Ming Kei Energy Holdings Limited
明基能源控股有限公司 *

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8239)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2008

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.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

This announcement, for which the directors (the "Directors") of Ming Kei Energy 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; (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 Energy Holdings Limited (the "Company") presents the audited consolidated results of the Company and its subsidiaries (collectively refer to as the "Group") for the year ended 31 March 2008, together with the comparative figures for the year ended 31 March 2007, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2008

	Notes	**2008** **HK$'000**	2007 HK$'000
Revenue	4	**51,139**	33,444
Cost of sales		**(43,346)**	(31,126)
Gross profit		**7,793**	2,318
Excess of the group's share of net fair value of the interests in subsidiaries acquired over the cost of the acquisition		**50,777**	–
Other income and gains	4	**2,236**	1,266
Selling and distribution costs		**(674)**	(1,233)
Administrative expenses		**(36,761)**	(9,589)
Finance costs	5	**(9,957)**	(114)
Profit/(loss) before tax	6	**13,414**	(7,352)
Income tax	7	**1,974**	(3,149)
Profit/(loss) for the year attributable to equity holders of the company		**15,388**	(10,501)
Dividend		**–**	–
Earnings/(loss) per share attributable to equity holders of the company	8		
– Basic		**HK0.76 cents**	(HK1.44 cents)
– Diluted		**HK0.76 cents**	N/A

CONSOLIDATED BALANCE SHEET

At 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**18,113**	1,568
Intangible assets	9	**1,430,193**	–
Deferred tax assets		**180**	180
		1,448,486	1,748
Current assets			
Inventories		**2,877**	–
Accounts and bills receivable	10	**78,754**	5,847
Prepayments, deposits and other receivables		**36,637**	4,565
Cash and cash equivalents		**69,400**	8,414
		187,668	18,826
Current liabilities			
Accounts and bills payable	11	**45,184**	1,024
Accrued expenses and other payables		**42,067**	5,872
Obligations under finance leases		**145**	374
		87,396	7,270
Net current assets		**100,272**	11,556
Total assets less current liabilities		**1,548,758**	13,304
Non-current liabilities			
Obligations under finance leases		**–**	615
Deferred tax liabilities		**355,374**	264
Promissory notes		**248,994**	–
		604,368	879
Net assets		**944,390**	12,425
CAPITAL AND RESERVES			
Issued capital	12	**26,400**	15,000
Reserves		**917,990**	(2,575)
Total equity		**944,390**	12,425

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2008

	Issued capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	Statutory reserve fund HK$'000	Share option reserve HK$'000	Convertible bond reserve HK$'000	Exchange reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
Balance at 1 April 2006	3,000	14,946	3,867	–	–	–	–	(10,887)	10,926
Loss for the year and total expense for the year	–	–	–	–	–	–	–	(10,501)	(10,501)
Issue of new shares	12,000	–	–	–	–	–	–	–	12,000
Balance at 31 March 2007 and 1 April 2007	15,000	14,946	3,867	–	–	–	–	(21,388)	12,425
Exchange realignments and total income and expense for the year recognised directly in equity	–	–	–	–	–	–	63,233	–	63,233
Profit for the year	–	–	–	–	–	–	–	15,388	15,388
Total income and expense for the year	–	–	–	–	–	–	63,233	15,388	78,621
Appropriation	–	–	–	862	–	–	–	(862)	–
Issue of new shares	3,000	90,300	–	–	–	–	–	–	93,300
Issue of new shares on acquisition of subsidiaries	4,000	404,000	–	–	–	–	–	–	408,000
Issue of convertible bonds	–	–	–	–	–	38,054	–	–	38,054
Issue of new shares on conversion of convertible bonds	3,200	287,836	–	–	–	(38,054)	–	–	252,982
Share options exercised	1,200	54,679	–	–	(1,879)	–	–	–	54,000
Share issue expenses	–	(10,231)	–	–	–	–	–	–	(10,231)
Recognition of share-based payments	–	–	–	–	17,239	–	–	–	17,239
Balance at 31 March 2008	26,400	841,530	3,867	862	15,360	–	63,233	(6,862)	944,390

NOTES:

1. GENERAL INFORMATION

Ming Kei Energy 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. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KYI-1111, Cayman Islands and its principal place of business in Hong Kong is Room 3308-3309, The Center, 99 Queen's Road Central, Hong Kong. The shares of the company are listed on The Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company's name was changed from MP Logistics International Holdings Limited to Ming Kei Energy Holdings Limited with effect from 29 November 2007.

The principal activity of the Company is investment holding. The subsidiaries (together with the company referred to as the "Group") are principally engaged in the provision of various logistics services in Hong Kong and the People's Republic of China (the "PRC") and mining, sale and distribution of coals in the PRC.

2. ADOPTION OF NEW AND REVISED STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations and effective for the current accounting period of the Group and the Company. The adoption of these new and revised HKFRSs has had no material effect to the Group's and the Company's financial statements, except as explained below.

The impact of the adoption of HKFRS 7 "Financial Instruments: Disclosures" and HKAS 1 Amendments: "Capital Disclosures" has been to expand the disclosures provided in these financial statements regarding the group's and the company's financial instruments and management of capital. These new disclosures are shown in the financial statements.

At the date of authorisation of these financial statements, the following standards and interpretations have been issued but are not yet effective:

		Effective for annual periods beginning on or after
HKAS 1 (Revised)	Presentation of financial statements	1 January 2009
HKAS 23 (Revised)	Borrowing costs	1 January 2009
HKAS 27 (Revised)	Consolidated and separate financial statements	1 July 2009
HKAS 32 & 1 (Amendment)	Puttable financial instruments and obligations arising on liquidation	1 January 2009
HKFRS 2 (Amendment)	Share-based payment – vesting conditions and cancellation	1 January 2009
HKFRS 3 (Revised)	Business combinations	1 July 2009
HKFRS 8	Operating segments	1 January 2009
HK(IFRIC) – Int 12	Service concession arrangements	1 January 2008
HK(IFRIC) – Int 13	Customer loyalty programmes	1 July 2008
HK(IFRIC) – Int 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction	1 January 2008

The Group is in the process of making an assessment of the impact of these new or revised standards or interpretations in the period of their initial application.

3. SEGMENT REPORTING

In accordance with the Group's internal financial reporting, the Group has determined that business segments are presented as the primary reporting format and geographical segments are presented as the secondary reporting format.

In respect of geographical segment reporting, revenue is based on the country where the customer is located, and total assets and capital expenditure are based on where the assets are located.

(a) Business segments

Segment reporting is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately according to the nature of their operations and the products and services they provide. Each of the Group's business 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 business segments. Summary details of the business segments are as follows:

(a) the mining segment comprised the mining, exploration and sale of coals; and

(b) the logistics segment comprised the provision of logistic services.

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.

3. SEGMENT REPORTING (continued)

(a) Business segments (continued)

2008

	Mining HK$'000	Logistic HK$'000	Consolidated HK$'000
SEGMENT REVENUE			
External sales and services	35,071	16,068	51,139
SEGMENT RESULTS	52,055	(3,287)	48,768
Interest income			1,947
Unallocated costs and corporate expenses			(27,344)
Finance costs			(9,957)
Profit before tax			13,414
Income tax			1,974
Profit for the year			15,388
Segment assets	1,558,666	4,856	1,563,522
Unallocated and corporate assets			72,632
Total assets			1,636,154
Segment liabilities	80,641	4,980	85,621
Unallocated and corporate liabilities			606,143
Total liabilities			691,764
OTHER INFORMATION			
Capital expenditure	1,271	327	1,598
Unallocated capital expenditure			39
Total capital expenditure			1,637
Depreciation and amortisation charges	10,005	688	10,693
Unallocated depreciation and amortisation charges			52
Total depreciation and amortisation charges			10,745

3. SEGMENT REPORTING (continued)

(a) Business segments (continued)

2007

	Mining HK$'000	Logistic HK$'000	Consolidated HK$'000
SEGMENT REVENUE			
External services	–	33,444	33,444
SEGMENT RESULTS	–	(6,322)	(6,322)
Interest income			94
Unallocated costs and corporate expenses			(1,010)
Finance costs			(114)
Loss before tax			(7,352)
Income tax			(3,149)
Loss for the year			(10,501)
Segment assets	–	11,980	11,980
Unallocated and corporate assets			8,594
Total assets			20,574
Segment liabilities	–	7,885	7,885
Unallocated and corporate liabilities			264
Total liabilities			8,149
OTHER INFORMATION			
Capital expenditure	–	198	198
Unallocated capital expenditure			–
Total capital expenditure			198
Depreciation charges	–	952	952
Unallocated depreciation charges			–
Total depreciation charges			952

(b) Geographical segments

Segment reporting is presented in respect of the Group's geographical segments. In determining the Group's geographical segments, revenue is attributed to the segments based on the location where the services are rendered, and assets and capital expenditure are attributed to the segments based on their locations.

An analysis of the Group's revenue and assets and capital expenditure by geographical segment is as follow:

	Hong Kong		PRC (excluding Hong Kong)		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment revenue	**16,068**	33,444	**35,071**	–	**51,139**	33,444
Segment assets	**73,222**	11,579	**1,562,932**	8,995	**1,636,154**	20,574
Capital expenditure	**366**	198	**1,271**	–	**1,637**	198

4. REVENUE, AND OTHER INCOME AND GAINS

Revenue is the turnover, which represents the invoiced value of goods sold and logistics services provided, net of value added taxes, rebates and discounts. All significant transactions amongst the companies comprising the Group have been eliminated on consolidation. An analysis of the Group's revenue, other incomes and gains is as follows:

	2008	2007
	HK$'000	HK$'000
Revenue:–		
Sale of coals	**35,071**	–
Fees for logistics services provided	**16,068**	33,444
	51,139	33,444
Other income and gains:		
Interest income	**1,947**	94
Net exchange gains	**170**	388
Gains on disposal of property, plant and equipment	**–**	140
Sundry income	**119**	644
	2,236	1,266

5. FINANCE COSTS

	2008 HK$'000	2007 HK$'000
Interest expense on following borrowings wholly repayable within five years:		
Promissory notes	**5,288**	–
Convertible bonds	**3,761**	–
Trade financing	**829**	–
Finance leases	**79**	114
	9,957	114

6. PROFIT/(LOSS) BEFORE TAX

The group's profit/(loss) before tax is arrived at after charging the following:

	2008 HK$'000	2007 HK$'000
Cost of inventories sold	**31,669**	–
Cost of services provided	**11,677**	31,126
Auditor's remuneration	**680**	330
Amortisation of intangible assets*	**9,599**	–
Depreciation		
Owned assets	**1,038**	236
Assets held under finance leases	**108**	716
Staff costs (excluding directors' remuneration)		
Salaries and wages	**5,254**	2,251
Pension scheme contributions	**497**	88
Share-based payments**	**7,338**	–
	13,089	2,339
Share-based payments	**17,239**	–
Minimum lease payments under operating leases for land and buildings***	**1,977**	479

* Amount is also included in the "Cost of inventories sold" above.

** Amount is also included in total "Share-based payments" of HK$17,239,000 above.

*** Included in the balance for the year ended 31 March 2008 is approximately HK$26,000 (2007: HK$147,000) in respect of rental expenses for a Director's quarter.

7. INCOME TAX

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

	2008 HK$'000	2007 HK$'000
Deferred tax credit/(charge)	**1,974**	(3,149)

No provision for Hong Kong profits tax has been made as the Group has no assessable profits for Hong Kong profits tax purposes in the current year (2007: HK$Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the group operates, based on existing legislation, interpretation and practices in respect thereof.

In accordance with the approval from the relevant tax authorities, Mulei County Kai Yuan Coal Company Limited ("Kai Yuan Coal"), a subsidiary of the Group operating in the PRC, is entitled to two years' exemption from the PRC corporate income tax ("CIT") followed by three years' 50% relief from the CIT. The year ended 31 December 2007 is the first profit-making year of Kai Yuan Coal for the purpose of CIT exemption. Accordingly, no CIT was provided for the year ended 31 March 2008.

On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress of the PRC promulgated the Corporate Income Tax Law (the "New Tax Law"), which became effective on 1 January 2008. Further, on 6 December 2007, the State Council of the PRC released the implementation rules to the New Tax Law.

According to the New Tax Law, from 1 January 2008, the standard CIT rate for enterprises in the PRC was reduced from 33% to 25%.

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

	2008 HK$'000	2007 HK$'000
Profit/(loss) before tax	**13,414**	(7,352)
Tax calculated at the rate of 17.5%	**2,347**	(1,287)
Tax effect of tax rates of other jurisdictions	**3,896**	–
Profits exempted from income tax	**(2,154)**	–
Tax effect of income non-taxable for taxation purposes	**(12,694)**	(189)
Tax effect of expenses not deductible for taxation purposes	**–**	86
Tax effect on accelerated depreciation allowance	**–**	149
Tax effect on unused tax losses not recognised	**6,631**	1,241
Derecognition of deferred tax assets on prior years' tax losses	**–**	3,149
Income tax for the year	**(1,974)**	3,149

8. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on the profit/(loss) for the year attributable to the equity holders of the Company, and the weighted average number of ordinary shares in issue during the year.

The calculation of diluted earnings/(loss) per share for the current year is based on the profit/(loss) for the year attributable to the equity holders 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 earnings/(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.

The Company's convertible bonds and certain share options granted had an anti-dilutive effect to the earnings per share calculation for the current year.

Diluted loss per share for the prior year has not been disclosed as no diluting event existed during that year.

The calculations of basic and diluted earnings/(loss) per share are based on:

	2008 HK$'000	2007 HK$'000
Earnings/(loss)		
Profit/(loss) attributable to the equity holders of the Company, used in the basic and diluted earnings/(loss) per share calculation	**15,388**	(10,501)

	Number of shares	
	2008 '000	2007 '000
Shares		
Weighted average number of ordinary shares for basic earnings/(loss) per share calculation	**2,012,186**	730,685
Effect of dilution on weighted average number of ordinary shares in respect of share options	**12,109**	–
Weighted average number of ordinary shares adjusted for the effect of dilution	**2,024,295**	730,685

9. INTANGIBLE ASSETS

	Exploration and evaluation assets HK$'000	Mining right HK$'000	Total HK$'000
The Group			
Cost:			
At 31 March 2007 and 1 April 2007	–	–	–
Acquisition of subsidiaries*	1,094,430	267,425	1,361,855
Additions	–	38	38
Exchange realignments	64,747	15,821	80,568
At 31 March 2008	**1,159,177**	**283,284**	**1,442,461**
Accumulated amortisation:			
At 31 March 2007 and 1 April 2007	–	–	–
Acquisition of subsidiaries*	–	2,259	2,259
Amortisation for the year**	–	9,599	9,599
Exchange realignments	–	410	410
At 31 March 2008	**–**	**12,268**	**12,268**
Net book value:			
At 31 March 2008	**1,159,177**	**271,016**	**1,430,193**
At 31 March 2007	–	–	–

* The mining right and the exploration right together with other exploration and evaluation assets purchased as part of a business combination during the year ended 31 March 2008 are initially recogised at their fair values on acquisition with reference to professional valuations performed by Greater China Appraisal Limited. At subsequent balance sheet dates, mining right and exploration and evaluation assets are measured using the cost model.

** Amortisation is provided to write off the cost of the mining right using the units of production method based on the proven and probable mineral reserves under the assumption that the group can renew the mining right till all proven and probable mineral reserves have been mined.

The amortisation charge for the mining right for the year is included in the Group's "cost of sales" in the consolidated income statement.

9. INTANGIBLE ASSETS (continued)

Details of the Group's mining right and exploration right are as follows:–

Mines	Locations	Expiry dates	Notes
Mining Right			
Kaiyuan Open Pit Coal Mine (凱源露天煤礦)	Bei Ta Mountain (北塔山), Qitai County (奇台縣), Xinjiang Uygur Autonomous Region (新疆維吾爾自治區)	30 June 2008	(a)
Exploration Right			
Zexu Open Pit Coal Mine (澤旭露天煤礦)	Bei Ta Mountain (北塔山), Qitai County (奇台縣), Xinjiang Uygur Autonomous Region (新疆維吾爾自治區)	21 June 2008	(a)&(b)

(a) As at the date of approval of the consolidated financial statements of the Group, the Group has applied for an extension of the relevant licences for the mining right and the exploration right but the extensions are yet to be approved by the relevant authorities. The Group is confident that the licences will be renewed by the relevant authorities without any significant cost.

(b) The exploration right represent licence for the right for exploration in the specified location in the PRC, which is included in the exploration and evaluation assets of the Group and the period of this exploration right is within 1 year.

10. ACCOUNTS AND BILLS RECEIVABLE

The aging analysis of the Group's accounts receivable as at the balance sheet date, based on invoice date, is as follows:

	2008	2007
	HK$'000	HK$'000
Within 90 days	**10,822**	4,150
91 to 180 days	**–**	1,697
Accounts receivable	**10,822**	5,847
Bills receivable	**67,932**	–
	78,754	5,847

(i) The Group allows an average credit term of 60 days (2007: 60 days) to its trade customers, except for certain well-established customers having strong financial strength, good repayment history and creditworthiness, where the terms are extended beyond 60 days.

(ii) No allowance for doubtful debts was made during the year. All of the Group's accounts and bills receivable were neither past due nor impaired, which relate to a wide range of customers for whom there was no recent history of default.

(iii) At 31 March 2008, the Group's bills receivables of HK$41,070,000 (2007: HK$Nil) were discounted to banks with recourse. The Group continued to recognise the full carrying amount of the bills receivable and recognised the cash received on the transfer as a secured borrowing which is included in bills payable.

11. ACCOUNTS AND BILLS PAYABLE

An aging analysis of the accounts payable of the Group as at the balance sheet date, based on the invoice date, is as follows:

	2008 HK$'000	2007 HK$'000
Within 90 days	**3,917**	958
91 to 180 days	**197**	66
Accounts payable	**4,114**	1,024
Bills payable	**41,070**	–
	45,184	1,024

The accounts and bills payable are non-interest-bearing and are normally settled on 30-day terms.

12. SHARE CAPITAL

	Notes	2008 Number of shares '000	2008 Amount HK$'000	2007 Number of shares '000	2007 Amount HK$'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		**1,500,000**	**15,000**	300,000	3,000
Issue of new shares	(i)	**–**	**–**	1,200,000	12,000
Issue of new shares on private placement	(ii)	**300,000**	**3,000**	–	–
Issue of new shares on conversion of convertible bonds	(iii)	**320,000**	**3,200**	–	–
Issue of new shares on acquisition of subsidiaries	(iv)	**400,000**	**4,000**	–	–
Exercise of share options	(v)	**120,000**	**1,200**	–	–
At end of year		**2,640,000**	**26,400**	1,500,000	15,000

Notes:

(i) Issue of new shares

During the year ended 31 March 2007, the Company allotted and issued 1,200,000,000 of new shares to Tolmen Star Limited at HK$0.01 per share. Details of the issue of the new shares are set out in the Company's circular dated 1 November 2006.

(ii) Issue of new shares on private placement

On 13 June 2007, 300,000,000 new ordinary shares of HK$0.01 each in the share capital of the Company were issued for cash at HK$0.311 per share. The aggregate consideration is HK$93,300,000 of which HK$3,000,000 was credited to share capital and the remaining balance of HK$90,300,000 was credited to share premium account. The reason for this issue was to raise additional funds for the Group's general working capital and strengthening the financial position of the Group.

(iii) Issue of new shares on conversion of convertible bonds

On 19 November 2007, the Company issued HK$288,000,000 redeemable convertible bonds in connection with the acquisition of 100% equity interest in Ming Kei Kai Yuan Investment Company Limited. The convertible bonds were fully converted into the Company's shares during the year under review.

(iv) Issue of new shares on acquisition of subsidiaries

On 21 November 2007, 400,000,000 new Company shares were issued as part of the consideration for the acquisition of 100% equity interest in Ming Kei Kai Yuan Investment Company Limited.

(v) Exercise of share options

On 11 July 2007, 120,000,000 shares were issued and allotted under 120,000,000 share options exercised during the year, which resulted in the related new share capital of HK$1,200,000 and share premium of HK$52,800,000 (before issue expenses). An amount of approximately HK$1,879,000 was transferred from share option reserve to share premium account.

13. MATERIAL POST BALANCE SHEET EVENT

On 15 May 2008, 木壘縣凱源煤炭有限責任公司 (Mulei County Kai Yuan Coal Company Limited)#, an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent vendor in relation to the acquisition of a property located in the PRC for a cash consideration of RMB14,493,000 (equivalent to approximately HK$16,158,000). Further details are set out in the Company's announcement and circular dated 15 May 2008 and 26 May 2008 respectively.

DIVIDEND

No dividend has been paid or declared by the Company during the year (2007: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Ming Kei Energy Holdings Limited and its subsidiaries (collectively refer to as the "Group") is principally engaged in coordinating various logistics services for its customers and engaged in mining, sale and distribution of coals in the People's Republic of China (the "PRC").

The logistics services provided by the Group consists of co-ordinating various logistics services in the following areas: sea freight forwarding, road freight forwarding, air freight forwarding and other related logistics services such as customs declaration and clearance, purchasing insurance policies on behalf of the customers, repackaging and storage.

In addition, the Group is currently engaged in mining, sale and distribution of coals in the PRC and the two coal mines, namely as 凱源露天煤礦 (Kaiyuan Open Pit Coal Mine)# and 澤旭露天煤礦 (Zexu Open Pit Coal Mine)# which operated and managed by the Group, are located in 北塔山 (Bei Ta Mountain)#, 奇台縣 (Qi Tai County)#, Xinjiang Uygur Autonomous Region of the PRC.

MARKET OVERVIEW

The logistics environment in Hong Kong continuously experienced a tough year due to the entry of more new competitors into the market and the pricing for services provided are under pressure. However, for the coal mine's industry, the environment is continuously improving due to the continuous robust growth of the economy and driven by an increasing growth of energy demand in the PRC due to unsustainable nature of the mineral resources, the Company is optimistic of the prospects of the coal mining industry in the PRC.

The Group recorded a decrease of the turnover for the logistics services provided by approximately of 51.96% in the year under review compared to the previous corresponding year mainly due to intense competition in the logistics industry which lead to the tremendous decrease of turnover for the logistics services provided.

The English translation of the Chinese names in this announcement, where indicate, is included for information purpose only and should not be regarded as the official English names of such Chinese names.

A new business of engaging in mining, sale and distribution of coals in the PRC was acquired on 19 November 2007 (the “Completion Date”) and has contributed approximately of 68.58% of the Group’s turnover in the year under review.

As a result of the above, the overall turnover was increased by approximately of 52.91%.

FINANCIAL REVIEW

For the year ended 31 March 2008, the Group recorded a turnover of approximately of HK$51.14 million, an increase of approximately of 52.91%, compared to the previous corresponding year. The increase was mainly attributable to the contribution of the newly acquired coal mining business, which recorded sale of coals of approximately HK$35.07 million for the year under review. For the period from the Completion Date to 31 March 2008, the raw coals production was approximately 0.8 million tons. During the year under review, income derived from logistics services relating to sea, road, air freight forwarding, other related logistics services and sale of coals represented approximately 5.9%, 24.1%, 0.1%, 1.3% and 68.6% respectively of the Group's total turnover (2007: approximately 65.7%, 31.1%, 1.1%, 2.1% and nil respectively).

During the year, the Group has net profit attributable to the equity holders of the Company amounted to approximately HK$15.39 million, an increase of 246.57% compared to approximately HK$10.50 million of net loss attributable to equity holders of the Company in the previous corresponding year. The gross profit margin increased from approximately 6.93% for the previous corresponding year to 15.24% for the year ended 31 March 2008 due to acquisition of the coal mine's business and strict cost control by the Group. The selling and distribution costs decreased by approximately 45.34% from approximately HK$1.23 million in the previous corresponding year to approximately HK$0.67 million in the current year as a result of reduction in the turnover of logistics services provided and stricter costs control. Administrative expenses of the Group amounted to approximately HK$36.76 million, an increase of approximately 283.37% compared to approximately HK$9.59 million in the previous corresponding year. The increase was mainly due to the increase of staff salaries, numbers of employees, directors’ emoluments, depreciation and amortisation charge for the year and minimum lease payments under operating leases rental for land and buildings, and the share-based payments of approximately HK$17.24 million (2007: HK$ nil).

Liquidity, financial resources and capital structure

As at 31 March 2008, the Group had net current assets of approximately HK$100.27 million (2007: approximately HK$11.56 million) including cash and bank balances of approximately HK$69.40 million (2007: approximately HK$8.41 million). The Group had no bank overdraft facilities and bank borrowing as at 31 March 2008 and 2007.

The Group had obligations under finance leases of approximately HK$0.15 million (2007: approximately HK$0.99 million), of which approximately HK$0.15 million was repayable within one year (2007: approximately HK$0.37 million) and nil was repayable beyond one year but within five years (2007: HK$0.61 million). As at 31 March 2008, the Group has obligations under promissory notes of HK$282 million in nominal principal amount, and obligations under promissory notes stated at amortised cost of approximately HK$248.99 million which was repayable beyond one year but within 5 years (2007: nil). The debt ratio (defined as total liabilities over total assets) of the Group as at 31 March 2008 was approximately 0.42 (2007: approximately 0.39).

The shares of the Company have been listed on GEM since 15 November 2002.

On 11 July 2007, 120,000,000 share options (the "Share Options") were exercised by the eligible participants and 120,000,000 new shares were issued and allotted on 25 July 2007.

On 21 November 2007, 400,000,000 new shares of the Company (the "Consideration Shares") were issued and allotted by the Company to Mr. Wong Wai Ngok, Mr. Wong Wai Sing and Ming Kei International Holding Company Limited as partial consideration for the acquisition of the entire issued share capital of Ming Kei Kai Yuan Investment Company Limited.

On 13 December, 2007, 23,000,000 new shares of the Company (the "Conversion Shares"), on 4 January 2008, 25,000,000 Conversion Shares, on 15 January 2008, 16,000,000 Conversion Shares, on 19 February 2008, 64,000,000 Conversion Shares, on 26 February 2008, 15,000,000 Conversion Shares, on 10 March 2008, 78,000,000 Conversion Shares and on 17 March 2008, 99,000,000 Conversion Shares were issued and allotted by the Company upon partial conversion of the convertible bonds by different convertible bondholders respectively.

As a result of the Share Options, Consideration Shares and Conversion Shares, additional 840,000,000 new ordinary shares were allotted and issued by the Company during the year under review.

The total issued share capital had been enlarged to 2,640,000,000 shares and there has been no change in the capital structure of the Company since 31 March 2008.

Significant investment

As at 31 March 2008, there was no significant investment held by the Group (2007: Nil).

Material acquisitions or disposals of subsidiaries and affiliated companies

On 3 July 2007, the Company's indirect wholly owned subsidiary – Star Fortune International Investment Company Limited entered into the sale and purchase agreement to acquire the entire issued share capital of Ming Kei Kai Yuan Investment Company Limited with a consideration of HK$1 billion as HK$70,000,000 by cash, HK$360,000,000 by Company's shares, HK$288,000,000 by convertible bonds and balance of HK$282,000,000 by promissory notes.

This acquisition constitutes a very substantial acquisition on the part of the Company under the Rules Governing the Listing of Securities in the Growth Enterprise Market ("GEM Listing Rules") of the Stock Exchange of Hong Kong Limited and is subject to the approval of the shareholders at the extraordinary general meeting of the Company. The respective resolutions were passed by the shareholders on 12 November 2007 and the acquisition has been completed on 19 November 2007.

Following the above completion, Ming Kei Kai Yuan Investment Company Limited became an indirect wholly-owned subsidiary of the Company.

Save as disclosed above, there were no other significant investments held, material acquisition, disposals of subsidiaries and affiliated companies during the year (31 March 2007: Nil).

Segment information

During the year under review, the Group has expanded a new business operations into the Xinjiang Uygur Autonomous Region of the PRC in 19 November 2007 through the acquisition of the indirect wholly owned subsidiary – Ming Kei Kai Yuan Investment Company Limited. Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

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

(a) the mining segment comprised the mining, exploration and sale of coals; and

(b) the logistics segment comprised the provision of logistic services.

Employee information

As at 31 March 2008, the Group employed a total of 89 employees (2007: 12). The tremendous increase in the number of employees was resulted from the acquisition of the indirect wholly owned subsidiary – Ming Kei Kai Yuan Investment Company Limited in this year under review. 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-end 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 Hong Kong. Social insurance contributions were made by the Group for its employees in the PRC in accordance with the relevant PRC regulations.

Employee information (continued)

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. As at 31 March 2008, share options have been granted to the eligible participants.

Staff costs, excluding Directors' remuneration, increased by approximately 459.40% to approximately HK$13.09 million (2007: approximately HK$2.34 million). The increase is attributed to the share-based payments and the increment of salaries and the acquisition of Ming Kei Kai Yuan Investment Company Limited.

Future plans for material investments or capital assets and expected source of funding

As at 31 March 2008, the Group did not have any plan for material investments or capital assets. Nevertheless, the Group is capable and will continue to actively looking for any attractive mining acquisition targets. The Group will strategically continue to increase its coals based assets. Addition, the Group will constantly looking for any other business opportunities elsewhere for investments or capital assets to improve its shareholders' value.

Contingent liabilities

Environmental contingencies

The estimated capital budget for environmental protection, in relation to all of the two mines of the group, amounted to approximately HK$3,075,000 according to a report of independent technical adviser dated 15 October 2007.

To date, the Group has not incurred any significant expenditures for environmental remediation, and is currently not involved in any environmental remediation, and has not accrued any further amounts for environmental remediation relating to its operations. Under the existing legislation, management believes that there are no probable liabilities that will have a material adverse effect on the financial position or operating results of the Group and therefore, no provision was made therefor as at 31 March 2008. The PRC government, however, has moved, and may move further towards the adoption of more stringent environmental standards. Environmental liabilities are subject to considerable uncertainties which affect the Group's ability to estimate the ultimate cost of remediation efforts. These uncertainties include (i) the exact nature and extent of the contamination at various sites including, but not limited to coal mines and land development areas, whether operating, closed or sold; (ii) the extent of required cleanup efforts; (iii) varying costs of alternative remediation strategies; (iv) changes in environmental remediation requirements; and (v) the identification of new remediation sites. The exact amount of such future cost is indeterminable due to such factors as the unknown magnitude of possible contamination and the unknown timing and extent of the corrective actions that may be required. Accordingly, the outcome of environmental liabilities under future environmental legislation cannot reasonably be estimated at present, and could be material.

Legal contingencies

On 13 April 2006, a customer filed a writ of summons against Marine Power Company Limited (the "Marine Power"), an indirect wholly owned subsidiary of the Company as the second defendant, to recover the cargo of goods. According to the documentation filed to the court, the potential claim of failing to recover the cargo of goods will be approximately HK$0.58 million.

Also on 13 April 2006, a customer issued a writ of summons in the High Court of Hong Kong against Marine Power as the defendant to recover certain cargoes from Marine Power, who acted as agent for another carrier in Taiwan in signing a number of bills of lading for transportation of such cargoes from Hong Kong to Brazil. No specified amount was claimed by that customer on the writ of summons.

In addition, on 15 May 2006, another customer issued a writ of summons in the High Court of Hong Kong against Marine Power as the defendant to recover certain cargoes from Marine Power, who acted as agent for another carrier in Taiwan in signing a number of bills of lading for transportation of such cargoes from Hong Kong to Brazil. No specified amount was claimed by that customer on the writ of summons.

Based on the advice of Marine Power's legal adviser, the group is of the view that Marine Power has sufficient grounds to defend. Accordingly, no provision has been made in the financial statements for the year ended 31 March 2007 and 2008.

The Company and the Group had no other material contingent liabilities as at 31 March 2008 (2007: Same as above).

Foreign exchange exposure

The functional currencies of the Group's operations are Hong Kong Dollars and Renminbi (the "RMB"). The reporting currencies of the Group is Hong Kong Dollars.

The Group primarily operated in the PRC and most of its transactions are denominated and settled in RMB. The Group's sales are denominated mainly in the functional currency of the Group entity making the sales, with the related costs mainly denominated in the same currency. Accordingly, there is no significant exposure to foreign currency risk.

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. The Group historically has not used any derivative instruments to hedge exchange rate of RMB and currently does not have a fixed policy to do so in the foreseeable future.

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.

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 one to two years. None of the leases includes contingent rentals.

As at 31 March 2008, the Group had commitment for future minimum lease payments under non-cancellable operating lease which fall due as follows:

	Year ended 31 March	
	2008	2007
	HK$'000	HK$'000
Within one year	**2,916**	289
In the second to fifth year inclusive	**2,860**	–
	5,776	289

The operating lease relates to officer premises for a term of three years from year 2007 to year 2010.

PROSPECTS

The Group views the prospects of the logistics' business as challenging as the Group is aware of the intense competition in the logistics industry, with the entry of new competitors into the market, the pricing for services provided are under pressure and hence the Group is trying its best efforts to work on various measures to either gradually increase the prices charged for its services by introducing some value-added services to its customers or negotiate a lower fee with its various services providers.

Pursuant to a management review of the business environment and the comparative landscape for the Group's logistics business, taking into the account the recurring losses suffered in the logistics divisions and the limited prospect and considering the competitive and challenging business environment in the logistics industry, the logistics business is not expected to have significant future growth nor positive contribution to the financial results of the Group. The Board of Directors decided to restrain from making further investments to the business of logistics.

By successfully acquiring Ming Kei Kai Yuan Investment Company Limited on 19 November 2007, the Group has diversified the Group's business to mining, sale and distribution of coals in the PRC. As mining activities have been carried out for a considerably long time for the acquired coal mines, it is already equipped with an experienced management team for the exploration, survey, exploitation, screening, sorting and sales of coals therein. Hence, the acquisition bought to the Group a team of professionals and experts in the coal mining industry which will further strengthen the Group's operational capabilities. In view of the continuous robust growth of the economy and driven by an increasing growth of energy demand in the PRC due to unsustainable nature of the mining resources, the Group is optimistic of the prospects of the coal mining industry in the PRC. The Group will firmly seize the opportunity of the continue growth of demand in the coal market and strive to increase the raw coals production volume and continuously improving the growth quality. The Board of Directors believe that the coal's market in the PRC provides abundant business opportunities for the Group in the future.

With cash on hand of approximately HK$69.40 million and a gearing ratio of 23.50% as at 31 March 2008 respectively, the Group is capable and will continue to actively look for any other potential attractive mining acquisition targets. The Group will strategically continue to increase its coals based assets.

The Group aims to become one of the leading mining company in the Xinjiang Uygur Autonomous Region of the PRC through its internal organic growth and by mergers and acquisitions and deliver increasing return to the shareholders.

In addition, in order to seek more business opportunities and to maximise the return of the Group as well as to improve its existing business further in the long run, the Group is actively looking for any other business opportunities elsewhere to improve its standard performance and improve shareholders' return.

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

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed shares during the year under review (2007: nil).

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 of the GEM Listing Rules (the "Code"). During the year ended 31 March 2008, 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 Code.

CODE ON CORPORATE GOVERNANCE PRACTICES

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 2008, the Company has complied with all the code provisions set out in the Code on Corporate Governance Practices ("CG Code") as set out in Appendix 15 of the Rules Governing the Listing of Securities on the GEM Listing Rules, except the following:

1. A.4.1 of the CG Code requires that all non-executive director should be appointed for a specific term, subject to re-election. Currently, all independent non-executive director of the Company are not appointed for a specific term. They are, however, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association 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.

2. A.4.4 of the CG Code requires Company should establish a nomination committee at which the majority of the members of the nomination committee should be the independent non-executive directors. Currently, no nomination committee was established by the Company. The Company is in the progress of forming a nomination committee which is expected to be established in accordance with the GEM Listing Rules as and when appropriate.

CHANGE OF THE COMPANY NAME

Pursuant to a special resolution in relation to the proposed change of Company name at the extraordinary general meeting held on 12 November 2007 and was approved by the Registrar of Companies in the Cayman Islands and Hong Kong on 14 November 2007 and on 29 November 2007 respectively, the Company's name was changed from MP Logistics International Holdings Limited (Chinese translation being MP 物流國際控股有限公司, for identification purpose only) to Ming Kei Energy Holdings Limited (Chinese translation being 明基能源控股有限公司, for identification purpose only).

COMPETITION AND CONFLICT OF INTERESTS

Up to the date of this report, 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) 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.

AUDIT COMMITTEE

The Company established an audit committee 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 are to review and supervise the financial reporting process and internal control system of the Group. As of the date of this announcement, the audit committee comprises three members, Mr. Sung Wai Tak, Herman, Mr. Chung Ho Tung, and Mr. Fung Ho Yin, all are independent non-executive directors of the Company. The audit committee held four meetings during the year. The Group's audited results for the year ended 31 March 2008 have been reviewed by the audit committee, 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.

REMUNERATION COMMITTEE

A remuneration committee was set up on 20 March 2006 with written terms of reference to oversee the remuneration policy and structure for all directors and senior management. As of the date of this announcement, the remuneration committee comprised three members, namely Mr. Sung Wai Tak, Herman, Mr. Fung Ho Yin, and Mr. Chung Ho Tung, all are independent non-executive directors of the Company. The role and function of the remuneration committee 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.

By order of the Board
Ming Kei Energy Holdings Limited
Mr. Guo Xu
Chairman

Hong Kong, 30 June 2008

Made by the order of the Board, the Directors of which collectively and individually accept responsibility for the accuracy of this announcement.

As at the date of this announcement, the executive Directors are Mr. Yeung Leung Kong, Mr. Cheung King Shan, Mr. Guo Xu, Mr. Li Hai and Mr. Li Qing and the independent non-executive Directors are Mr. Sung Wai Tak, Herman, Mr. Fung Ho Yin and Mr. Chung Ho Tung.

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

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.mingkeienergy.com.