THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, or other licensed securities dealer, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Ming Kei Holdings Limited** (the "**Company**"), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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)

MAJOR TRANSACTION IN RESPECT OF THE ACQUISITION OF THE ENTIRE EQUITY INTEREST IN AND THE SALE LOAN DUE BY CHINA INDONESIA FRIENDSHIP COAL TRADING COMPANY LIMITED

Financial adviser to the Company

INCU Corporate Finance Limited

A notice convening a special general meeting (the "SGM") of the Company to be held on Room 3308, The Center, 99 Queen's Road Central, Central, Hong Kong on Friday, 29 October at 11:30 a.m. is set out on pages 60 to 61 of this circular. A form of proxy for the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the SGM. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish.

This circular will remain on the GEM website at http://www.hkgem.com on the "Latest Company Announcements" page for seven days from the date of its posting and the website of the Company at www.mingkeiholdings.com.

* *for identification purpose only*

14 October 2010

CONTENTS

Page

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. 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.

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"Acquisition"	the acquisition of the Sale Share and the Sale Loan pursuant to the Agreement
"Actual Profit"	the actual audited net profit after tax and before any extraordinary items or exceptional items (as defined in the HKGAAP as amended from time to time, where applicable) and before all non-cash items (as defined in the HKGAAP as amended from time to time, where applicable) of the China Energy for the period from 1 January 2011 to 31 December 2011
"Agreement"	the conditional sale and purchase agreement dated 26 August 2010 entered into between Star Coal and the Vendor relating to the sale and purchase of the Sale Share and the Sale Loan
"Announcement"	the announcement dated 26 August 2010 made by the Company in relation to the Acquisition
"associates"	has the meaning ascribed to it under the GEM Listing Rules
"Board"	board of the Directors from time to time
"Business Day"	a day on which licensed banks in Hong Kong are open for normal banking business throughout their normal business hours (excluding Saturday, Sunday or public holiday)
"China Energy"	China Energy Trading Company Limited, a limited liability company incorporated in Hong Kong, the issued share of which is owned as to 90% by the Target and 10% by the Vendor respectively
"Company"	Ming Kei Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued Shares of which are listed on GEM (stock code: 8239)
"Completion"	completion of the Acquisition in accordance with the terms and conditions of the Agreement

"connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Consideration"	the total consideration of HK$70,000,000 to be paid by the Company to the Vendor pursuant to the Agreement
"Customer"	state-owned enterprise of the PRC, who is an Independent Third Party, the customer under the Customer LOI.
"Customer Guarantee"	the customer guarantee given by the Customer in which (i) in the event that the Supplier Deposit was not refunded by the Supplier pursuant to the Supplier LOI, the Customer shall be responsible to pay China Energy an amount equivalent to the Supplier Deposit and (ii) the net profit of China Energy for each contract year shall not be less than 10% of the amount of the Supplier Deposit
"Customer LOI"	a legally binding master framework purchase agreement dated 30 July 2010 entered into between China Energy and a state-owned enterprise of the PRC
"Deposit"	the sum of HK$40,000,000 paid by Star Coal to the Vendor upon signing of the Agreement, being refundable deposit and part payment of the Consideration
"Director(s)"	director(s) of the Company from time to time
"Enlarged Group"	the Group and the Target Group
"First Supplemental Supplier LOI"	the first supplemental supplier LOI dated 10 August 2010 entered into by China Energy with the Supplier
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries from time to time

"HKGAAP"	accounting principles, standards, and practices generally accepted in Hong Kong, including but not limited to Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards, and Interpretations issued by the Hong Kong Institute of Certified Public Accountants
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Independent Third Party (ies)"	any person or company and their respective ultimate beneficial owner(s), to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
"Latest Practicable Date"	12 October 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
"PRC"	the People's Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Profit Guarantee"	the profit guarantee provided by the Vendor to Star Coal under the Agreement in respect of the Actual Profit will not be less than HK$4,000,000 for the period from 1 January 2011 to 31 December 2011
"Promissory Note"	the promissory note to be executed by the Company in favour of the Vendor for the purpose of settling part of the consideration of the Sale Share and Sale Loan under the Agreement
"Sale Loan"	all obligations, liabilities and debts owing or incurred by the Target to the Vendor on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion
"Sale Share"	1 share of US$1.00, being the entire issued share capital of the Target as at the date of the Agreement which are legally and beneficially owned by the Vendor

"Second Supplemental Supplier LOI"	the second supplemental supplier LOI dated 29 September 2010 entered into by China Energy with the Supplier
"SFO"	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Agreement and the transaction contemplated thereunder including but not limited to the issue of the Promissory Note
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s) from time to time
"Share Charge"	the share charge dated 26 August 2010 created by the Vendor, as chargor in favour of Star Coal, pursuant to which the Vendor created a first fixed charge over the entire issued share capital of the Target
"Star Coal"	Star Coal International Investment Company Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly owned subsidiary of the Company, and the purchaser to the Agreement
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Supplier LOIs"	the First Supplemental Supplier LOI and the Second Supplemental Supplier LOI
"Supplier"	a company incorporated in Singapore, an Independent Third Party, the supplier under the Supplier LOI
"Supplier Deposit"	deposit of US$2.5 million being refundable security deposit from China Energy to the Supplier under the Supplier LOI
"Supplier LOI"	a legally binding master framework purchase agreement dated 24 July 2010 entered into between China Energy and the Supplier

"Target"	China Indonesia Friendship Coal Trading Company Limited, a company incorporated in the British Virgin Islands, wholly owned by the Vendor, the target company under the Acquisition
"Target Group"	the Target and China Energy
"Vendor"	Woo Man Wai, David, a Hong Kong citizen, an Independent Third Party, the vendor of the Acquisition
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"US$"	United States dollar(s), the lawful currency of the United States of America
"%"	per cent.

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)

Executive Directors:
Mr. Tsang Ho Ka, Eugene *(Chief Executive Officer)*
Ms. Yick Mi Ching, Dawnibilly

Non-executive Director:
Mr. Wong Wai Sing *(Chairman)*

Independent non-executive Directors:
Mr. Kwok Kam Tim
Mr. Sung Wai Tak, Herman
Mr. Kinley Lincoln James Lloyd

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
Room 3308
The Center
99 Queen's Road Central
Central
Hong Kong

14 October 2010

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
IN RESPECT OF THE ACQUISITION OF
THE ENTIRE EQUITY INTEREST IN
AND THE SALE LOAN DUE BY
CHINA INDONESIA FRIENDSHIP COAL TRADING
COMPANY LIMITED**

INTRODUCTION

Reference is made to the Announcement, in which the Board announced that on 26 August 2010, Star Coal, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor, pursuant to which Star Coal agreed to acquire and the Vendor agreed to sell the Sale Share and the Sale Loan for a total consideration of HK$70,000,000.

* *for identification purpose only*

The purpose of this circular is to provide you with, among other matters, further detail regarding the Agreement and the transactions contemplated thereunder and a notice convening the SGM.

THE AGREEMENT

Date: 26 August 2010

Parties:

Purchaser: Star Coal, an indirect wholly-owned subsidiary of the Company

Vendor: Woo Man Wai, David

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

Assets to be acquired

Pursuant to the Agreement, Star Coal has agreed to acquire and the Vendor has agreed to sell: (i) the Sale Share, representing the entire issued share capital of the Target as at the date of the Agreement; and (ii) the Sale Loan.

As at the Latest Practicable Date, the total amount of the Sale Loan is approximately HK$7,000.

Consideration

The Consideration is HK$70,000,000 and shall be settled by Star Coal in the following manner:

(i) the Deposit of HK$40,000,000 paid by Star Coal in cash at the time of the entering into of the Agreement;

(ii) HK$4,000,000 shall be satisfied by Star Coal procuring the Company to issue the Promissory Note on Completion which shall be held by Star Coal and will not be released to the Vendor until the Profit Guarantee is satisfied; and

(iii) the balance of HK$26,000,000 shall be payable in cash on Completion.

In order to secure the refund of the Deposit by the Vendor in the event that the conditions (as stated in section headed "Conditions precedent" below) are not fulfilled before the Long Stop Date (as defined below) or the Acquisition fails to proceed to Completion, Star Coal and the Vendor have also entered into (i) the Share Charge, pursuant to which the Vendor, as chargor created a first fixed charge over the entire issued share capital in the Target in favour of Star Coal; and (ii) deed of debt assignment by way of security, in which the Vendor as assignor assigned to Star Coal as assignee his right, title, interest and benefit in the loan owed or incurred by the Target to the Vendor.

The Consideration was arrived at after arm's length negotiations between the Vendor and Star Coal based on (i) the price to earnings ratio of approximately 17.5 times on the Profit Guarantee as provided by the Vendor; (ii) the Profit Guarantee; (iii) the future business opportunities under the Supplier LOI and the Customer LOI entered into by China Energy in the forthcoming three years; (iv) the potential of the coal trading business in the PRC, in view of the increasing demand from the PRC for coal, including the demand of import coal; and (v) the steady income sources from the Target Group contributing directly to the financial results of the Group. The Profit Guarantee covers the period from 1 January 2011 to 31 December 2011 while the Consideration has been agreed at an amount equivalent to 17.5 times of the Profit Guarantee for the year 2011.

Although the Target Company is newly incorporated company and is yet to begin the business, the Target Company has secured business contracts in the coal trading business for the next three years. As such, the Directors based on the nature of business the Target Group is operating, and tried to select comparable listed companies in Hong Kong for reference.

To the best effort of the Board, no listed company in Hong Kong is solely engaged in business in coal trading between Indonesia and the PRC. Therefore, the Board identified certain comparables with coal trading business in the PRC, however, given (i) the number of comparables is small resulted in small sample size; (ii) the contributions from the coal trading business of some of these comparables are not significant; and (iii) some of the comparables are currently targeting to acquire some coal mines, or their own coal mines will commence business in near future, the Board considers that it is more reasonable to include more sample for reference by relaxing the selection criteria to include those listed companies with coal mining operation. The Board considers that the inclusion of the comparables with coal mining business are still fair and reasonable comparisons in the circumstance as: (i) profitability and prospect of the participant in coal market is a critical factor for determining the terms and price to earnings ratio for the Acquisition; (ii) those comparable companies are mainly selling their coal products to end users, rather than using the coal for other purposes; (iii) these comparables and the Target Group are selling coal and related products in the PRC market (no matter the coal is from its mining operation or from its trading operation) and are facing the same competition in the market, especially the pricing strategies which largely affecting their profitability; and (iv) the relaxing of selection criteria could still to a large extent provides a fair and reasonable reference to the Group if the sample size is sufficiently large. Based on the above basis and rationale, the Consideration had made reference to the price to earnings ratio range of these comparable.

Notwithstanding the above, the Board would like to advise the Shareholder to note that these comparables selected are not merely engaged in coal trading business. Some of these comparables are coal miners and processors while some of them are also engaged other business not related to coal or trading. These comparables' cost structure, business strategies, market niche and prospects may be different from the Target Group.

Set out below is the list of comparables, to which the Board has made reference and considered fair and reasonable comparisons:

Stock Code	Company name	Principal activities (as stated in the Stock Exchange website, Company/Securities Profile page/latest published financial statements):	Price to earnings ratio as at 26/8/2010	Reasons why the Board considered it is a fair comparison *(Note)*
578	Dynamic Energy Holdings Limited	Production and sale of coal in the PRC.	12.257	As set out in the interim report of this comparable, the entire revenue was generated from sale of coal for the 6-month period.
866	China Qinfa Group Limited*	Coal operation business involving purchase and sales, filtering, storage, blending, shipping and transportation of coal.	14.044	As set out in the interim report of this comparable, approximately 97% of the turnover for the 6-month period was generated from sales of coal.
988	Loudong General Nice Resources (China) Holdings Limited*	Property investment and development, hotel investment and operation, securities investment and trading and general trading.	15.491	As set out in the interim report of this comparable, during the 6-month period, the revenue was entirely generated from the sales of good, which is the company's only one reportable segment and it had been stated as "coal processing and production of industrial coke and coal-related chemicals and supply of electricity".
1088	China Shenhua Energy Company Limited	Production and sale of coal, generation and sale of power and the provision of transportation services in the PRC.	15.712	As set out in the interim report of this comparable, during the 6-month period, approximately 67% of the turnover was generated from sales of coal. The cost of the purchased coal represents approximately 30% of the total cost of revenue.

Stock Code	Company name	Principal activities (as stated in the Stock Exchange website, Company/Securities Profile page/latest published financial statements):	Price to earnings ratio as at 26/8/2010	Reasons why the Board considered it is a fair comparison *(Note)*
1898	China Coal Energy Company Limited	Production, sales and trading of coal, coke, coal-based chemicals, and manufacture of coal mining equipments.	16.240	As set out in the interim report of this comparable, during the 6-month period, approximately 87% of the revenue was generated from the sales of coal and coke and coal-chemical product. As further set out in the interim report, the group also purchased coal from external coal enterprises for resale to customers (sales of proprietary coal trading). The proprietary coal trading accounted for 18.9% of the total sales for the 6-month period.
1171	Yanzhou Coal Mining Company Limited	Underground mining, preparation and sales of coal, provision of railway transportation services, production and sales of methanol and electricity and related heat supply services.	17.142	As set out in the interim report of this comparable, approximately 95% of the total revenue was generated from the gross sales of coal during the 6-month period.
639	Fushan International Energy Group Limited	Production and sales of coking coal products and side products.	18.360	As set out in the interim report of this comparable, during the 6-month period, the sales of coal and coke generated from coal and coke mining/production represent 100% of the total revenue. The gain of sales of purchased coal represents approximately 11% of the other operating income of this comparable during the 6-month period.

Stock Code	Company name	Principal activities (as stated in the Stock Exchange website, Company/Securities Profile page/latest published financial statements):	Price to earnings ratio as at 26/8/2010	Reasons why the Board considered it is a fair comparison *(Note)*
65	DeTeam Company Limited*	Manufacturing and sale of plastic woven bags, paper bags and plastic barrels and coal trading.	22.220	As set out in the interim report of this comparable, during the 6-month period, the revenue derived from coal trading represents approximately 23% of the total revenue of this comparable during the 6-month period.
1393	Hidili Industry International Development Limited	Coal mining, manufacture and sale of coke, raw coal and clean coal and provision of transportation services.	28.674	As set out in the interim report of this comparable, approximately 60% of the total revenue were generated from sales of coal.
704	Huscoke Resources Holdings Limited*	Trading of coke, washing of raw coal into refined coal for sales and sales of electricity and heat, property investment.	29.299	As set out in the interim report of this comparable, 100% of the total revenue were generated from sales of goods involved in coal related ancillary business. As such revenue is generated from a coal related business, therefore, the Group includes this comparable. As set out in the interim report of this comparable, the group can start the trading of coke in both domestic and export markets in the second half of 2010.

Stock Code	Company name	Principal activities (as stated in the Stock Exchange website, Company/Securities Profile page/latest published financial statements):	Price to earnings ratio as at 26/8/2010	Reasons why the Board considered it is a fair comparison *(Note)*
761	Bel Global Resources Holdings Limited*	Trading of mineral resources, trading of tanned leather and fur pelts; manufacture and sale of leather garments, fur garments and fabric garments.	N/A	As disclosed in the annual report 2010 of this comparable, *"During the year, the group has expanded its coal trading business and completed shipments to various prominent customers in Mainland China."* The sales of its mineral resources in segment revenue (including sales of coal) represent 100% of the total revenue of this comparable.

* *these companies have not conducted coal mining business during their latest audited financial year with reference to their respective annual report*

Note: Due to the limitation of the disclosure of the information in the contents of the interim and annual reports under these respective companies (the "**Respective Companies**") and the limitation of disclosure in the accounts of the Respective Companies under the notes of the "Revenue" and the "Segment Information" respectively, there are no details breakdown for the classification of where is the revenue derived from, hence the board of directors based on the limitation disclosure by the Respective Companies and the publicity available information, assumed, i) the entire turnover of sold of coals is considered as trading and; ii) export/import is considered as trading activities.

As provided in the above table, the price to earnings ratio (i) range from 12.257 to 29.299 times for companies engaging in coal trading business and (ii) range from 14.044 to 29.299 times for companies engaging in coal trading business and without the coal mining operation. The Board considers that the price to earnings ratio of 17.50 times to the Profit Guarantee under the Acquisition is within the reasonable and comparable range and at the lower end of the range of the price to earnings ratios of a number of comparable listed companies in Hong Kong.

China Energy is a newly incorporated company without historical financial data, the Directors consider the Acquisition and the Consideration is fair and reasonable and in the interests of the Company for the following reasons:

(i) China Energy has already entered into the Supplier LOI and Customer LOI for a term of three years since July 2010 which represents a foreseeable profitable business opportunity in the next three years (or more in case if the Supplier LOI and Customer LOI are renewed);

(ii) the trading of coal business will commence immediately after Completion in accordance with the secured Customer LOI and Supplier LOI, and the business will be managed by the Vendor and the existing management of the Group with previous expertise in the coal sector in the PRC;

(iii) the commencement of the business might attract new customers and sellers for expansion of the Target Group which will contribute more profit to the Enlarged Group;

(iv) the level of profit of the Target Group is ensured by the Profit Guarantee provided by the Vendor to the Company and the Customer Guarantee provided by the Customer to China Energy;

(v) the Acquisition of the Target Group introduces a whole new business to the Company with secured Customer and Supplier as well as a designed business model for coal trading with the PRC and Indonesia; and

(vi) the Directors can make use of the business model, experience and records accumulated from the operation of the Target Group to attract new customers and sellers for expansion of the coal trading business of Group, there is growth potential of the Target Group.

As the business is new to the Group, which may take some time for the Enlarged Group to adjust and generate a more cost and profit effective model of business by means of (i) introducing cost effective measures such as bargaining for better purchase cost and minimizing the overall cost and expense of the business; and (ii) expanding the customers and sellers base to generate more revenue sources of the business. Accordingly it is expected that the operation of the business will be improved in the future.

In view of the above, the Directors (including the independent non-executive Directors) consider the Consideration to be fair and reasonable and that the Agreement is on normal commercial terms and its terms are fair and reasonable and the entering into of the Agreement is in the interests of the Group and the Shareholders as a whole.

Conditions precedent

Completion is subject to the following conditions having been fulfilled or waived (as the case may be):

(a) Star Coal being satisfied with the results of the due diligence review to be conducted on the assets, liabilities, operations and affairs of Target Group;

(b) all necessary consents, licences and approvals required to be obtained on the part of the Vendor and the Target Group in respect of the Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;

(c) the passing by the Shareholders at the SGM approving the Agreement and the transactions contemplated thereunder, including but not limited to the issue of the Promissory Note;

(d) the obtaining of a PRC legal opinion (in form and substance satisfactory to Star Coal) from a PRC legal adviser appointed by Star Coal in relation to the Supplier LOI, the Customer LOI, and the Supplemental Supplier LOIs;

(e) the Vendor's warranties remaining true and accurate in all respects; and

(f) Star Coal's warranties remaining true and accurate in all respects.

Conditions (a), (b), (d) and (e) above are waivable by Star Coal under the Agreement. Star Coal has no current intention to waive such conditions. Condition (f) above is waivable by the Vendor under the Agreement. Condition (c) is incapable of being waived by both parties.

Long stop date

If any of the conditions has not been satisfied (or, as the case may be, waived by the Vendor or Star Coal) on or before 4:00 p.m. on 31 October 2010 (the "Long Stop Date") or such later date as the Vendor and Star Coal may agree, the Agreement shall cease and determine. The Vendor shall forthwith refund the Deposit to Star Coal and neither party shall have any obligations and liabilities under the Agreement. The Share Charge and the deed of debt assignment by way of security will also be released accordingly.

Completion

Completion shall take place at 4:00 p.m. within three Business Day after all the conditions of the Agreement have been fulfilled or waived or such later date as may be agreed between the Vendor and Star Coal.

In the event that Completion does not take place as stipulated, the Vendor shall forthwith refund the Deposit to Star Coal and neither party shall have any obligations and liabilities under the Agreement. The Share Charge and deed of debt assignment by way of security will be released accordingly.

Upon Completion, the Target will become an indirect wholly-owned subsidiary of the Company and China Energy will become an indirect non wholly-owned subsidiary of the Company, in which the Group will be interested in 90% equity interests. Upon Completion, the accounts of the Target Group will be consolidated into the consolidated financial statements of the Group.

CONSIDERATION ADJUSTMENT

The Vendor has guaranteed to Star Coal that the Actual Profit shall be not less than the Profit Guarantee, being not less than HK$4,000,000 for the period from 1 January 2011 to 31 December 2011.

In the event that the Profit Guarantee is not achieved, the Consideration will be adjusted downwards by setting off against the payment obligations of the Company under the Promissory Note on a dollar to dollar basis for an amount equivalent to the difference between the Profit Guarantee 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 shall be the total principal value of the Promissory Note, i.e. HK$4,000,000 and the adjusted consideration will be HK$66 million in total, which has been paid in full in cash at or before Completion. Further announcement will be made by the Company regarding the fulfillment of the Profit Guarantee or in the event that the Actual Profit is less than the Profit Guarantee (as the case may be).

THE PROMISSORY NOTE

The principal amount of the Promissory Note is HK$4,000,000, which is repayable in one lump sum on maturity on 31 March 2012. The Promissory Note does not bear any interest. The Company has the right to redeem the Promissory Note prior to its maturity in integral multiples of HK$1,000,000. The Promissory Note may, with prior notice of the Company, be freely transferable and assignable to any Independent Third Parties in whole or in integral multiples of HK$1,000,000 and in whole only if the outstanding principal sum of this Note is less than HK$1,000,000. On Completion, Star Coal will procure the Company to issue the Promissory Note which will be held by Star Coal and will not be released to the Vendor until the Profit Guarantee is satisfied.

INFORMATION ON THE TARGET GROUP

The Target is a company incorporated in the British Virgin Islands on 8 July 2010. It is an investment holding company. China Energy is a company incorporated in Hong Kong on 24 June 2010 with limited liability. The issued share capital of which is owned as to 90% by the Target and 10% by the Vendor respectively. China Energy is currently an investment holding company, which will soon commence the business of coal trading. In relation to such business, China Energy has entered into the Supplier LOI (as supplemented by the Supplemental Supplier LOIs) and the Customer LOI:

i) ***Agreement with Supplier***

On 24 July 2010, China Energy entered into the Supplier LOI the Supplier, who is an Independent Third Party and an independent third party (as defined under the GEM Listing Rules) of the Vendor and the Target Group. Pursuant to the Supplier LOI, the Supplier has agreed to sell and China Energy has agreed to buy 30,000 metric tonnes of Indonesian coal (subject to (+/-) 10% fluctuation) each month during the term of the Supplier LOI. The indicative contract price per metric tonne will be US$58 (basic price will be adjusted in accordance with the international coal price). The Supplier LOI has a term of three years commencing from 24 July 2010 and ending on 23 July 2013 and except for special circumstances or exceptional cases, the Supplier LOI will be renewed automatically upon its expiration and the parties' responsibilities, terms and conditions of the renewal term of the Suppliers LOI will remain unchanged. China Energy shall pay in advance the Supplier Deposit, being the refundable security deposit of US$2.5 million within 20 days after the entering into the Supplier LOI, and such Supplier Deposit shall be refunded within three working days upon the China Energy's request in writing to the Supplier.

In any event any party cannot fulfill its obligation under the Supplier LOI, the other party is entitled to terminate the Supplier LOI and be recovered all losses, costs and expenses (including legal expenses) incurred by it pursuant to the Supplier LOI. The Supplier shall refund the Supplier Deposit to China Energy within three working days after the termination of the Supplier LOI.

The parties to the Supplier LOI has also entered into a legal binding First Supplemental Supplier LOI to the Supplier LOI on 10 August 2010, pursuant to which the payment period for the Supplier Deposit has been amended from "within 20 days after the entering into the Supplier LOI" to "on or before 30 September 2010". On 29 September 2010, the parties further entered into the Second Supplemental Supplier LOI to further extend the payment of the remaining balance of the Supplier Deposit to on or before 15 November 2010. Before the entering into of the Second Supplemental Supplier LOI, an amount of US$0.5 million has been paid to the Supplier. Other than the payment period for the Supplier Deposit, other terms and conditions of the Supplier LOI remain unchange.

Up to the Latest Practicable Date, US$1.35 million was paid and the payment of the residual Supplier Deposit amounted to US$1.15 million remains outstanding.

ii) Agreement with Customer

On 30 July 2010, China Energy entered into the Customer LOI with the Customer, who is an Independent Third Party and an independent third party (as defined under the GEM Listing Rules) of the Supplier, the Vendor and the Target Group. Pursuant to the Customer LOI, the Customer has agreed to buy and China Energy has agreed to sell 30,000 metric tonnes (subject to (+/-) 10% fluctuation) of Indonesian coal each month during the term of the Customer LOI. The indicative contract price per metric tonne will be equal to or not less than US$60 (basic price will be adjusted in accordance with the international coal price).

The Customer LOI has a term of three years commencing from 30 July 2010 and ending on 29 July 2013 and except for special circumstances or exceptional cases, the Customer LOI will be renewed automatically upon its expiration and the parties' responsibilities, terms and conditions of the renewal term of the Customer LOI will remain unchanged.

In any event any party cannot fulfill its obligation under the Customer LOI, the other party is entitled to terminate the Customer LOI and be recovered all losses, costs and expenses (including legal expenses) incurred by it pursuant to the Customer LOI.

The Customer has also given the Customer Guarantee in favour of China Energy that (i) in the event that the Supplier Deposit was not refunded by the Supplier pursuant to the Supplier LOI, the Customer shall be responsible to pay China Energy an amount equivalent to the Supplier Deposit within three working days upon written request by China Energy; and (ii) the net profit of China Energy for each contract year shall not be less than 10% of the amount of the Supplier Deposit (if the net profit of China Energy is less than 10% of the Supplier Deposit or China Energy has a net loss resulted from the coal trading business, pursuant to the Customer Guarantee, the Customer guaranteed to pay China Energy at most an amount equivalent to 10% of the Supplier Deposit, i.e. US$250,000 (equivalent to approximately HK$1,950,000).

The net profit of China Energy for the period from 1 January 2011 to 31 December 2011 will be determined based on the audited financial statements prepared in accordance with the HKGAAP.

According to the Vendor, the Customer is willing to give the Customer Guarantee as it is relying on the Target Group to obtain coal products from the Supplier in Indonesia, as such, they are willing to provide such guarantee to ensure the operation of the Target Group. The Vendor confirms that there is no particular basis for agreeing with the 10% net profit guarantee, it was a commercial decision made based on arm's length negotiation between China Energy and the Customer and form part of the whole agreed package and cannot be separately considered or determined.

Pursuant to the Customer Guarantee, the terms of the Customer Guarantee have not been specified, however, all terms under the Customer LOI, if not specifically states, will last until the Customer LOI being terminated.

In case if the either the Supplier LOI and the Customer LOI is terminated, the Profit Guarantee will remains in force.

The Directors consider that the Customer Guarantee are commercial terms agreed between China Energy and the Customer after arms' length negotiation and after Completion, such guarantee are beneficial to the Group, as the Target Group will become subsidiaries of the Company.

Operating model for the Target Group

The Supplier LOI and the Customer LOI are master agreements setting out the principal supplier and customer relationship respectively with China Energy. Under the current operation, China Energy will enter into separate sale contracts and purchase orders for each individual transaction with reference to the terms under the Supplier LOI and the Customer LOI.

When the sale is made with the Customer, an individual sales contract(s) (the "**Sales Contracts**") will be negoitated with the Customer based on all the terms agreed in the Customer LOI with additional terms such as: (i) the actual quantity of coals for each individual transaction; (ii) the coal specification; and (iii) selling price (with reference to the coal price of international market as at the time of entering into the Sales Contracts, if there is a significant variance between the selling price stated in the Customer LOI and actual price of international market as at the time of entering into the sales contracts, the selling price will be adjusted, however, such selling price will be set at not less than US$60 per metric tonne as stated in the Customer LOI).

Once the terms of the Sales Contracts as stated above are preliminary agreed between China Energy and the Customer, China Energy will place purchase order(s) (the "**Purchase Orders**") to Supplier with the same coal quantity and specification specified in the Sale Contracts at the purchase price of not less than US$58 per metric tonne.

The purchase price will not be higher than the selling price as separate Sales Contracts and Purchaser Orders will be agreed in each transaction. Before the Sales Contracts are finalised, China Energy will negotiate with the Supplier for the final terms of the Purchase Orders. If the purchase price is adjusted as a result of the change in the actual international market coal price, China Energy will further negotiate with the Customer to adjust the selling price in order to ensure that there is a positive price gap between the purchase price and the selling price which will be at least US$2 per metric tonne with the possibility of exceeding US$2 per metric tonne subject to the bargaining power of China Energy against each of the Customer and the Supplier in each transaction. The price negotiation will continue until each of the parties is satisfied and the Target Group is able to obtain a positive price gap.

Once the terms of the Purchase Orders and the Sales Contracts are finally agreed with profitable price gap, China Energy will sign the Purchase Orders and the Sales Contracts and arrange the shipment.

Under the operation of the Target Group, value-added services are provided to our Customer, including but not limited to: (i) sourcing of coals for suitable quality from Indonesia according to the standard required by customers (as it is not exclusive to source coals from single supplier, China Energy has to select suitable supplier); (ii) arranging transportation of the coals to loading port in Indonesia; (iii) to arrange insurance coverage for the delivery of coals (from the place where China Energy obtains delivery of the coals to the loading port in Indonesia); (iv) to arrange inspection and sampling services for obtaining the certificate of coal specification and weight issued by an independent professional inspection company in Indonesia before the coals shipments are made to the Customers as part of China Energy's effort in maintaining quality control; and (v) to pay the port charges (if any).

Revenue from the sales of the coals is recognised when the economic benefits flow to China Energy and when the significant risks and rewards of ownership have been transferred to the Customer.

The Profit Guarantee was based on the expected profit to be generated from the secured Supplier LOI and Customer LOI, taken into account (i) the expected quantity of coals to be purchased and delivered under the Supplier LOI and the Customer LOI of 30,000 metric tonne each month; (ii) the expected per tonne margin of coal sold (approximately US$2/HK$15.60 per metric tonne) as indicated therein though the price may be fluctuated with that of the international coal price; and (iii) the estimation of cost involved in running the coal trading business.

Major cost in running the business includes the insurance, port charges, inspection and testing fee, delivery charges, audit fee, office administrative expenses and tax expenses, the estimate of the cost is based on (i) expected level of coal to be traded; (ii) preliminary service quotation from other expert or agent assisting the Target in performing certain function in the operation, such as testing and inspection; and (iii) the advise from the Vendor, whom has business network in performing coal trading business in Indonesia and experience in operating business in the PRC. According to the statistic provided by the Vendor, the costs and expenses amount to approximately HK$3.915 (equivalent to approximately US$0.502) per metric tonne. The estimated cost involved in running the coal trading business was based on these figures provided by the Vendor.

According to the above estimation, the net profit per metric tonne is approximately US$1.498. It should be noted that the actual net profit per metric tonne is subject to the agreed price as finalised under the individual sales contract and the purchase order and the actual cost of running the business. The Target will negotiate the price with the Customer and Supplier and try to realise the expected margin and keep the cost at low level.

The Board has reviewed and considered that the calculation of the margin is fair and reasonable and in the interest of Company and the Shareholders as a whole.

Competitive advantage of the Target Group

i) *Market potential of coal trading business*

As provided by the Vendor, the net coals imported in the PRC were negative in 2008 but has been increasing since 2009. The PRC has been playing a more and more important role in the global coal importing market in compare with the traditional largest coal importing countries like Europe and Japan, the demand of coals of which have been significant affected by the global financial crisis. Due to the continuous increase in demand of coals from the PRC, and notice that Australia, Indonesia and Russia were the largest exporters of coal to the PRC in 2009, it is a valuable opportunity to be able to line up companies from one of the world's largest exporters (Indonesia) and one of the world's fast growing importers (the PRC) for the coal trading business.

In addition, due to certain culture barriers between the PRC and Indonesia, the Customer prefers to order from China Energy instead of directly sourcing from Indonesian companies, as such, the Target Group has become a bridge between the Customer and the Supplier. As it is expected that the coal demand from the PRC will be increasing in the coming years, to be able to secured the Customer LOI and Supplier LOI for a term of three years (subject to renewal upon expiry) is definitely a competitive advantage of the Target Group.

ii) *Experienced staff*

The Vendor is currently the senior officer of China Energy. The Vendor has been a consultant of the Group since October 2009. In his capacity as a consultant of the Group, he has periodically provided the Group with business advisory services in the PRC. The Vendor (who will continue to serve the Target Group upon Completion) has over 18 years' experience in several industries in the PRC such as information technology, trading of industrial goods, natural resources and banking sectors, who has established a sounds relationship with the Customer and the Supplier. In addition, the business network possessed by the Vendor would also ensure the chance to reach some new major customers in the PRC as well as introducing some new suppliers in Indonesia to the Target Group.

After the Completion, the Vendor will remain as a substantial shareholder of the Target Group, holding 10% interest in the Target and he will continue to contribute his expertise in the Target Group both in his capacity as a substantial shareholder and a consultant of the Group. In addition, the Board considered that the existing employees of the Group have previous experience and knowledge in the coal sector in the PRC as well as conducting general trading business, therefore after Completion, it is the intention of the Group that the business of the Target Group will continue to be operated by the existing management of the Target Group with additional contribution of human resources from the existing employees of the Group.

Future business plan for the Target Group

The Target Group has entered into of the Supplier LOI and Customer LOI for a term of three years since July 2010 (subject to extension and renewal). The overall objective for the Target Group is to achieve the targeted sales in the contracted periods and to maintain the good business relationship with our Supplier and Customer. It is foreseeable that approximately HK$168.5 million of target sales can be made for the period from 1 January 2011 to 31 December 2011.

The business plan for China Energy is (i) to look for new customers and suppliers from time to time to strengthen the scale of the business; (ii) to search for suppliers for different kinds of coals to meet the needs of existing or potential customers; and (iii) to bargain for better sale and purchase price from suppliers and customers, with an aim to maximise the profits of the Target Group.

The Enlarged Group will take opportunities to expand its customers base and suppliers network, although there is currently no specific business plan to be implemented in the future. In the event good opportunities arises, the Enlarged Group will use their best endeavour to make appropriate decision on a timely manner.

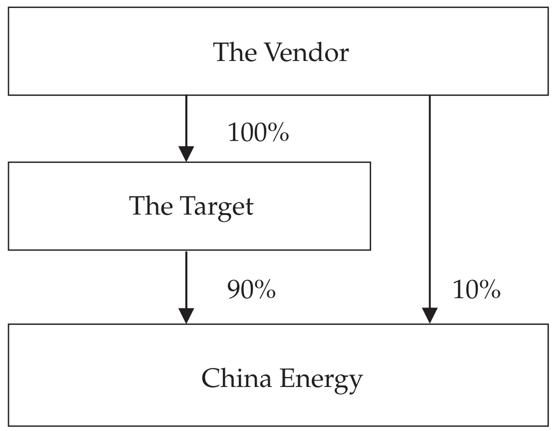
Financial information of the Target Group

According to the accountants' report of the Target Group, as set out in Appendix II of this circular, the audited consolidated net asset value of the Target Group as at 31 July 2010 was approximately HK$93,000 and the audited consolidated net loss before and after income tax of the Target Group for the period from 8 July 2010 (date of incorporation of the Target) to 31 July 2010 was approximately HK$7,000.

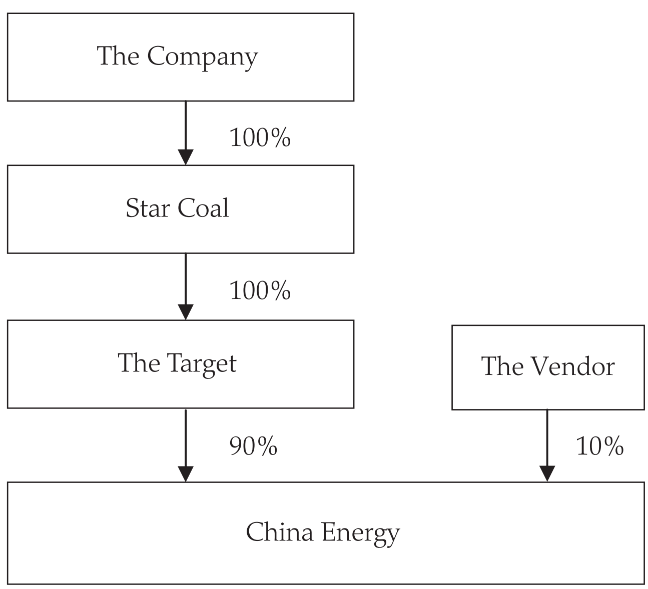
Group Structure

The following charts show the group structure of the Target Group immediately before and immediately after the Completion:

Structure of the Target Group immediately before the Completion



Structure of the Target Group immediately after the Completion



REASONS FOR THE ACQUISITION

The Group is principally engaged in investment holding and property investment in Hong Kong and the PRC and business of general trading in the PRC respectively.

The Group recorded audited consolidated net loss for the year ended 31 March 2010 of approximately HK$71.08 million and audited consolidated net assets as at 31 March 2010 of approximately HK$200.55 million. Reference is made to the 2009/2010 annual report of the Company for the year ended 31 March 2010.

The Group has been actively looking for business opportunities and has commenced the business in general trading business and property investment in 2009. In August 2010, the Group disposed of its remaining 49% equity interests in Star Fortune International Investment Company Limited. In order to strengthen the business of the Company, the Directors have been actively exploring other investment opportunities to improve the Shareholders' return.

The Directors consider that the Acquisition (i) provides the Group with a stable income source from the secured legally binding Supplier LOI, Customer LOI and Supplemental Supplier LOIs to make contribution to the Company in the future; (ii) represents an opportunity to tap further in the coal trading business; and (iii) strengthens the existing trading business of the Group and believe that the Acquisition would further enhance the future growth of the Group in order to maximise returns to Shareholders.

Taking into account the benefits of the Acquisition, the Board is of the view that the terms of the Acquisition are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE ACQUISITION

Upon Completion, the Target will become an indirect wholly-owned subsidiary of the Company and China Energy will become an indirect non wholly-owned subsidiary of the Company, in which the Group will be interested in 90% equity interests. Upon Completion, the accounts of the Target Group will be consolidated into the consolidated financial statements of the Group.

(a) Effect on assets and liabilities

As extracted from the unaudited pro forma financial information of the Enlarged Group as contained in Appendix IV to this circular, the unaudited pro forma consolidated total assets and total liabilities of the Group, after taken into account of the disposal of the 49% equity interests in Star Fortune International Investment Company Limited and its subsidiaries, were approximately HK$179.7 million and HK$6.6 million respectively as at 31 March 2010. Upon Completion, the Enlarged Group's unaudited pro forma consolidated total assets and total liabilities would increase to approximately HK$207.0 million and HK$26.0 million respectively.

(b) Effect on earnings

In light of the potential future prospects of the Target Group after the commencement of business, the Directors are of the view that the Acquisition would likely to have a positive impact on the future earnings of the Enlarged Group.

GEM LISTING RULES IMPLICATIONS

The Acquisition constitutes a major transaction on the part of the Company pursuant to Rule 19.06(3) of the GEM Listing Rules. Accordingly, the Acquisition is subject to the approval of the Shareholders at the SGM. Under the GEM Listing Rules, no Shareholders will be required to abstain from voting on the resolution to approve the Acquisition at the SGM and any vote exercised by the Shareholders at the SGM shall be taken by way of poll.

SGM

The SGM will be held at Room 3308, The Center, 99 Queen's Road Central, Central, Hong Kong on Friday, 29 October 2010 at 11:30 a.m., the notice of which is set out on pages 60 to 61 of this circular, to consider and, if thought fit, approve the ordinary resolution(s) to approve the Agreement and the transactions contemplated thereunder.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you intend to attend and vote at such meeting, you are requested to complete and return the enclosed form of proxy to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

RECOMMENDATION

Based on the reasons as set out in the section headed "Reasons for the Acquisition", the Board is of the view that the terms of the Acquisition are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution approving the Agreement and the transactions contemplated thereunder as set out in the notice of the SGM.

FURTHER INFORMATION

Your attention is also drawn to the additional information as set out in the appendices to this circular.

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

I. FINANCIAL SUMMARY

Financial information on the Group for each of the three years ended 31 March 2008, 2009 and 2010 are set out in the audited consolidated financial statements of the Group for the years ended 31 March 2008, 2009 and 2010 respectively, which are included in the annual reports of the Company for the respective years and are published on both the GEM website (www.hkgem.com) and the website of the Company (www.mingkeiholdings.com) respectively.

II. INDEBTEDNESS

Borrowings

At the close of business on 31 August 2010, being the latest practicable date for the purposes of preparing this indebtedness statement prior to the printing of this circular, the Enlarged Group had an amount due to a shareholder of the Target of approximately HK$7,000, which is unsecured, interest-free and has no fixed terms of repayment.

Commitments

As at 31 August 2010, the Enlarged Group had total future minimum lease payments under non-cancellable operating leases for its office premises and falling due as follows:

	HK$'000
Within one year	2,145
In the second to fifth years, inclusive	2,925
	5,070

Disclaimer

Save as aforesaid or as otherwise mentioned herein, and apart from intra-group liabilities, the Enlarged Group did not have any other outstanding borrowings, mortgages, charges, debentures, loan capital and overdraft, debt securities or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities at the close of business on 31 August 2010 being the latest practicable date for the purpose of this statement of indebtedness prior to printing of this circular.

Save as aforesaid, the Directors are not aware of any material changes in the indebtedness and contingent liabilities of the Enlarged Group since 31 August 2010, the date to which the indebtedness statement is made and up to the Latest Practicable Date.

III. WORKING CAPITAL

As at the Latest Practicable Date, the Directors, after due and careful consideration, are of the opinion that the Enlarged Group, following the Completion and taking into account the present internal financial resources available to the Enlarged Group and in the absence of unforeseen circumstances, will have sufficient working capital for its present requirements for the next 12 months from the date of this circular.

IV. MATERIAL ADVERSE CHANGE

Save for the completion of the disposal of 49% equity interests in Star Fortune International Investment Company Limited on 16 August 2010 (details of which are set out in the announcements of the Company dated 5 July 2010 and 16 August 2010, and the circular of the Company dated 23 July 2010, respectively) and the issue of a profit warning announcement of the Company dated 3 August 2010, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2010, the date to which the latest audited financial statements of the Group were made up.

V. FINANCIAL AND TRADING PROSPECTS OF THE GROUP AND THE ENLARGED GROUP

At present, the Group is principally engaged in the (i) business of general trading in the PRC; and (ii) the property investment in Hong Kong and the PRC respectively. Upon Completion, the Enlarged Group will also engage in the coal trading business.

(i) Business in general trading

Products available by the Group are construction and decoration materials, electronics appliances and components as well as motor vehicles components respectively. Products traded by the trading company are mainly telecommunication equipments which are normally used/assembled in large scale point-to-point telecommunication data transmission/linkage and storage system, such as communication and monitoring system between the headquarter and local offices for certain kinds of business-to-business (B2B) or acting as channel of daily transportation network. The trading business of the Group commenced in October 2009 and is still in its development stage.

The Group believes that the demand of those large scale telecommunication equipments would be increased sharply in the near future and such business will enjoy ample potential opportunities as (i) Beijing's economy continue to grow rapidly after the Olympics Games in year 2008; (ii) many new multi-national corporations and local corporations' headquarter have been established and are expanding in Beijing; (iii) the frequent communication between the government departments/businesses/households in Beijing and other cities; (iv) rapid modernization and urbanization of rural area around Beijing which increase the demand of the telecommunication equipments; (v) continuous infrastructure and construction projects in Beijing, the PRC; and (vi) the recent announcement of the 3 net combined (三網融合) policy by the PRC Government will stimulate the demand of large scale telecommunication equipments.

In addition, the Group's current supplier is a state-owned enterprise which (i) provides products which are of high and reliable qualities; and (ii) offers all components involved in those telecommunication systems which reduces the cost of purchase. We have established a close relationship with our supplier, which facilitates our business operation and enable us to provide our customers with reliable source of products.

In order to reduce the impact of global financial crisis on the PRC economy, the PRC government had announced important measures for boosting internal demand, increasing investment and stimulating domestic consumption, together with its practice of proactive fiscal policies and loose monetary policies. In view of such measures made by the PRC government, the Directors are optimistic about the prospect of its trading business within the PRC, and are confident that it will contribute positively to the business of the Group. In the future, the Company will further negotiate with different potential suppliers and/or customers for sourcing of products and expanding its clientele. With the increase in sales demand, the Group expects that better discount will be granted by the supplier when negotiate for sourcing of the products. As such, the Company expects a higher gross profit margin will be obtained.

(ii) Business in property investment

Though the rising trend of the property market in Hong Kong and the PRC has been slowed down and price of the properties in Hong Kong and the PRC has been adjusted downward recently due to the regulations and policies imposed by Hong Kong and the PRC government towards the property market, the Directors will continue to explore opportunities to invest in good quality properties in both Hong Kong and the PRC to strengthen its property investment business.

(iii) Business in coal trading

In view of the rapid economic development in the PRC, the Directors expect that the demand of import coal will continue to increase in the following years. The Group believes that the increase in demand of imported coal and the future business opportunities under the Supplier LOI with the supplier and the Customer LOI with the customer will create steady income sources and positive impact on the earning, the Enlarged Group will benefit from the Acquisition.

The following is the text of an accountants' report on the Target Group, prepared for the sole purpose of inclusion in this circular, received from the independent reporting accountants, BDO Limited, Certified Public Accountants.

A ACCOUNTANTS' REPORT

Tel: +852 2541 5041
Fax: +852 2815 2239
www.bdo.com.hk

電話：+852 2541 5041
傳真：+852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

香港干諾道中111號
永安中心25樓

14 October 2010

The Board of Directors
Ming Kei Holdings Limited
Room 3308
The Center
99 Queen's Road Central
Hong Kong

Dear Sirs,

We set out below our report on the consolidated financial information of China Indonesia Friendship Coal Trading Company Limited (the "Target") and its subsidiary (collectively referred to as the "Target Group") for the period from 8 July 2010 (date of incorporation of the Target) to 31 July 2010 (the "Relevant Period"), prepared on the basis set out in Note 1 of Section C below, for inclusion in the circular dated 14 October 2010 (the "Circular") of Ming Kei Holdings Limited (the "Company") in connection with, among other things, the proposed acquisition of (i) the entire equity interest in the Target by Star Coal International Investment Company Limited, a wholly-owned subsidiary of the Company; and (ii) the attributable amount owing by the Target to the vendor (the "Acquisition").

The Target was incorporated in the British Virgin Islands on 8 July 2010 with limited liability. The Target's registered office is 263 Main Street, P.O. Box 2196, Road Town, Tortola, the British Virgin Islands and its principal place of business is the British Virgin Islands. During the Relevant Period, the Target was inactive.

During the Relevant Period and up to the date of this report, the Target has a direct 90%-owned subsidiary, namely China Energy Trading Company Limited ("China Energy"), which was incorporated in Hong Kong on 24 June 2010. During the Relevant Period, China Energy has not yet commenced the business operation.

No audited financial statements have been prepared for the Target since its incorporation because there is no statutory requirement for the Target to do so. No audited financial statements have been prepared for China Energy since its incorporation because China Energy was newly incorporated and has not been involved in any significant business transaction since its incorporation.

The directors of the Target and China Energy have prepared the respective individual financial statements of each entity within the Target Group for the Relevant Period (the "HKFRS Financial Statements") in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). For the purpose of this report, the director of the Target has prepared the consolidated financial statements of the Target Group for the Relevant Period in accordance with HKFRSs (together with the HKFRS Financial Statements, collectively referred to as the "Underlying Financial Statements").

We have not audited any financial statements of the Target, China Energy or the Target Group in respect of any period subsequent to 31 July 2010.

The financial information and the notes thereto for the Relevant Period (the "Financial Information") have been prepared based on the Underlying Financial Statements in accordance with HKFRSs.

The director of the Target is responsible for the preparation and the true and fair presentation of the Underlying Financial Statements in accordance with HKFRSs. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The directors of Ming Kei are responsible for the contents of the Circular in which this report is included. It is our responsibility to compile the Financial Information from the Underlying Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the Financial Information of the Target Group is free from material misstatement. We have also carried out additional procedures as necessary in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Information of the Target Group. The procedures selected depend on the reporting accountants' judgement, including the assessment of the risks of material misstatement of the Financial Information of the Target Group whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation and true and fair presentation of the Financial Information of the Target Group in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Financial Information of the Target Group.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the Financial Information, for the purpose of this report, gives a true and fair view of the state of affairs of the Target Group as at 31 July 2010 and of the consolidated results of the Target Group for the Relevant Period in accordance with HKFRSs.

B FINANCIAL INFORMATION

The Financial Information of the Target Group has been prepared on the basis set out in Note 1 of Section C.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	**Period from 8 July 2010 (date of incorporation) to 31 July 2010** *HK$*
Turnover	*5*	–
Administrative expenses		(7,030)
Loss before income tax	*6*	(7,030)
Income tax	*7*	–
Loss and comprehensive income for the period		(7,030)
Loss per share attributable to the owner of the Target	*8*	
– Basic and diluted		(7,030)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**As at 31 July 2010** *HK$*
ASSET AND LIABILITY		
CURRENT ASSET		
Amount due from a shareholder	*11(a)*	100,000
CURRENT LIABILITY		
Amount due to a shareholder	*11(a)*	(7,022)
Net assets		92,978
CAPITAL AND RESERVE		
Issued capital	*10*	8
Accumulated loss		(7,030)
		(7,022)
Non-controlling interest		100,000
TOTAL EQUITY		92,978

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital *HK$* *(Note 10)*	**Accumulated loss** *HK$*	**Non-controlling interest** *HK$*	**Total** *HK$*
Issue of share at date of incorporation	8	–	–	8
Arising from injection of capital into a subsidiary	–	–	100,000	100,000
Total comprehensive income for the period	–	(7,030)	–	(7,030)
At 31 July 2010	8	(7,030)	100,000	92,978

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows has not been presented as the Target Group does not operate a bank account or hold any cash equivalent and has no cash transaction during the Relevant Period.

C NOTES TO THE FINANCIAL INFORMATION

1. ORGANISATION AND OPERATIONS

The Target is incorporated in the British Virgin Islands with limited liability and its registered office is located at 263 Main Street, P.O. Box 2196, Road Town, Tortola, the British Virgin Islands.

The Target and its subsidiary have not yet commenced business operation during the Relevant Period. The particulars of the Target's subsidiary is set out in Note 9.

The Financial Information is presented in Hong Kong dollars which is the functional currency of the Target. The Financial Information has been prepared in accordance with HKFRSs (which in collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and interpretations) issued by the HKICPA and the Rules Governing the Listing of Securities in the Growth Enterprise Market as applicable to the accountants' report included in the listing documents of circulars.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

Throughout the Relevant Period, the Target Group has applied all of the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for the Relevant Period.

The following new or revised HKFRSs that are potentially relevant to the Target Group's operation, have been issued but are not yet effective and have not been early adopted:

HKAS 24 (Revised)	Related Party Disclosures[1]
HKFRS 9	Financial Instruments[2]

1 Effective for annual periods beginning on or after 1 January 2011
2 Effective for annual periods beginning on or after 1 January 2013

The Target Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs upon initial application and the director so far concluded that the application of the these new/revised HKFRSs will have no material impact on the results and the financial position of the Target Group.

3. PRINCIPAL ACCOUNTING POLICIES

(a) Statement of compliance

The Financial Information has been prepared in accordance with all applicable HKFRSs.

(b) Basis of preparation

The Financial Information has been prepared under the historical cost convention.

(c) Basis of consolidation

The Financial Information incorporates the financial statements of the Target and its subsidiary. Control is achieved when the Target has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiary acquired and disposed of during the Relevant Period are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions, balances and unrealised gains on transactions between group entities are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment on the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiary to bring its accounting policies in line with those used by the Target Group.

(d) Business combinations and subsidiary

Acquisition of subsidiary is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Target Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their fair values at the acquisition date.

Subsidiary is an entity in which the Target Group has the power to govern the financial and operating policies, so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

(e) Financial asset

Financial asset is recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned is initially measured at fair value, plus transaction costs, except for the financial asset classified as fair value through profit or loss, which is initially measured at fair value. At the end of Relevant Period, the Target Group's financial asset is loan and receivable, which is subsequently accounted for as follows:

i) Loan and receivable

Receivable that has fixed or determinable payments that is not quoted in an active market is classified as loan and receivable. Loan and receivable is measured at amortised cost using the effective interest method, less any impairment losses.

ii) Impairment of financial asset

Financial asset of the Target Group is assessed for indicators of impairment at the end of Relevant Period. Financial asset is impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For the Target Group's financial asset, objective evidence of impairment could include:

– significant financial difficulty of the issuer or counterparty; or

– default or delinquency in interest or principal payments; or

– it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, any impairment loss is determined and recognised as follows:

For loan and receivable, the impairment loss is measured at the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, where the effect of discounting is material. This assessment is made collectively where financial asset carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial asset which are assessed for impairment collectively are based on historical loss experience for asset with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding asset directly, except for impairment losses recognised in respect of those loans and receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Target Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against receivables directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

iii) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or where appropriate, a shorter period.

iv) *Derecognition of financial asset*

The Target Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Target Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Target Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Target Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Target Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(f) Equity instrument and financial liability

(i) *Equity instrument*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Target Group are recorded at the proceeds received, net of direct issue costs.

(ii) Financial liability

Financial liability, is initially measured at fair value, net of transaction costs.

The financial liability is subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis, unless the effect of discounting would be immaterial, in which case it is stated at cost.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

(iii) Derecognition of financial liability

The Target Group derecognises financial liability when, and only when, the Target Group's obligation is discharged, cancelled or it expires.

(g) Provision and contingent liabilities

Provision is recognised when the Target Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Target Group will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(h) Income tax

Income tax expense represents the sum of the current and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the Relevant Period. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Target Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of Relevant Period.

(ii) Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax bases used in the computation of taxable profits, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are recognised for taxable temporary differences arising on investment in subsidiary, except where the Target Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investment are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Target Group expects, at the end of Relevant Period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Target Group intends to settle its current tax assets and liabilities on a net basis.

(i) Related parties

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Target Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Target Group or of any entity that is a related party of the Target Group.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

There is no significant risk of key assumptions concerning the future and other key sources of estimation at the end of Relevant Period which will cause an adjustment to the carrying amounts of assets and liabilities subsequent to the Relevant Period.

There is no significant effect on amounts recognised in the Financial Information arising from the judgement or estimates used by management.

5. TURNOVER AND SEGMENT INFORMATION

The Target Group has not yet commenced its business and therefore it has no turnover for the Relevant Period and no segment information is presented.

6. LOSS BEFORE INCOME TAX

	HK$
Loss before income tax is arrived at after charging:	
Director's remuneration	–
Auditors' remuneration	–

During the Relevant Period, the Target Group has not incurred any staff cost and therefore no information of the five highest paid employees' emoluments is disclosed in the Financial Information.

7. INCOME TAX

No provision for Hong Kong profits tax has been made as the Target Group has not yet operated during the Relevant Period and therefore has no assessable profits arising in Hong Kong in the Relevant Period.

Income tax for the period can be reconciled to the accounting loss as follows:

	HK$
Loss before taxation	(7,030)
Tax calculated at the Hong Kong profits tax rate of 16.5%	(1,160)
Tax effect of expenses not deductible for tax purposes	1,160
Income tax for the period	–

There was no material unprovided deferred tax as at 31 July 2010.

8. LOSS PER SHARE

The calculation of basic loss per share is based on the loss of HK$7,030 for the period ended 31 July 2010 attributable to owner of the Target. The weighted average number of ordinary shares used in the calculation is 1 ordinary share for the period ended 31 July 2010.

As no diluting event existed during the Relevant Period, the basic and diluted loss per share amounts of the Target Group for the Relevant Period are equal.

9. PARTICULARS OF SUBSIDIARY

Particulars of the Target's subsidiary as at 31 July 2010 is as follows:-

Name of company	Country of incorporation and operation	Nominal value of issued ordinary share	Percentage of equity interest attributable to the Target		Principal activities
			Direct	Indirect	
China Energy Trading Company Limited ("China Energy")	Hong Kong/ Hong Kong	HK$1,000,000	90	–	Trading of coal

On 26 July 2010, the Target has made a capital injection of HK$900,000 into China Energy to obtain 90% equity interest in China Energy which has not yet commenced the business operation as at the capital injection date and up to the date of this report.

10. SHARE CAPITAL

	Number of shares	Amount
		HK$
Authorised:		
Ordinary shares of US$1 each		
At beginning and end of period	50,000	390,000
Issued and fully paid:		
Issue of new share and as at 31 July 2010 *(Note)*	1	8

Note: The Target was incorporated with an authorised share capital of US$50,000 (equivalent to HK$390,000) divided into 50,000 shares of US$1 each. 1 share of US$1 was issued at par for cash upon incorporation on 8 July 2010 to provide the initial capital.

11. RELATED PARTY TRANSACTIONS

(a) The amounts with a shareholder were unsecured, interest-free and had no fixed terms of repayment.

(b) Key member of management personnel comprised the director only whose remuneration during the Relevant Period is disclosed in Note 6 to the Financial Information.

12. SIGNIFICANT CONTRACTS

During the Relevant Period, China Energy entered into the following significant contracts with independent third parties:

(1) A legally binding master framework purchase agreement dated 24 July 2010 (the "Supplier LOI") with a company incorporated in Singapore (the "Supplier") pursuant to which the Supplier has agreed to sell and China Energy has agreed to buy 30,000 metric tonnes of Indonesian coal (subject to (+/-) 10% fluctuation) each month during the term of the Supplier LOI. The indicative contract price per metric tonne will be US$58 (basic price will be adjusted in accordance with the international coal price). The Supplier LOI has a term of three years commencing from 24 July 2010 and ending on 23 July 2013 and except for special circumstances or exceptional cases, the Supplier LOI will be renewed automatically upon its expiration and the parties' responsibilities, terms and conditions of the renewal term of the Suppliers LOI will remain unchanged. China Energy shall pay in advance a sum of US$2.5 million as the refundable security deposit (the "Supplier Deposit") within 20 days after the entering into the Supplier LOI, and such Supplier Deposit shall be refunded within three working days upon the China Energy's request in writing to the Supplier.

(2) A legally binding master framework purchase agreement dated 30 July 2010 (the "Customer LOI") with a state-owned enterprise (the "Customer") of the People's Republic of China, pursuant to which the Customer has agreed to buy and China Energy has agreed to sell 30,000 metric tonnes (subject to (+/-) 10% fluctuation) of Indonesian coal each month during the term of the Customer LOI. The indicative contract price per metric tonne will be equal to or not less than US$60 (basic price will be adjusted in accordance with the international coal price). The Customer LOI has a term of three years commencing from 30 July 2010 and ending on 29 July 2013 and except for special circumstances or exceptional cases, the Customer LOI will be renewed automatically upon its expiration and the parties' responsibilities, terms and conditions of the renewal term of the Customer LOI will remain unchanged. The Customer has given a guarantee (the "Customer Guarantee") in favour of China Energy that (i) in any event that the Supplier Deposit was not refunded by the Supplier pursuant to the Supplier LOI, the Customer

shall be responsible to pay China Energy an amount equivalent to the Supplier Deposit within three working days upon written request by China Energy; and (ii) the net profit of China Energy per each contract year shall not be less than 10% of the amount of the Supplier Deposit.

(3) A legal binding supplemental agreement to the Supplier LOI dated 10 August 2010 (the "Supplemental Supplier LOI") with the Supplier, pursuant to which the payment period for the Supplier Deposit has been amended from "within 20 days after the entering into the Supplier LOI" to "on or before 30 September 2010". On 29 September 2010, another legal binding supplemental agreement (the "Second Supplemental Supplier LOI") to the Supplier LOI was entered into with the Supplier to further extend the payment of the remaining balance of the Supplier Deposit to on or before 15 November 2010. Other than the payment period for the Supplier Deposit, other terms and conditions of the Supplier LOI remain unchanged.

13. CAPITAL RISK MANAGEMENT

The Target Group's objective of managing capital is to safeguard the Target Group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Target Group may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts.

The capital structure of the Target Group consists of equity attributable to owner of the Target, comprising share capital and accumulated loss.

14. FINANCIAL RISK MANAGEMENT

All financial instruments of the Target Group are carried at amounts not materially different from their estimated fair values as at 31 July 2010.

15. SUMMARY OF FINANCIAL ASSET BY CATEGORY

The carrying amount of the Target Group's financial asset and liability as recognised at 31 July 2010 may be categorised as follows:

	HK$
Financial asset	
Loan and receivable, measured at amortised cost	100,000
Financial liability	
Financial liability, measured at amortised cost	7,022

D. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Target Group in respect of any period subsequent to 31 July 2010 and up to the date of this report. No dividend or other distributions has been declared, made or paid by the Target in respect of any period subsequent to 31 July 2010.

Yours faithfully
For and on behalf of
BDO Limited
Certified Public Accountants
Hong Kong

Lam Siu Fung
Practising Certificate number: P05308

Set out below is the management discussion and analysis of the Target Group for the period from 8 July 2010 (date of incorporation of the Target) to 31 July 2010. The following financial information are based on the financial information of the Target Group as set out in Appendix II to this circular.

Business and financial review

The Target is a limited liability company established in the British Virgin Islands on 8 July 2010. The Target is directly interested in 90% equity interests in China Energy, which was incorporated in Hong Kong on 24 June 2010. China Energy has not yet commenced business operation since its incorporation. As at the Latest Practicable Date, the Target Group has entered into the Customer LOI and the Supplier LOI for the coal trading business. For the period from 8 July 2010 (date of incorporation of the Target) to 31 July 2010, the audited loss of Target Group was approximately HK$7,000. Under the Supplier LOI (as supplemented by Supplemental Supplier LOIs), a refundable deposit of US$2.5 million shall be payable on or before 15 November 2010. As at the Latest Practicable Date, US$1.35 million was paid and the payment of the residual Supplier Deposit amounted to US$1.15 million remains outstanding.

Liquidity, financial resources and capital structure

As at 31 July 2010, the audited net assets of Target Group was approximately HK$93,000. The Target Group had no other borrowings as at 31 July 2010. As at 31 July 2010, the gearing ratio (total borrowings to total assets) of Target Group was nil because Target Group did not have any borrowings during the period under review.

Capital structure

As at 31 July 2010, the issued share capital of the Target was US$1 (equivalent to approximately HK$8), comprised 1 issued and fully paid ordinary share of US$1.

Significant investment, material acquisition and disposals

The Target Group did not have any significant investments, material acquisition or disposal for the period from 8 July 2010 (date of incorporation of the Target) to 31 July 2010.

Employee information

As at 31 July 2010, the Target Group did not have any employee and no remuneration expenses incurred for the period from 8 July 2010 (date of incorporation of the Target) to 31 July 2010.

Exposure to exchange rate

The reporting currencies of the Target Group is HK$, while the transactional currency is US$. As HK$ is pegged to US$, the Target Group considers the risk of movements in exchange rates between HK$ and US$ to be insignificant for transactions denominated in US$.

As at the Latest Practicable Date, the Target 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.

Segment information

During the period from 8 July 2010 (date of incorporation of the Target) to 31 July 2010, no operation was conducted and accordingly no segment information has been disclosed.

Charge on group assets

As at 31 July 2010, no asset of Target Group was pledged.

Contingent liabilities

As at 31 July 2010, the Target Group had no significant contingent liabilities.

Future plans

As at the Latest Practicable Date, there are no proposed material investments of the Target Group.

(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The accompanying illustrative and unaudited pro forma financial information of the Enlarged Group (defined below) (the "Unaudited Pro Forma Financial Information"), comprising the unaudited pro forma consolidated statement of financial position, has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the proposed acquisition of (i) the entire equity interest in China Indonesia Friendship Coal Trading Company Limited (the "Target", together with its 90%-owned subsidiary are referred to as the "Target Group") by Star Coal International Investment Company Limited, an indirect wholly-owned subsidiary of Ming Kei Holdings Limited (the "Company", together with its subsidiaries are referred to as the "Group"); and (ii) the attributable amount owing by the Target to the Vendor (collectively the "Acquisition") as if the Acquisition had been completed on 31 March 2010. The Group together with the Target Group after the Disposal (as defined below) is referred to as the Enlarged Group. In the preparation of the Unaudited Pro Forma Financial Information, it is also assumed that the disposal (the "Disposal") of the 49% equity interests in Star Fortune International Investment Company Limited and its subsidiaries, which are then indirect 49%-owned associates of the Group (collectively referred to as the "Disposal Group") by the Group had been completed on 31 March 2010, details of which are set out in Appendix II to the circular of the Company dated 23 July 2010 (the "VSD Circular"). The Disposal was completed on 16 August 2010, details of which are set out in the announcements of the Company dated 5 July 2010 and 16 August 2010 and the VSD Circular. Terms used herein shall have the same meanings as defined in the circular of the Company dated 14 October 2010 unless stated otherwise.

The Unaudited Pro Forma Financial Information is based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes. Accordingly, as a result of the uncertain nature of the accompanying Unaudited Pro Forma Financial Information of the Enlarged Group, it may not give a true picture of the actual financial position of the Enlarged Group's operations that would have been attained had the Acquisition actually occurred on the date indicated herein. Further, the accompanying Unaudited Pro Forma Financial Information does not purport to predict the Enlarged Group's future financial position.

Unaudited Pro Forma Consolidated Statement of Financial Position of the Enlarged Group

As at 31 March 2010

The unaudited pro forma consolidated statement of financial position is prepared based on (i) the audited consolidated statement of financial position of the Group as at 31 March 2010 which has been extracted from the audited consolidated financial statements of the Group as set out in the annual report of the Company for the year ended 31 March 2010 and (ii) the audited consolidated statement of financial position of the Target Group as at 31 July 2010 as set out in Appendix II to this circular, and adjusted to reflect the effects of the Disposal and the Acquisition.

As the unaudited pro forma consolidated statement of financial position of the Enlarged Group was prepared for illustrative purpose only and because of its nature, it may not give a true picture of the financial position of the Enlarged Group as at the date to which it is made up to or at any future date.

	The Group	Pro forma adjustments of the Disposal		The Group after the Disposal	The Target Group	Pro forma adjustments of the Acquisition		The Enlarged Group
	HK$'000	*HK$'000*	*Notes*	*HK$'000*	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
ASSETS AND LIABILITIES								
Non-current assets								
Property, plant and equipment	19,178			19,178	–			19,178
Investment properties	23,136			23,136	–			23,136
Intangible assets	–			–	–	93,147	5	93,147
Interests in associates	71,437	(71,437)	1	–	–			–
Available-for-sale financial assets	10,560			10,560	–			10,560
	124,311			52,874	–			146,021
Current assets								
Accounts and bills receivable	4,880			4,880	–			4,880
Prepayments, deposits and other receivables	6,184	28,500	3	34,684	–			34,684
Escrow money receivable	10,000	(10,000)	4	–	–			–
Loan to an associate	28,500	(28,500)	3	–	–			–
Amount due from a shareholder	–			–	100	(100)	6	–
Amount due from a minority shareholder	–			–	–	100	6	100
Cash and cash equivalents	33,277	44,000	2	87,277	–	(66,000)	5	21,277
		10,000	4					
	82,841			126,841	100			60,941
Current liabilities								
Accrued expenses and other payables	3,683	81	3	3,764	–			3,764
Amount due to a shareholder	–			–	7	(7)	5	–
Amount due to an associate	81	(81)	3	–	–			–
	3,764			3,764	–			3,764
Net current assets	79,077			123,077	93			57,177
Total assets less current liabilities	203,388			175,951	93			203,198
Non-current liabilities								
Convertible bonds	2,834			2,834	–			2,834
Promissory note	–			–	–	4,000	5	4,000
Deferred tax liabilities	–			–	–	15,369	5	15,369
	2,834			2,834	–			22,203
Net assets	**200,554**			**173,117**	**93**			**180,995**
CAPITAL AND RESERVES								
Issued capital	664			664	–			664
Reserves	199,890	(27,437)	2	172,453	(7)	7	5	172,453
Non-controlling interest	–			–	100	7,778	5	7,878
Total equity	**200,554**			**173,117**	**93**			**180,995**

Notes to the Unaudited Pro Forma Financial Information of the Enlarged Group:

(1) The adjustment is extracted from the VSD Circular and reflects the effect of the Disposal on the consolidated statement of financial position of the Group as if the Disposal had been completed on 31 March 2010.

(2) The adjustment is extracted from the VSD Circular and reflects the net cash consideration of HK$44,000,000, which is derived from the gross cash proceeds of HK$50,000,000 based on the terms stated in the disposal agreement, less estimated legal and professional fees and other direct costs of HK$6,000,000, which resulted in an estimated loss on the Disposal of HK$20,690,000 as compared to the net carrying value of the Disposal Group of HK$71,437,000 as at 31 March 2010, net of the reclassification adjustment of exchange reserve contributed by the Disposal Group of approximately HK$6,747,000 as at 31 March 2010, to the profit or loss upon the Disposal.

(3) The adjustment is extracted from the VSD Circular and reflects the re-classification of the loan to an associate amounting to HK$28,500,000 to prepayments, deposits and other receivables, and amount due to an associate amounting to HK$81,000 to accrued expenses and other payables assuming the Disposal had been completed and after which the Disposal Group ceased to be the associates of the Group.

(4) The adjustment is extracted from the VSD Circular and reflects the receipt of the remaining consideration on the disposal of 51% equity interests in the Disposal Group by the Group in the amount of HK$10,000,000 from the escrow agent, assuming that the performance guarantee in the relevant disposal agreement had been met and waived where appropriate.

(5) The adjustment represents the effect of the Acquisition to the Group with the Consideration of HK$70,000,000 to be satisfied by (i) aggregate amount of HK$66,000,000 in cash up to the Completion of the Acquisition; and (ii) the Promissory Note in the principal amount of HK$4,000,000 to be issued by the Company upon Completion of the Acquisition, and the elimination of the pre-acquisition reserves of the Target Group as at 31 July 2010 of approximately HK$7,000 upon Completion of the Acquisition.

Under Hong Kong Financial Reporting Standard 3 (Revised) "Business Combination", the Group applied the acquisition method to account for the Acquisition in which the identifiable assets, liabilities and contingent liabilities of the Target Group will be initially recorded on the consolidated statement of financial position of the Group at their respective fair values at the date of Completion of the Acquisition. Any goodwill or gain from a bargin purchase arising on the Acquisition will be determined as the excess or deficit of the purchase price to be incurred by the Group over the Group's interests in the net fair value of the identifiable assets, liabilities and contingent liabilities of the Target Group at the date of Completion of the Acquisition. Gain from a bargin purchase, as the excess of the Group's interests in the net fair value of the identifiable assets, liabilities and contingent liabilities of the Target Group over the purchase price, should be recognised immediately in profit or loss of the Enlarged Group.

For the purpose of this unaudited pro forma consolidated statement of financial position of the Enlarged Group, it is assumed that the fair value of the Promissory Note upon its initial recognition to be equal to its principal amount of HK$4,000,000 and the profit guarantee will be fulfilled.

The Group's interests in the net fair values of the identifiable assets, liabilities and contingent liabilities of the Target Group and the Sale Loan (defined below) being acquired are subject to changes up to the Completion of the Acquisition which shall be assessed on the date of Completion of the Acquisition. For the purpose of this unaudited pro forma consolidated statement of financial position of the Enlarged Group, which is prepared solely for illustrative purposes, it is assumed that the Consideration of HK$70,000,000 represents the fair value of the purchase price and the net fair values of the identifiable assets, liabilities and contingent liabilities of the Target Group and the Sale Loan (defined below) being acquired, which comprises (a) the fair value of the effective 90% interests in the intangible assets resulting from the Supplier LOI and the Customer LOI entered into by the 90%-owned subsidiary of the Target (collectively the "LOIs"), net of deferred tax liabilities, amounting to HK$70,000,000; (b) the fair value of the net liabilities of the Target Group attributable to the Group of approximately HK$7,000 (being its net assets of approximately HK$93,000 less its non-controlling interest of approximately HK$100,000) as at 31 July 2010 which are also their respective carrying values as at 31 July 2010; and (c) the attributable amount of approximately HK$7,000 owing by the Target to the vendor as at 31 July 2010 (the "Sale Loan"), for the purpose of applying the acquisition method in this unaudited pro forma consolidated statement of financial position of the Enlarged Group. The aggregate fair values of the intangible assets of the Target Group in relation to the LOIs are estimated to be approximately HK$93,147,000 on initial recognition (which is calculated, with reference to assumption (a) above, based on the fair value of the effective 90% interests in the intangible assets resulting from the LOIs, net of deferred tax liabilities, amounting to HK$70,000,000 and accounted for the effect of deferred tax liabilities arising on business combination from the recognition of the aggregate fair values of the intangible assets of the Target Group calculated with reference to Hong Kong profits tax rate of 16.5%) and the related deferred tax liabilities calculated with reference to Hong Kong profits tax rate of 16.5% amounted to approximately HK$15,369,000. This results in an adjustment on the non-controlling interest of the Enlarged Group of approximately HK$7,778,000, representing the share of net fair value of the Target Group by the minority shareholder holding 10% equity interest in the Target's 90%-owned subsidiary, and is based on 10% of the assumed fair value of the intangible assets net of the related deferred tax liabilities in the amount of HK$77,778,000 (being estimated fair value of intangible assets of HK$93,147,000 less estimated related deferred tax liabilities of HK$15,369,000) as mentioned above.

The reporting accountants of the Company in respect of the unaudited pro forma financial information of the Enlarged Group have enquired the management of the Group to ensure that the steps taken on the assessment of impairment on intangible assets have been properly performed in accordance with Hong Kong Accounting Standard 36 "Impairment of Assets" which is consistent with the accounting policy of the Company. On that basis, the Company concluded that no impairment in value of the intangible assets is considered necessary.

(6) The adjustment reflects the re-classification of the amount due from a shareholder amounting to HK$100,000 to the amount due from a minority shareholder assuming the Acquisition had been completed and after which the shareholder of the Target would become a minority shareholder of the Target Group through the holding of 10% equity interest in the Target's 90%-owned subsidiary.

(B) REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following is the text of an accountants' report, prepared for the sole purpose of inclusion in this circular, received from the independent reporting accountants, BDO Limited, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information on the Enlarged Group as set out in this Appendix.

Tel: +852 2541 5041
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話：+852 2541 5041
傳真：+852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

14 October 2010

The Board of Directors
Ming Kei Holdings Limited
Room 3308
The Center
99 Queen's Road Central
Hong Kong

Dear Sirs,

We report on the unaudited pro forma financial information (the "Unaudited Pro Forma Financial Information") of Ming Kei Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") in connection with the proposed acquisition of (i) the entire equity interest in China Indonesia Friendship Coal Trading Company Limited (the "Target", together with its 90%-owned subsidiary are referred to as the "Target Group") by Star Coal International Investment Company Limited, a wholly-owned subsidiary of the Company; and (ii) the attributable amount owing by the Target to the vendor (collectively the "Acquisition"), which have been prepared by the directors of the Company, solely for illustrative purposes only, to provide information about how the Group's Acquisition might have affected the financial information of the Group, for inclusion in Appendix IV to the circular of the Company dated 14 October 2010 (the "Circular"). The Group together with the Target Group after the Disposal (as defined below) is referred to as the Enlarged Group. It is also assumed that the disposal (the "Disposal") of the 49% equity interests in Star Fortune International Investment Company Limited and its subsidiaries, which are then indirect 49%-owned associates of the Group (collectively referred to as the "Disposal Group") by the Group had been completed on 31 March 2010 for the unaudited pro forma consolidated statement of financial position, details of which are set out in Appendix II to the circular of the Company dated 23 July 2010 (the "VSD Circular"). The Disposal was completed on 16 August 2010, details of which are set out in the announcements of the Company dated 5 July 2010 and 16 August 2010 and the VSD Circular. The basis of preparation of the Unaudited Pro Forma Financial Information is set out in Appendix IV to the Circular.

Respective Responsibilities of Directors of the Company and Reporting Accountants

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with Chapter 7 of the Rules Governing the Listing of Securities on Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by Chapter 7 of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to Chapter 7 of the GEM Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purpose only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Enlarged Group as at 31 March 2010 or any future date.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to Chapter 7 of the GEM Listing Rules.

Yours faithfully,
For and on behalf of
BDO Limited
Certified Public Accountants
Hong Kong

Lam Siu Fung
Practising Certificate number: P05308

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and short positions in shares, underlying shares and debentures

As at the Latest Practicable Date, the interests and short positions of the Directors 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 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 as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

(i) Interest in Shares:

Name	Number or attributable number of Shares held or short positions	Nature of interests	Approximate percentage or attributable percentage of shareholding *(%)*
Ming Kei International Holding Company Limited ("**Ming Kei International**") *(Note 1)*	10,360,838 (L)	Beneficial owner	13.05
Mr. Wong Wai Sing *(Note 2)*	10,360,838 (L)	Interest of controlled corporation	13.05
	252,200 (L)	Beneficial owner	0.32

Name	Number or attributable number of Shares held or short positions	Nature of interests	Approximate percentage or attributable percentage of shareholding *(%)*
Lonestar Group Limited ("**Lonestar**") *(Note 3)*	200,000 (L)	Beneficial owner	0.25
Mr. Tsang Ho Ka, Eugene *(Note 4)*	200,000 (L)	Interest of controlled corporation	0.25
Ms. Lau Kimberly Siu Yan Kaiulani *(Note 5)*	200,000 (L)	Beneficial owner	0.25

(ii) *Interest in share options:*

Name of Directors	Date of grant	Exercisable period	Exercise price per Share *HK$*	Number of share options granted
Ms. Yick Mi Ching, Dawnibilly	3 September 2010	3 September 2010 to 2 September 2020	HK$1.51	3,970,052 *(Note 6)* (L)
Mr. Tsang Ho Ka, Eugene	3 September 2010	3 September 2010 to 2 September 2020	HK$1.51	3,970,052 *(Note 6)* (L)

L: Long Position

Notes:

1. Ming Kei International is wholly and beneficially owned by Mr. Wong Wai Sing, a non-executive Director and a sole executive director of Ming Kei International. Therefore Mr. Wong Wai Sing is deemed to be interested in the shares of Ming Kei International.

2. Ming Kei International is wholly and beneficially owned by Mr. Wong Wai Sing, therefore, Mr. Wong Wai Sing, is deemed to be interested in the 10,360,838 Shares in which Ming Kei International is interested.

3. Lonestar is wholly and beneficially owned by Mr. Tsang Ho Ka, Eugene, an executive Director and a sole executive director of Lonestar.

4. Lonestar is wholly and beneficially owned by Mr. Tsang Ho Ka, Eugene, therefore, Mr. Tsang Ho Ka, Eugene is deemed to be interested in the 200,000 Shares in which Lonestar is interested.

5. Lonestar is wholly and beneficially owned by Mr. Tsang Ho Ka, Eugene and who is the spouse of Ms. Lau Kimberly Siu Yan Kaiulani. Accordingly, Mr. Tsang Ho Ka, Eugene and Ms. Lau Kimberly Siu Yan Kaiulani is deemed to be interested in the

200,000 Shares in which Lonestar is interested and Ms. Lau Kimberly Siu Yan Kaiulani is deemed to be interested in the Shares beneficially owned by Mr. Tsang Ho Ka, Eugene in his own capacity.

6. Subject to the Shareholders' approval in a general meeting of the Company to be held.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors had any interests or short positions in the share of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were 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 are taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders' and other persons' interests in Shares and underlying shares

As at the Latest Practicable Date, the interests and short positions of persons, other than the Directors or chief executive 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 were as follows:

Name of Shareholders	Number or attributable number of Shares held or short positions	Nature of interests	Approximate percentage or attributable percentage of shareholding *(%)*
Ming Kei International *(Note 1)*	10,360,838 (L)	Beneficial owner	13.05
Mr. Wong Wai Sing *(Note 2)*	10,360,838 (L)	Interest of controlled corporation	13.05
	252,200 (L)	Beneficial owner	0.32
Ms. Wong Ka Man	5,200,000 (L)	Beneficial owner	6.55

Name of Shareholders	Number or attributable number of Shares held or short positions	Nature of interests	Approximate percentage or attributable percentage of shareholding *(%)*
Triumph Star Enterprises Limited ("**Triumph**") *(Note 3)*	5,000,000 (L)	Beneficial owner	6.30
Mr. Chan Francis Ping Kuen ("**Mr. Chan**") *(Note 3)*	5,000,000 (L)	Interest of controlled corporation	6.30
Lofty Star Limited ("**Lofty**") *(Note 4)*	5,000,000 (L)	Beneficial owner	6.30
Mr. Ip Shu Wai ("**Mr. Ip**") *(Note 4)*	5,000,000 (L)	Interest of controlled corporation	6.30
Glorious Smart International Investment Limited ("**Glorious**") *(Note 5)*	5,000,000 (L)	Beneficial owner	6.30
Ms. Wang Hong ("**Ms. Wang**") *(Note 5)*	5,000,000 (L)	Interest of controlled corporation	6.30

L: Long Position

Notes:

1. Ming Kei International is wholly and beneficially owned by Mr. Wong Wai Sing, a non-executive Director and a sole executive director of Ming Kei International. Therefore Mr. Wong Wai Sing is deemed to be interested in the shares of Ming Kei International.

2. Ming Kei International is wholly and beneficially owned by Mr. Wong Wai Sing, therefore, Mr. Wong Wai Sing, is deemed to be interested in the 10,360,838 Shares in which Ming Kei International is interested.

3. Triumph is a subscriber of 5,000,000 non-listed warrants under the private placing of non-listed warrants which confer rights to Triumph to subscribe for 5,000,000 Shares. Triumph is wholly and beneficially owned by Mr. Chan, therefore, Mr. Chan is deemed to be interested in the 5,000,000 Shares in which Triumph is interested.

4. Lofty is a subscriber of 5,000,000 non-listed warrants under the private placing of non-listed warrants which confer rights to Lofty to subscribe for 5,000,000 Shares. Lofty is wholly and beneficially owned by Mr. Ip, therefore, Mr. Ip is deemed to be interested in the 5,000,000 Shares in which Lofty is interested.

5. Glorious is a subscriber of 5,000,000 non-listed warrants under the private placing of non-listed warrants which confer rights to Glorious to subscribe for 5,000,000 Shares. Glorious is wholly and beneficially owned by Ms. Wang, therefore, Ms. Wang is deemed to be interested in the 5,000,000 Shares in which Gloriuos is interested.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was 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 member of the Group.

3. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Enlarged Group within the two years immediately preceding the date of this circular and are or may be material:

(a) the sale and purchase agreement dated 3 July 2007 entered into between Star Fortune International Investment Company Limited (星力富鑫國際投資有限公司) ("**Star Fortune International Investment**"), an indirect wholly-owned subsidiary of the Company as purchaser and Ming Kei International (明基國際集團有限公司), Mr. Wong Wai Ngok and Mr. Wong Wai Sing collectively as vendors regarding the sale and purchase of the entire equity interests in Ming Kei Kai Yuan Investment Company Limited at a consideration of HK$1,000,000,000 (subject to adjustment) and a supplemental agreement dated 30 April 2009;

(b) the supplement deed dated 13 February 2009 entered into between the Company and Ming Kei International, pursuant to which, Ming Kei International had agreed to waive part of the promissory note issued from the Company to Ming Kei International with an aggregate principal amount of HK$49,200,000 and replaced and substituted with a new promissory note with an aggregate principal amount of HK$120,000,000;

(c) the deed of waiver dated 13 February 2009 entered into between the Company and Ming Kei International, pursuant to which, Ming Kei International had agreed to waive part of the promissory note issued from the Company to Ming Kei International with an aggregate principal amount of HK$49,200,000 and replaced and substituted with a new promissory note with an aggregate principal amount of HK$120,000,000 (the "Revised Promissory Note"). At the same time, the Company amended the interest rate of the Revised Promissory Note from 1% per annum to zero coupon;

(d) the deed of settlement dated 13 February 2009 entered into between the Company and Mr. Wong Wai Ngok, pursuant to which, the Company agreed that by payment of HK$2,000,000 to Mr. Wong Wai Ngok for early redemption of the aggregate principal sum of promissory note issued by the Company to Mr. Wong Wai Ngok;

(e) the sale and purchase agreement dated 30 April 2009 entered into among the Company, Star Fortune International Development Company Limited ("**Star Fortune International Development**"), an indirect wholly-owned subsidiary of the Company, China Sonangol Resources Enterprise Limited ("**China Sonangol**") and Lasting Power Investments Limited (力恒投資有限公司) ("**Lasting Power**"), a wholly-owned subsidiary of China Sonangol in relation to the sale and purchase of the 51% equity interests in Star Fortune International Investment at a consideration of HK$100,000,000;

(f) the provisional agreement dated 7 July 2009 in relation to the sale and purchase of a property in Block 5 Sorrento, 1 Austin Road West, Kowloon, Hong Kong, entered into between Star Energy International Investment Company Limited and Ming Kei Properties Investment Limited at a consideration of HK$8,300,000;

(g) the conditional sale and purchase agreement dated 16 July 2009 entered into between Star Trading International Investment Company Limited as purchaser and Mr. Poon Chi Ho and Best Rise Asia Limited, as vendors for the sale and purchase of the entire issued share capital of HongKong Talent Holdings Limited 香港迪康集團有限公司 and the outstanding shareholder's advance in an aggregate amount of approximately HK$14.5 million at a consideration of HK$18,000,000;

(h) the subscription documents entered into by Star Enterprise Investment Company Limited, an indirect wholly-owned subsidiary of the Company on 2 November 2009, as subscriber in relation to the subscription of 12,830 class A shares of Proteus Growth Fund Ltd., at a subscription price of USD1,283,000 (equivalent to approximately HK$10,007,000) in cash;

(i) the conditional warrant placing agreement dated 29 December 2009 and entered into among the Company, Pulsar Securities Limited and Mr. Tam Chak Chi in relation to the subscription of 4,224,000 non-listed warrants by Pulsar Securities Limited at an issue price and subscription price of HK$0.19 per warrant and HK$1.31 per share respectively, exercisable at any time during a period of 18 months;

(j) the conditional warrant placing agreement dated 29 December 2009 and entered into among the Company, Cypress Bright Limited and Mr. Lam Wing Hong, Jimmy in relation to the subscription of 4,752,000 warrants by Cypress Bright Limited at an issue price and subscription price of HK$0.19 per warrant and HK$1.31 per share respectively, exercisable at any time during a period of 18 months;

(k) the conditional warrant placing agreement dated 29 December 2009 and entered into among the Company, Key Talent Limited, and Mr. Wong Ming, Kerry in relation to the subscription of 1,584,000 warrants by Key Talent Limited at an issue price and subscription price of HK$0.19 per warrant and HK$1.31 per share respectively, exercisable at any time during a period of 18 months;

(l) the subscription agreement dated 17 February 2010 and entered into between the Company and Ming Kei International Holding Co. Limited in respect of the subscription of the zero coupon convertible bonds with a three-year term in the principal amount of HK$20,000,000 with an initial conversion price of HK$1.67 per share, convertible into 11,976,047 Shares;

(m) the disposal agreement dated 20 May 2010 and entered into among the Company, Star Fortune International Development, China Sonangol and Lasting Power in relation to the sale and purchase of the 49% equity interests in Star Fortune International Investment at a total consideration of HK$50,000,000 in cash;

(n) the Agreement;

(o) the conditional warrant placing agreement dated 2 September 2010 and entered into among the Company, Glorious Smart International Investment Limited and Ms. Wang Hong in relation to the subscription of 5,000,000 non-listed warrants by Glorious Smart International Investment Limited at an issue price and subscription price of HK$0.24 per warrant and HK$0.92 per Share respectively, exercisable at any time during a period of 18 months;

(p) the conditional warrant placing agreement dated 2 September 2010 and entered into among the Company, Lofty Star Limited and Mr. Ip Shu Wai in relation to the subscription of 5,000,000 non-listed warrants by Lofty Star Limited at an issue price and subscription price of HK$0.24 per warrant and HK$0.92 per Share respectively, exercisable at any time during a period of 18 months; and

(q) the conditional warrant placing agreement dated 2 September 2010 and entered into among the Company, Triumph Star Enterprises Limited and Mr. Chan Francis Ping Kuen in relation to the subscription of 5,000,000 non-listed warrants by Triumph Star Enterprises Limited at an issue price and subscription price of HK$0.24 per warrant and HK$0.92 per Share respectively, exercisable at any time during a period of 18 months.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group, excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. LITIGATION

As at the Latest Practicable Date, no member of the Enlarged Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened against any member of the Enlarged Group as at the Latest Practicable Date.

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or substantial Shareholder or any of their respective associates has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

7. EXPERT

The following is the qualifications of the expert who has given an opinion or advice contained in this circular:

Name	Qualification
BDO Limited ("**BDO**")	Certified Public Accountants

As at the Latest Practicable Date, BDO did not have any interests, either direct or indirect, in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2010, the date to which the latest published audited consolidated financial statements of the Group were made up.

As at the Latest Practicable Date, BDO was not interested beneficially or non-beneficially in any Shares in the Company or any of its subsidiaries or any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

BDO has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or report and/or reference to its name in the form and context in which it respectively appears.

8. MISCELLANEOUS

(a) There is no contract or arrangement entered into by any member of the Group subsisting at the date of this circular in which any Director is materially interested and which is significant to the business of the Enlarged Group.

(b) As at the Latest Practicable Date, no Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased to, or which were proposed to be acquired, disposed of by or leased to, any member of the Group since 31 March 2010, the date to which the latest published audited consolidated financial statements of the Group were made up.

(c) The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the head office and principal place of business in Hong Kong is at Room 3308, The Center, 99 Queen's Road Central, Central, Hong Kong.

(d) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road Central East, Wanchai, Hong Kong.

(e) The company secretary of the Company is Mr. Tsang Ho Ka, Eugene who is a Certified Practising Accountant of the CPA Australia, a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants, a member of the Hong Kong Institute of Directors, an associate management accountant of the Institute of Certified Management Accountants, Australia, an associate of the Taxation Institute of Hong Kong, a full member of the Institute of Accountants Exchange and a Certified Tax Adviser of the Taxation Institute of Hong Kong.

(f) The compliance officer of the Company is Mr. Wong Wai Sing, a non-executive Director and chairman of the Group.

(g) 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 financing reporting process and internal control system of the Group. The audit committee comprises three members namely, Mr. Sung Wai Tak, Herman, Mr. Kwok Kam Tim and Mr. Kinley Lincoln James Lloyd, all are independent non-executive Directors. Set out below are their background and directorships (present and past) of other companies listed on GEM, the main board of the Stock Exchange or other stock exchanges.

Mr. Sung Wai Tak, Herman, aged 52, is a solicitor of the High Court of the Hong Kong Special Administrative Region and the Supreme Court of the New South Wales in Australia. Mr. Sung holds a bachelor's degree of art from The Chinese University of Hong Kong, a bachelor's degree of laws from The University of London and holds a master of laws from The University of Sydney. Mr. Sung has extensive experiences in the legal area both in Hong Kong and Australia respectively and he is currently a solicitor practising in Hong Kong and his practice has been focused on commercial related matters. Mr. Sung is currently an independent non-executive director of the TLT Lottotainment Group Limited (stock code: 8022), a company listed on the GEM of the Stock Exchange. Mr. Sung is also the member of the audit committee and the remuneration committee of the Company respectively.

Mr. Kwok Kam Tim, aged 34, is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a member of the Association of Chartered Certified Accountants. Mr. Kwok holds a bachelor's degree of engineering in electronics engineering from the Hong Kong University of Science and Technology and bachelor's degree of arts in accountancy from the Hong Kong Polytechnic University. Mr. Kwok has over 8 years of experiences in accounting and financial managements and previously worked in an international CPA firm. Mr. Kwok is currently a financial controller, company secretary and authorised representative of the Loudong General Nice Resources (China) Holdings Limited (stock code: 988), a company listed on the main board of the Stock Exchange. Mr. Kwok is also the chairman and member of the audit committee and the member of the remuneration committee respectively.

Mr. Kinley Lincoln James Lloyd, aged 32, is admitted as solicitor of the High Court of the Hong Kong Special Administrative Region, a solicitor of the Supreme Court of New South Wales, Australia and a barrister and solicitor of the Supreme Court of Western Australia.

Mr. Kinley holds a graduate certificate in legal practice and bachelor's degree in law (with honors) from the University of Technology, Sydney, Australia. Mr. Kinley has over 6 years legal experience in both Australia and Hong Kong respectively and his practice has been focused on the areas of employment law and general commercial litigation. Mr. Kinley is currently practicing law in leading Hong Kong firm. Mr. Kinley is also the member of the audit committee and the remuneration committee respectively.

(h) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Room 3308, The Center, 99 Queen's Road Central, Central, Hong Kong during normal business hours on any Business Day from the date of this circular up to and including the date of the SGM:

(a) the memorandum of association and bye-laws of the Company;

(b) the material contracts referred to in the paragraph headed "Material contracts" in this Appendix;

(c) the written consent of expert referred to in the paragraph headed "Expert" in this Appendix;

(d) the accountants' report from BDO Limited on the Target Group, the text of which is set out in Appendix II to this circular;

(e) the accountants' report from BDO Limited in respect of the unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix IV to this circular;

(f) the annual reports of the Company for each of the two financial years ended 31 March 2009 and 31 March 2010;

(g) the circular dated 23 July 2010 in relation to the very substantial disposal involving disposal of 49% equity interests in Star Fortune International Investment Company Limited; and

(h) this circular.

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)

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of the shareholders of Ming Kei Holdings Limited (the "**Company**") will be held at Room 3308 The Center, 99 Queen's Road Central, Hong Kong on Friday, 29 October 2010 at 11:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions with or without amendments as an ordinary resolution:

ORDINARY RESOLUTION

"**THAT** the conditional sale and purchase agreement ("**the Agreement**") dated 26 August 2010 entered into between Star Coal International Investment Company Limited ("**Star Coal**"), an indirect wholly owned subsidiary of the Company, as purchaser, and Mr. Woo Man Wai, David (the "**Vendor**"), as vendor, in relation to the sale and purchase of the entire issued share capital of China Indonesia Friendship Coal Trading Company Limited, and the Sale Loan (as defined in the circular) (a copy of which is marked "A" and produced to the SGM and signed by the chairman of the SGM for identification purpose) be and is hereby ratified, confirmed and approved and any one or more director(s) (the "**Directors**") of the Company be and is/are hereby authorised to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the implementation of and giving effect to the Agreement and the transactions contemplated thereunder."

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

Hong Kong, 14 October 2010

* *for identification purposes only*

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business:
Room 3308
The Center
99 Queen's Road Central
Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the SGM convened by the above notice is entitled to appoint one or more proxies to attend and, subject to the provisions of the bye-laws of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.

2. A form of proxy for use at the SGM is enclosed. Whether or not you intend to attend the SGM in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he so wish.

3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's Hong Kong branch share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.

4. In the case of joint holders of Shares, any one of such holders may vote at the SGM, either personally or by proxy, in respect of such Shares as if he was solely entitled thereto, but if more than one such joint holders are present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.