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Ming Kei Holdings Limited **明基控股有限公司***

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

(Stock code: 8239)

SUPPLEMENTAL AGREEMENT IN RELATION TO MAJOR TRANSACTION

The Board announces that on 15 August 2012 (after trading hours), Star International and the Vendor, entered into the Supplemental Agreement after arm's length negotiations to amend certain terms and conditions of the Agreement, among others, to amend (i) the payment terms of the Consideration and (ii) the conditions precedent to Completion. Under the Supplemental Agreement, the balance of the Consideration, after deducting the refundable Deposit, was partially settled by the Further Deposit secured by the Share Charge executed upon the entering into the Supplemental Agreement. The outstanding balance of the Consideration of HK\$33,000,000 will be further settled by the allotment and issue of Consideration Shares by the Company to the Vendor and fund raised through the Funding Raising Exercise at Completion.

Due to the introduction of the Consideration Shares under the revised terms, certain Conditions have correspondingly been amended. Completion is now subject to fulfillment or waiver of all conditions precedent as set out in this announcement (instead of the Conditions set out in the Announcement).

Save as disclosed herein, all other major terms of the Agreement as prescribed in the Announcement shall remain in full force and effect. Shareholders are advised to read the Announcement in conjunction with this announcement so as to understand all the major details of the Acquisition.

Reference is made to the announcements issued by Ming Kei Holdings Limited (the "**Company**") dated 24 May 2012 (the "**Announcement**"), 24 July 2012 and 31 July 2012 in relation to, among other things, the Acquisition. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

The Board announces that on 15 August 2012 (after trading hours), Star International and the Vendor, entered into a supplemental agreement (the "**Supplemental Agreement**") after arm's length negotiations to amend certain terms and conditions of the Agreement, among others, (i) the payment terms of the Consideration, and (ii) the conditions precedent to Completion.

* For identification purposes only

Under the Supplemental Agreement, the balance of the Consideration, after deducting the refundable deposit of HK\$20,000,000 (the “**Deposit**”), was partially settled by a further refundable deposit of HK\$35,000,000 (the “**Further Deposit**”) secured by a share charge (the “**Share Charge**”) over the Sale Shares executed by the Vendor in favour of Star International upon the entering into the Supplemental Agreement. The outstanding balance of the Consideration of HK\$33,000,000 will be further settled by the allotment and issue of 34,300,000 Shares (the “**Consideration Share(s)**”) by the Company to the Vendor and fund raised through the Funding Raising Exercise at Completion.

Due to the introduction of the Consideration Shares under the revised terms, certain Conditions have correspondingly been amended. Completion is now subject to fulfillment or waiver of all conditions precedent as set out in this announcement (instead of the Conditions set out in the Announcement).

THE SUPPLEMENTAL AGREEMENT

Amendments to the payments terms of the Consideration

The Consideration shall be satisfied by Star International in the following manner:

1. the Deposit shall be paid by Star International to the solicitor of the Vendor who shall then deliver to the Vendor;
2. upon the execution of the Share Charge, the Further Deposit shall be paid by Star International to the solicitor of the Vendor on or before 15 August 2012 who shall then deliver the same to the Vendor; and
3. subject to the adjustment as set out in the Announcement, at Completion:
 - (i) part of the balance of the Consideration, being HK\$13,034,000, shall be settled by procuring the Company to allot and issue the Consideration Shares to the Vendor; and
 - (ii) the outstanding balance of the Consideration, being HK\$19,966,000, shall be paid by Star International to the Vendor.

If the sum of the Deduction shall be more than HK\$8,800,000 and the Vendor and Star International fail to agree on the adjusted Consideration according to the adjustment mechanism set out in the Announcement, in addition to the immediate termination of the Agreement and refund of the Deposit with interest of 3% per annum calculated based on the actual number of days elapsed and on a basis of a 365-day year, the Vendor shall also refund forthwith the Further Deposit to Star International and the interest accrued in the same way. Neither party shall have any obligations and liabilities thereunder and take any action to claim for damages or to enforce specific performance or any other rights and remedies save for any antecedent breaches of the terms thereof.

Amended Conditions

Completion shall now be conditional upon:

- (a) Star International being satisfied with the results of the due diligence review (including but not limited to tax, financial and legal due diligence) of the Target Group;
- (b) the passing of (an) ordinary resolution(s) by the Shareholders at the SGM approving the Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares and all other consents and acts required under the GEM Listing Rules having been obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules having been obtained from the Stock Exchange;
- (c) all necessary consents, authorizations, licences and approvals required to be obtained on the part of the Vendor in respect of the Agreement and the transactions contemplated thereunder having been obtained;
- (d) the warranties provided by Star International under the Agreement remaining true and accurate in all respects;
- (e) the warranties provided by the Vendor under the Agreement remaining true and accurate in all respects;
- (f) the completion of the Reorganisation;
- (g) the obtaining of a valuation report (in form and substance satisfactory to Star International) from a firm of independent professional valuers appointed by Star International showing the Valuation to be not less than HK\$88,000,000;
- (h) the completion of the Funding Raising Exercise;
- (i) the entering into of the Tenancy Agreement; and
- (j) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Consideration Shares.

The Vendor may at any time by notice in writing to Star International waive condition (d). Star International may at any time by notice in writing to the Vendor waive conditions (a) and (g). Conditions (b), (c), (e), (f), (h), (i) and (j) are incapable of being waived by either party. If the conditions set out above have not been satisfied (or as the case may be, waived by the parties) on or before 4:00 p.m. on 30 September 2012, or such later date as the parties may agree, the Vendor shall forthwith refund to Star International the Deposit and the Further Deposit, with interest of 3% per annum calculated based on the actual number of days elapsed and on the basis of a 365-day year and the Agreement shall cease and determine.

Amendments in relation to forfeiture and refund of deposit

If Completion does not take place as a result of the sole default of Star International, the Vendor may forthwith determinate the Agreement by giving notice of termination in writing to Star International to such effect, in which event the Vendor shall forthwith be entitled to forfeit HK\$8,800,000, being part of the Deposit, and shall forthwith refund, in addition to the remaining amount of Deposit of HK\$11,200,000, and the Further Deposit to Star International and neither party shall have any obligations and liabilities thereunder and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies save for any antecedent breaches of the terms thereof.

If Completion does not take place otherwise than as a result of the sole default of Star International, Star International may forthwith terminate the Agreement by giving notice of termination in writing to the Vendor to such effect, in which event the Vendor shall forthwith refund, in addition to the Deposit, the Further Deposit, with interest of 3% per annum calculated based on the actual number of days elapsed and on the basis of a 365-day year, to Star International and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies save for any antecedent breaches of the terms thereof.

Consideration Shares

HK\$13,034,000 of the Consideration is to be satisfied by the allotment and issue of the Consideration Shares at the issue price of HK\$0.38 per Consideration Share by the Company to the Vendor at Completion.

The issue price of HK\$0.38 per Consideration Share was determined with reference to the recent trading price of the Shares, the financial performance of the Company for the year ended 31 March 2012 and the future prospects of the Target Group. The Consideration Shares will be allotted and issued pursuant to the specific mandate and, when allotted and issued, shall rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Consideration Shares including the right to all dividends, distributions and other payments made or to be made, the record date for which falls on or after the date of such allotment and issue. There is no provision in the Supplemental Agreement to impose any lock-up restriction on subsequent transfer of the Consideration Shares.

The issue price of the Consideration Shares, for illustrative purpose only, represents:

- (i) a discount of approximately 10.59% over the closing price of HK\$0.425 per Share as quoted on the Stock Exchange on 14 August 2012, being the last trading day (the “**Last Trading Day**”) prior to the signing of the Supplemental Agreement;
- (ii) a discount of approximately 12.84% over the average of the closing prices of HK\$0.436 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

- (iii) a discount of approximately 12.34% over the average of the closing prices of HK\$0.434 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day; and
- (iv) a premium of approximately 23.18% over the audited consolidated net asset value as at 31 March 2012 per Share as at the Last Trading Day of approximately HK\$0.309.

The Consideration Shares represent (i) approximately 9.92% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 9.03% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares. Application will be made to the GEM Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following chart sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the issue of the Consideration Shares, in each case assuming there is no other change in the issued share capital and shareholding structure of the Company from the date of this announcement.

	As at the date of this announcement and before Completion		Immediately after the allotment and issue of the Consideration at Completion	
	Number of Shares	Approx. %	Number of Shares	Approx. %
Directors				
Mr. Wong Wai Sing (“ Mr. Wong ”) (Note 1)	112,076	0.03	112,076	0.03
Mr. Tsang Ho Ka Eugene (“ Mr. Tsang ”) (Note 2)	7,940,104	2.30	7,940,104	2.09
Orient Securities Limited	73,479,859	21.25	73,479,859	19.33
The Vendor	-	-	34,300,000	9.03
Public shareholders	264,221,258	76.42	264,221,258	69.52
Total	<u>345,753,297</u>	<u>100.00</u>	<u>380,053,297</u>	<u>100.00</u>

Notes:

1. Mr. Wong is the chairman of the Company and a non-executive Director. Of the 112,076 Shares, 75,676 Shares are held by Ming Kei International Holding Company Limited, a company which is wholly and beneficially owned by Mr. Wong, accordingly he is deemed to be interested in the 75,676 Shares.

2. Mr. Tsang is an executive Director.

REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

The Board considers the Supplemental Agreement is entered to provide more flexibility to the Company in proceeding with earlier Completion.

In addition to the reasons stated in the Announcement, the Directors consider that the revised terms of the Agreement in relation to the Acquisition (including the Consideration and the Conditions) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

Despite the amendments disclosed herein, the Acquisition still constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules for the reasons stated in the Announcement. The circular, containing details of the Acquisition and notice of the SGM to be convened, will be provided to Shareholders on or before 28 September 2012.

Save as disclosed herein, all other major terms of the Agreement as prescribed in the Announcement shall remain in full force and effect. Shareholders are advised to read the Announcement in conjunction with this announcement so as to understand all the major details of the Acquisition.

On behalf of the board of
Ming Kei Holdings Limited
Mr. Ho Pui Tin, Terence
Chief Executive Officer and Executive Director

Hong Kong, 15 August 2012

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

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

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