ended 31 March 2012 have been reviewed by the AC, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made. The AC is chaired by Mr. Kwok Kam Tim.

REMUNERATION COMMITTEE

A remuneration committee (the "RC") was set up on 20 March 2006 with written terms of reference to oversee the RC policy and structure for all Directors and senior management. As of the date of this announcement, the RC comprised six members, namely Mr. Ho Pui Tin, Terence, being an executive Director, Mr. Kwok Kam Tim, Mr. Kinley Lincoln James Lloyd, Ir. Edmund Kwok King Yan, Mr. Chan Kin Sang and Mr. Ng Wing Hang, all being independent non-executive Directors. The role and function of the RC include the determination of the specific remuneration packages of all executive Directors, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of independent non-executive Directors. The RC is chaired by Ir. Edmund Kwok King Yan.

NOMINATION COMMITTEE

The nomination committee (the "NC") was set up on 1 February 2012 with written terms of references to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy. As at the date of this announcement, the NC comprised of six members, namely Mr. Ho Pui Tin, Terence, being an executive Director, Ir. Edmund Kwok King Yan, Mr. Ho Pui Tin, Terence, Mr. Kwok Kam Tim, Mr. Kinley Lincoln James Lloyd, Mr. Chan Kin Sang and Mr. Ng Wing Hang respectively, all being independent non-executive Directors. The role and function of the NC include to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships and to make recommendations to the Board on the appointment or reappointment of directors and succession planning for directors, in particular the chairman of the Board and the chief executive. The NC is chaired by Ir. Edmund Kwok King Yan.

AUDITORS

The consolidated financial statements for the year ended 31 March 2012 have been audited by BDO Limited who will retire and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2012 have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

CORPORATE GOVERNANCE

Subject to the deviations as disclosed in paragraph of Corporate Governance Practices set out on page 41 of the Company's annual results announcements, the Company has complied with Corporate Governance Code and Corporate Governance Report set out in the Appendix 15 to the GEM Listing Rules during the current year ended under reviewed.

In order to maintain high standard of disclosure, an announcement of "PROFIT WARNING" dated 1 June 2012 was announced by the Company that the Group expected to record a significant decrease in net loss the Group respectively as compared to the corresponding prior year.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors as at the date of this annual results' announcement, there is sufficient public float of the Company's issued shares as required under the Listing Rules throughout the year ended 31 March 2012.

PUBLICATION OF INFORMATION ON WEBSITES

This annual results' announcement is available for viewing on the website of Stock Exchange at www.hkex.com.hk and on the website of the Company at www.mingkeiholdings.com respectively.

The annual report of the Company for the year ended 31 March 2012 will be dispatched to the shareholders of the Company and made available on the above websites in due course.

By order of the Board
Ming Kei Holdings Limited
Mr. Wong Wai Sing
Chairman and Executive Director

Hong Kong, 25 June 2012

As at the date of this announcement, the executive Directors are Mr. Wong Wai Sing, Mr. Ho Pui Tin, Terence, Mr. Tsang Ho Ka, Eugene, Ms. Yick Mi Ching, Dawnibilly and Mr. Chow Pak Wah, Oliver and the independent non-executive Directors are Mr. Kwok Kam Tim, Mr. Kinley Lincoln James Lloyd, Ir. Edmund Kwok King Yan, Mr. Chan Kin Sang and Mr. Ng Wing Hang.

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.