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 registered dealer in securities, bank manager, solicitor, 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 together with the enclosed proxy form 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 transferee.

This circular appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.

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 ISSUED SHARE CAPITAL OF FOREMOST STAR INVESTMENTS LIMITED INVOLVING THE ALLOTMENT AND ISSUE OF CONSIDERATION SHARES AND PROPOSED REFRESHMENT OF GENERAL MANDATE

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders of the Company

Donvex 富域資本
Donvex Capital Limited
富域資本有限公司

A letter from the Board is set out on pages 6 to 24 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 25 of this circular. A letter from Donvex Capital Limited containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 26 to 34 of this circular.

A notice convening a special general meeting of the Company to be held at Room 2103, 21/F, No. 9 Queen's Road Central, Central, Hong Kong on Tuesday, 16 October 2012 at 11:30 a.m. is set out on pages SGM-1 to SGM-4 of this circular. A proxy form for use at the special general meeting is also enclosed with this circular. Whether or not you are able to attend the SGM, you are encouraged to complete and return the enclosed proxy form 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 proxy form 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 www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and the Company's website at http://www.mingkeiholdings.com.

* *for identification purposes only*

26 September 2012

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a high 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.

CONTENTS

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

"Acquisition"	the acquisition of the Sale Shares and the Sale Loan pursuant to the terms of the Agreement
"AGM"	the annual general meeting of the Company held on 2 August 2012 in which the Shareholders had approved, among other matters, the Current General Mandate
"Agreement"	the sale and purchase agreement dated 24 May 2012 and entered into between Star International and the Vendor supplemented by the Supplemental Agreement and the letter of agreement dated 10 September 2012 in respect of the Acquisition
"associate(s)"	has the meaning ascribed thereto in the GEM Listing Rules
"Board"	the board of Directors from time to time
"Business Day(s)"	a day (other than a Saturday, Sunday, public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
"BVI"	the British Virgin Islands
"Company"	Ming Kei Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed on the GEM
"Completion"	completion of the Agreement
"Conditions"	the conditions precedent to the completion of the Agreement
"Consideration"	the consideration of HK$88,000,000 to be satisfied by Star International for the Acquisition
"Consideration Shares"	34,300,000 new Shares to be allotted and issued by the Company at the Issue Price to the Vendor to satisfy part of the Consideration

"Current General Mandate"	the general mandate approved at the AGM to grant to the Directors to allot and issue Shares of up to 20% of the share capital of the Company in issue on the date of the passing of the relevant ordinary resolution, i.e. 2 August 2012
"Director(s)"	the director(s) of the Company, from time to time
"Enlarged Group"	the Group as enlarged by the proposed Acquisition of Target Group
"Funding Raising Exercise"	equity funding raising exercise conducted by the Company by way of Placing and open offer exercise of the Company on 5 July 2012
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the GEM
"Group"	the Company and its subsidiaries from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent committee of the Board, comprising all the independent non-executive Directors, to advise the Independent Shareholders as to the fairness and reasonableness of the grant of the New General Mandate and any extension thereof
"Independent Financial Adviser" or "Donvex Capital"	Donvex Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities as defined under the SFO, being independent financial adviser to the Independent Board Committee and the Independent Shareholders
"Independent Shareholders"	Shareholder(s) other than the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates

"Independent Third Party(ies)"	any person(s) or company(s) and their respective ultimate beneficial owner(s), to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, are third party(ies) independent of and not connected with any Director, chief executive or substantial shareholders or management shareholders of the Company or its subsidiaries or any of their respective associates
"Issue Price"	HK$0.38 per Consideration Share
"Last Trading Day"	14 August 2012 as the last trading day on which the Shares were traded on the Stock Exchange prior to the date of the Supplemental Agreement
"Latest Practicable Date"	20 September 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
"Long Stop Date"	31 December 2012, or such later date as the Vendor and Star International may agree
"New General Mandate"	the general mandate proposed to be granted to the Directors at the SGM to allot, issue and otherwise deal in additional Shares not exceeding 20% of the share capital of the Company in issue on the date of the passing of the relevant ordinary resolution
"Placing"	placing of the Placing Shares by the Company through Orient Securities Limited as placing agent to the professional, institutional or other investors who were Independent Third Parties procured by or on behalf of the Orient Securities Limited to subscribe for the Placing Shares pursuant to the placing agreement dated 20 August 2012
"Placing Shares"	46,100,000 new Shares placed pursuant to the placing agreement dated 20 August 2012
"PRC"	the People's Republic of China, which for the purpose of this circular, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

"Property"	the property located at Room 222, 2/F, Nan Fung Industrial City, Central Services Building, No. 18 Tin Hau Road, Tuen Mun, New Territories, which is legally and beneficially owned by the Target Subsidiary
"Reorganisation"	the reorganisation of the Target Group to be conducted prior to the Completion, after which (i) the Target will be interested in the entire issued share capital of the Target Subsidiary; and (ii) the Target Subsidiary will be the legal and beneficial owner of the Property
"Sale Loan"	all net obligations, liabilities and debts owing or incurred by the Target Group 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, which as at the date of the Agreement, amounted to HK$16,287,715
"Sale Shares"	50,000 shares in the Target, representing the entire issued share capital of the Target
"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 transactions contemplated thereunder and the New General Mandate
"Share(s)"	ordinary share(s) of HK$0.01 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of the issued Share(s) from time to time
"Star International"	Star International Business Development Company Limited, a company incorporated in BVI with limited liability, an indirect wholly owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Agreement"	the supplemental agreement for the Agreement dated 15 August 2012 entered into between Star International and the Vendor

"Target"	Foremost Star Investments Limited, a company incorporated in BVI with limited liability which is wholly owned by the Vendor
"Target Group"	collectively the Target and the Target Subsidiary
"Target Subsidiary"	Calneva Capital Limited, a company incorporated in Hong Kong with limited liability, its entire issued share capital is currently wholly owned by the Vendor and will be wholly owned by the Target after the Reorganisation
"Tenancy Agreement"	the tenancy agreement dated 10 September 2012 entered into between the Target Subsidiary and the Tenant in relation to the Property, for a term of two years commencing from 15 October 2012 to 14 October 2014 (both days inclusive), at a monthly rent of HK$295,000 exclusive of all outgoings, with an option to renew for a further term of two years from 15 October 2014 to 14 October 2016 (both days inclusive). The tenancy is subject to a rent-free period from 15 September 2012 to 14 October 2012 (both days inclusive)
"Tenant"	China Tietong Data Center Limited, an Independent Third Party (a tenant being procured by the Vendor)
"Valuation"	the value of the Property as shown in the valuation report prepared by an independent valuer which shall be prepared in compliance with the requirements of the GEM Listing Rules and such bases and assumptions as may be agreed by the Vendor and Star International
"Vendor"	Mr. Yuan Huafeng, a citizen of the PRC, an Independent Third Party
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	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. Ho Pui Tin, Terence
Mr. Chow Pak Wah, Oliver

Non-executive Directors:
Mr. Wong Wai Sing
Mr. Tsang Ho Ka, Eugene

Independent non-executive Directors:
Mr. Kwok Kam Tim
Mr. Ho Chi Wai
Ms. Cui Ying

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KYI-1111
Cayman Islands

Head office and principal place of business in Hong Kong:
Room 2103, 21/F
No. 9 Queen's Road Central
Central, Hong Kong

26 September 2012

To the Shareholders

Dear Sir or Madam

MAJOR TRANSACTION
IN RESPECT OF THE ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL OF
FOREMOST STAR INVESTMENTS LIMITED
INVOLVING THE ALLOTMENT AND
ISSUE OF CONSIDERATION SHARES
AND
PROPOSED REFRESHMENT OF GENERAL MANDATE

INTRODUCTION

Reference is made to the announcements of the Company dated 24 May 2012, 8 June 2012, 24 July 2012 and 31 July 2012 in which the Board announced that on 24 May 2012 (after trading hours), Star International entered into the Agreement, pursuant to which, the Vendor as vendor, has agreed to sell, and Star International, as purchaser, has agreed to purchase, the Sale Shares and the Sale Loan for a consideration of HK$88,000,000. Reference is also made to the announcement of the Company dated 15 August 2012 in which the Board announced that on 15 August 2012 (after trading hours), the parties to the Agreement entered into the Supplemental Agreement to amend certain terms and conditions of the Agreement.

* *for identification purposes only*

The Acquisition and the transactions contemplated under the Agreement constitute a major transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and will be subject to the approval by the Shareholders by way of poll at the SGM.

The purpose of this circular is to provide you with further information regarding (i) the Acquisition and the Agreement and the transactions contemplated thereunder; (ii) the grant of the New General Mandate and any extension thereof; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders on the grant of the New General Mandate and any extension thereof; (iv) the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, on the grant of the New General Mandate and any extension thereof; and (v) the notice of SGM, at which the necessary resolutions will be proposed to the Shareholders to consider and, if thought fit, approve the Acquisition and the transactions contemplated under the Agreement, including but not limited to approving the further extension of the Long Stop Date, and to the Independent Shareholders to consider and, if thought fit, approve the New General Mandate and any extension thereof both by way of poll.

THE AGREEMENT

Date: 24 May 2012 (after trading hours) as supplemented by the Supplemental Agreement and the letter of agreement dated 10 September 2012

Parties:

Purchaser: Star International

Vendor: the Vendor

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 International has agreed to acquire and the Vendor has agreed to sell the Sale Shares and the Sale Loan.

The Sale Shares represent the entire issued share capital of the Target. The Sale Loan represents all net obligations, liabilities and debts owing or incurred by the Target Group to the Vendor on or at any time prior to Completion, whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion.

The Target Subsidiary is legally and beneficially interested in the Property which is a property located in Tuen Mun, Hong Kong with a total gross floor area of approximately 18,294 square feet. Immediately, after the Reorganisation, the Target Subsidiary will become a wholly owned subsidiary of the Target.

As at the Latest Practicable Date, according to the approved plan and the title documents of the Property, the Property was designed to be used as canteen/restaurant, kitchen and toilets. Star International and the Target Group have not, do not or will not give any warranty on the usage of the Property as to whether the Property is suitable for the business of the Tenant. In the event that any kind of licenses is required by laws to be obtained for the purpose of the Tenant's business within the Property, the Tenant is required to obtain prior written consent from Star International or the Target Group. The Tenant is solely responsible to obtain the relevant approval and/or license and/or consent from the relevant government departments and shall bear all the related costs and expenses in connection therewith.

Consideration

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

1. the deposit in the sum of HK$20,000,000 shall be paid to the Vendor upon signing of the Agreement;

2. upon the execution of the share charge over the Sale Shares executed by the Vendor in favour of Star International, the further deposit in the sum of HK$35,000,000 shall be paid by Star International to the Vendor on or before 15 August 2012; and

3. subject to the adjustment stated below, at Completion:

   (i) part of the balance of the Consideration, being HK$13,034,000, shall be settled by procuring the Company to allot and issue the Consideration Shares to the Vendor; and

   (ii) the outstanding balance of the Consideration, being HK$19,966,000, shall be paid by Star International to the Vendor.

The Consideration shall be adjusted in accordance with the following formula:

$$X = Y - Z$$

Where:

X = the sum to be deducted from the Consideration (the **"Deduction"**)
Y = the Consideration
Z = the Valuation

provided that the sum of the Deduction shall not be more than HK$8,800,000 (being 10% of the Consideration). There should not be any adjustments to the Consideration if the sum of Deduction shall be zero or fall to be a negative figure.

If the sum of the Deduction shall be more than HK$8,800,000 (i.e. more than 10% of the Consideration), the Vendor and Star International shall negotiate in good faith with each other the amount of the Consideration to be adjusted and in the event that the Vendor and Star International fail to agree on the adjusted Consideration within three Business Days from the date of issue of the valuation report of the Property (or such other date as may be mutually agreed by the Vendor and Star International), the Agreement shall forthwith be terminated and in which event the Vendor shall forthwith refund the deposit being HK$20,000,000 paid by Star International, with interest of 3% per annum calculated based on the actual number of days elapsed and on a basis of a 365-day year and the further deposit being HK$35,000,000 paid by Star International and the interest accrued in the same way, to Star International and neither party shall have any obligations and liabilities thereunder and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies save for any antecedent breaches of the terms thereof.

The Board is of the view that the adjustment based on the Valuation instead of the net asset value of the Target Group is fair and reasonable because (i) the members of the Target Group are investment holding companies having no material assets other than their beneficial interests in the Property; and (ii) the Vendor has expressly warranted to Star International, among other warranties, under the Agreement that the Property and the Target Group will be free from any mortgage, charge, pledge or other security (the "**Warranty**").

The Share Charge was given by the Vendor in favour of Star International by way of first fixed charge over the 50,000 Sale Shares including all dividends paid or payable thereon as continuing security for the payment and discharge of any and all of the obligations which are or may become due and owing to Star International under or pursuant to the Agreement.

As at the Latest Practicable Date, part of the Consideration being HK$55 million has been paid to the Vendor.

The Consideration was arrived at after arm's length negotiations between the parties to the Agreement with reference to but without limitation to the indicative valuation of the Property issued by an independent valuer, B.I. Appraisals Limited (the "**Valuer**"). According to such indicative valuation, the Property was valued at HK$101,000,000 based on an open market value basis which is defined as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

Conditions

Completion shall be conditional upon:

(a) Star International being satisfied with the results of the due diligence review (including but not limited to tax, financial and legal due diligence) of the Target Group;

(b) the passing of (an) ordinary resolution(s) by the Shareholders at the SGM approving the Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares and all other consents and acts required under the GEM Listing Rules having been obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules having been obtained from the Stock Exchange;

(c) all necessary consents, authorizations, licences and approvals required to be obtained on the part of the Vendor in respect of the Agreement and the transactions contemplated thereunder having been obtained;

(d) the warranties provided by Star International under the Agreement remaining true and accurate in all respects;

(e) the warranties, including but not limited to the Warranty, provided by the Vendor under the Agreement remaining true and accurate in all respects;

(f) the completion of the Reorganisation;

(g) the obtaining of a valuation report (in form and substance satisfactory to Star International) from a firm of independent professional valuers appointed by Star International showing the Valuation to be not less than HK$88,000,000;

(h) the completion of the Funding Raising Exercise;

(i) the entering into of the Tenancy Agreement; and

(j) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Consideration Shares.

As at the Latest Practicable Date, conditions (g), (h) and (i) have been fulfilled.

The Vendor may at any time by notice in writing to Star International waive condition (d). Star International may at any time by notice in writing to the Vendor waive conditions (a) and (g). Conditions (b), (c), (e), (f), (h), (i) and (j) are incapable of being waived by either party. If the conditions set out above have not been satisfied (or as the case may be, waived by the parties) on or before 4:00 p.m. on the Long Stop Date, the Vendor shall forthwith refund to Star International the deposit being HK$20,000,000 and the further deposit being HK$35,000,000 paid by Star International, with interest of 3% per annum calculated based on the actual number of days elapsed and on the basis of a 365-day year and the Agreement shall cease and determine.

As agreed between the Vendor and Star International pursuant to the letter of agreement dated 10 September 2012, the Long Stop Date has postponed from 30 September 2012 to 31 December 2012.

Completion

Completion shall take place at 4:00 p.m. on any day falling within three Business Days after all the conditions set out above have been fulfilled or waived at the principal place of business of Star International in Hong Kong or such other time and place as the parties may mutually agree. At completion, the balance of the Consideration being HK$33,000,000 (or the adjusted Consideration) shall be paid by Star International to the Vendor by procuring the Company to allot and issue the Consideration Shares, fund raised through the Funding Raising Exercise and internal funding of the Group.

Upon completion of the Agreement, the Company will indirectly hold 100% equity interests in the Target Group and which will become the wholly owned subsidiaries of the Company and their accounts will be consolidated with that of the Group.

Forfeiture and refund of deposit

If Completion does not take place as a result of the sole default of Star International, the Vendor may forthwith terminate the Agreement by giving notice of termination in writing to Star International to such effect, in which event the Vendor shall forthwith be entitled to forfeit HK$8,800,000 being part of the deposit paid by Star International, and shall forthwith refund, in addition to the remaining amount of such deposit of HK$11,200,000, the further deposit being HK$35,000,000 paid by Star International to Star International and neither party shall have any obligations and liabilities thereunder and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies save for any antecedent breaches of the terms thereof.

If Completion does not take place otherwise than as a result of the sole default of Star International, Star International may forthwith terminate the Agreement by giving notice of termination in writing to the Vendor to such effect, in which event the Vendor shall forthwith refund, in addition to the deposit being HK$20,000,000 paid by Star International, the further deposit being HK$35,000,000 paid by Star International with interest of 3% per annum calculated based on the actual number of days elapsed and on the basis of a 365-day year, to Star International and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies save for any antecedent breaches of the terms thereof.

Consideration Shares

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

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

The Issue Price, for illustrative purpose only, represents:

(i) a discount of approximately 10.59% over the closing price of HK$0.425 per Share as quoted on the Stock Exchange on 14 August 2012, being the Last Trading Day;

(ii) a discount of approximately 12.84% over the average of the closing prices of approximately HK$0.436 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

(iii) a discount of approximately 12.34% over the average of the closing prices of approximately HK$0.434 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;

(iv) a premium of approximately 23.18% over the audited consolidated net asset value as at 31 March 2012 per Share as at the Last Trading Day of approximately HK$0.309; and

(v) a discount of approximately 12.64% to the closing price of HK$ 0.435 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Consideration Shares represent (i) approximately 8.75% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 8.05% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

Application will be made to the GEM Listing Committee for the listing of, and permission to deal in, the Consideration Shares. The Directors will seek the approval of the Shareholders for the grant of specific mandate to authorise the Directors to allot and issue the Consideration Shares at the SGM.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

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

	As at the Latest Practicable Date		**Immediately after the allotment and issue of the Consideration at Completion**	
	Number of Shares	*Approx. %*	*Number of Shares*	*Approx. %*
Directors				
Mr. Wong Wai Sing ("**Mr. Wong**") *(Note 1)*	112,076	0.03	112,076	0.03
Mr. Tsang Ho Ka Eugene ("**Mr. Tsang**") *(Note 2)*	7,940,104	2.03	7,940,104	1.86
The Vendor	–	–	34,300,000	8.05
Public shareholders	383,801,117	97.94	383,801,117	90.06
Total	391,853,297	100.00	426,153,297	100.00

Notes:

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

2. Mr. Tsang is a non-executive Director.

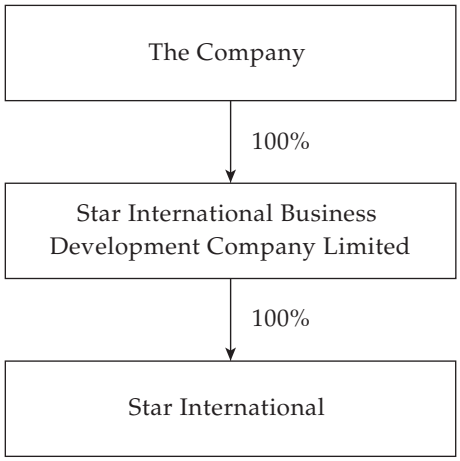
Costs

Each party to the Agreement shall bear its own costs and expenses (including but not limited to legal fees and agent fees) incurred in connection with the preparation, negotiation, execution and performance of the Agreement and all documents incidental or relating to Completion.

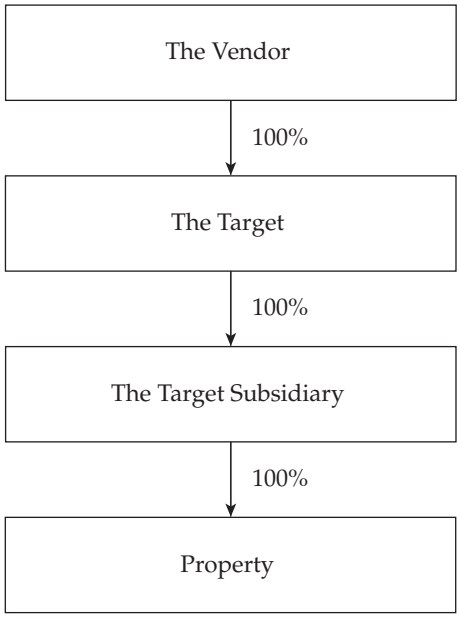
Group Structure

The diagram below shows separately the structure of the Group immediately before and after Completion:

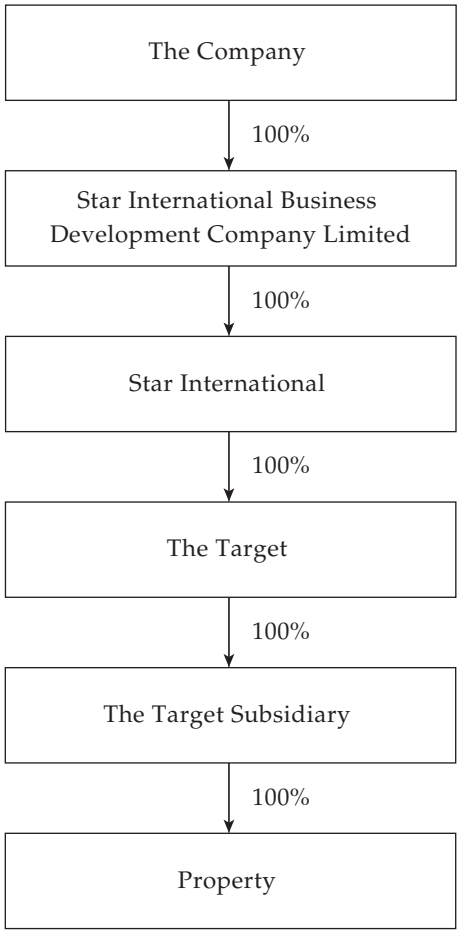
Immediately before Completion:



The structure of the Target Group immediately before the Completion but after the Reorganisation:



Immediately after Completion:



INFORMATION ON THE VENDOR

The Vendor is a citizen of the PRC and is not a connected person of the Company and is an Independent Third Party.

The placees subscribed the Placing Shares are not associates of the Vendor.

INFORMATION ON THE TARGET GROUP

The Target was incorporated in the BVI on 20 September 2011 and is principally engaged in investment holding.

The Target Subsidiary was incorporated in Hong Kong on 20 February 2004 and is principally engaged in property holding.

After Reorganisation, the Target Subsidiary will become a wholly owned subsidiary of the Target.

The principal asset of the Target Subsidiary is its interest in the Property. The Property is a property located in Tuen Mun, Hong Kong with the total gross floor area of approximately 18,294 sq. feet.

The Tenancy Agreement was entered into on 10 September 2012 and the major terms and conditions of it are as follows:-

(1) The Tenant has the following obligations, including but not limited to, throughout the two years commencing from the 15th day of October 2012 to the 14th day of October 2014 both days inclusive (the "**Term**") of tenancy:-

(a) to pay the monthly rent of HK$295,000 without any deduction;

(b) to pay the assessment rates and government rent directly after received the billings from the Target Subsidiary and gas, electric and water charges, meter rents and all necessary deposits for such supplies and all outgoings of an annual or recurring nature;

(c) to pay and discharge all service management and maintenance charges payable by the owner or occupier of the Property pursuant to or by virtue of the deed of mutual covenant and management agreement (if any) relating to the Property;

(d) to use the Property for business purpose only. The Target Subsidiary does not give any warranty on the user of the Property as to whether the Property is suitable for the Tenant's business. In the event that any kind of licenses is required by law to be obtained for the purposes of the Tenant's business within the Property, the Tenant is required to obtain prior written consent from the Target Subsidiary. The Tenant is solely responsible to obtain the relevant approval and/or license and/or consent from the relevant government departments and shall bear all the related costs and expenses in connection therewith;

(e) not to assign or transfer or sublet or part with possession of the Property or any part thereof to any person or persons or firm or body corporate in any way whether by way of subletting, lending, sharing or other means;

(f) not without the previous consent of the Target Subsidiary to make any alteration or conditions (whether of structural nature or otherwise) to the Property or any part thereof or erect, install, remove or alter any fixture, partitioning or other erection or installation in the Property or any part thereof or without the like consent to make or permit or suffer to be made alterations in or additions to the electrical wiring and installations;

(g) to comply with all ordinance, regulations, bye-laws and rules and all notices and requirements of the appropriate government authorities in respect of or affection or likely to affect the Property;

(h) to observe and perform and not to contravene any of the terms, agreements and conditions contained in the Government Lease or the Conditions of Sale, Exchange or Regrant as the case may be under which the Property are held from the government; and

(i) to observe and perform and not to contravene any of the agreements and conditions contained in the deed of covenant or deed of mutual covenant or deed of covenant and grant as the case may be and any other deed affecting the Property.

(2) The Tenant further agrees that if the rent, management fees or other outgoing thereby stipulated or any part thereof shall remain unpaid for 15 days after becoming payable or if the Tenant or other person in whom for the time being the Term thereby created shall be vested shall fail to observe or perform any of the agreements or conditions therein or suffer any prosecution in respect of the non-payment of any money due to Hong Kong Government or shall suffer any execution to be levied on the Property or otherwise on the Tenant's goods or effects or if the Tenant persistently fails to pay the rent thereby stipulated as and when the same falls due then it shall be lawful for the Target Subsidiary at any time thereafter to re-enter upon the Property or any time thereof in the name of the whole and thereupon the Tenancy Agreement shall absolutely determine.

(3) If the Tenant shall be desirous of renewing the Tenancy Agreement for a further term of two years upon expiration of the Term thereby created, the Tenant shall not less than six months before the expiration of the Term give to the Target Subsidiary notice in writing of such desire. If the Tenant shall have fully paid the rent thereby reserved and shall have observed and performed up to the expiration of the Term then the Target Subsidiary will let the Property to the Tenant for a further term of two years from the 15th day of October 2014 to the 14th day of October 2016 (both days inclusive) on the same terms and conditions contained in the Tenancy Agreement at the then market rental to be agreed by the Target Subsidiary and the Tenant.

If the Tenant, as tenant of the Property, fails use the Property for canteen/restaurant and uses the Property for other purposes other than canteen/restaurant without obtaining the necessary and required approvals from the competent authority of the government, the Group, as landlord of the Property, will be subject to legal liability.

The Group as landlord of the Property will inspect the Property from time to time to assure the Property is used by the Tenant according to all ordinance, regulations, bye-laws and rules and all notices and requirements of the appropriate government authorities, the deed of covenant or deed of mutual covenant or deed of covenant and grant as the case maybe or any other deed, the Government Lease or the Conditions of Sale, Exchange or Regrant related to the Property. If the Group notices that the Tenant breaches any of the above, the Group will exercise its right to re-enter the Property according to the Tenancy Agreement and the Tenancy Agreement will determine forthwith.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, save for its interest in the entire issued share capital of the Target Subsidiary upon completion of the Reorganisation, the Target has not conducted and does not have any business operations since its incorporation and has not recorded any loss or profit since its incorporation up to the Latest Practicable Date.

Set out below is a summary of key financial data of the Target Subsidiary, which has been prepared based on the generally accepted accounting principles in Hong Kong.

	For the year ended 31 December 2011	For the year ended 31 December 2010
	HK$	*HK$*
	(unaudited)	(audited)
Results		
Turnover	–	1,140,000
Loss before and after tax	1,153,693	49,205

	As at 31 December 2011	As at 31 December 2010
	HK$	*HK$*
	(unaudited)	(audited)
Assets and liabilities		
Total assets	23,971,139	24,624,688
Net assets/(liabilities)	(3,103,487)	(1,949,794)

FINANCIAL EFFECT OF THE ACQUISITION ON ASSETS, EARNINGS AND LIABILITIES OF THE COMPANY

Upon Completion, the Company will hold indirectly 100% of the equity interest in the Target Group, the Target Group will become an indirect wholly-owned subsidiaries of the Company and the accounts of the Target Group will be consolidated with that 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 liabilities of the Group were approximately HK$167.5 million and approximately HK$60.9 million respectively as at 31 March 2012. Upon Completion, without taking into effect the funds to raised by the Funding Raising Exercise, the Enlarged Group's unaudited pro forma consolidated total assets and liabilities would increase to approximately HK$253.9 and HK$71.1 million respectively.

(b) Effect on earnings

One of the Conditions is the entering into of the Tenancy Agreement. On 10 September 2012, the Target Subsidiary and the Tenant, a tenant being procured by the Vendor, which and whose associates are Independent Third Parties, entered into the Tenancy Agreement in relation to the Property and the Enlarged Group will have positive cash inflow and earnings as a result of the Tenancy Agreement after Completion. Star International and the Target Group have not, do not or will not give any warranty on the usage of the Property as to whether the Property is suitable for the business of the Tenant.

In the event that any kind of licenses is required by laws to be obtained for the purpose of the Tenant's business within the Property, the Tenant is required to obtain prior written consent from Star International or the Target Group. The Tenant is solely responsible to obtain the relevant approval and/or license and/or consent from the relevant government departments and shall bear all the related costs and expenses in connection therewith.

REASONS FOR THE ACQUISITION

The Group is principally engaged in investment holding in the PRC and the business of coal trading between the PRC and Indonesia respectively. The Company welcomes investment opportunities which support the growth strategy and are beneficial to the long term development, with an aim to generate the best return from investments interest of which is in the best to the Shareholders.

Reference is made to the Company's circular dated 18 April 2012. The Group has completed the disposal of an office unit in the Xinjiang, PRC for a consideration of HK$15,740,000 as the Directors (including the independent non-executive Directors) considered that it was a good opportunity for the Group to realize the said property investment in light of the downturn of the property market in the PRC as a result of the control and regulatory measures against the property market by the PRC government. As a result of disposal, the Group is seeking a suitable replacement premise.

Accordingly the Group entered into the Agreement to aquire, indirectly, the Property which is located in Hong Kong and will generate additional and steady rental income and cash flow.

The Property, with total gross floor area of approximately 18,294 sq. feet, is located in 2nd Floor of Nan Fung Industrial City, which is a mixed industrial and commercial complex comprising five blocks of industrial building and a block of commercial/car park building within Tuen Mun District of the New Territories. Given the annual gross rental income from the Property of approximately HK$3.5 million represents a yield of approximately 4.0% to the Consideration, the Board considers the return satisfactory and the Acquisition is a good opportunity for the Group to achieve long term stable income and growth. Taking into account the Warranty, the Sale Loan, the "Other payables, accrued expenses and rental deposits received", with limited amount, as set out in page II-5 to the Appendix II, the market value of the Property valued at HK$101,000,000 by the Valuer, the text of which is in Appendix V to this circular, and the steady rental income streams that it is able to be generated, the Directors (including the independent non-executive Directors) consider that the Acquisition and the transactions contemplated under the Agreement have been made on normal commercial terms and that such terms (including the Consideration) are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

The Board considers that the entering into of the Supplemental Agreement provides more flexibility to the Company in proceeding with earlier Completion.

In addition to the reasons stated in the section headed "Reasons for the Acquisition" above, the Directors consider that the revised terms of the Agreement (including the Consideration and the Conditions) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

FUTURE PLAN OF THE GROUP

Part of the Consideration has been settled as follows:

(i) a deposit of HK$20 million was paid to the Vendor upon on signing the Agreement; and

(ii) a further deposit of HK$35 million raised from the open offer exercise of the Company on 5 July 2012 was paid to the Vendor upon signing the Supplemental Agreement.

The outstanding balance of the Consideration of (a) approximately HK$13 million will be settled at Completion by allotment and issue of the Consideration Shares under specific mandate; (b) approximately HK$16 million will be settled by funds raised by the Placing; and (c) approximately HK$3 million will be settled by the reserve from the open offer exercise of the Company on 5 July 2012, at Completion. The rest of the Consideration of approximately HK$1 million will be settled by the internal funding of the Group.

As at the Latest Practicable Date, the Group did not have any plan to raise further fund from other fund raising exercise for settlement of the Consideration.

REFRESHMENT OF GENERAL MANDATE

At the AGM, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Current General Mandate to issue not more than 46,100,439 Shares, being 20% of the aggregate nominal amount of the issued share capital of the Company of 230,502,198 Shares as at the date of passing of such resolution.

During the period from the grant of the Current General Mandate to the Latest Practicable Date, 46,100,000 Shares out of the Current General Mandate have been utilised by the Company for the Placing. After the allotment and issue of the Placing Shares through the Placing, the remaining number of Shares that can be issued under the Current General Mandate has been reduced to 439.

Since the AGM and except for the proposed grant of the New General Mandate herein, the Company has not refreshed its general mandate granted at the AGM.

PROPOSED GRANT OF NEW GENERAL MANDATE

At the SGM, ordinary resolutions will be proposed to the Independent Shareholders that:

(i) the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the share capital of the Company in issue as at the date of passing the relevant ordinary resolution; and

(ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the AGM.

As at the Latest Practicable Date, the Company had an aggregate of 391,853,297 Shares in issue. Subject to the passing of the ordinary resolutions for the approval of the New General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company would be allowed under the New General Mandate to allot and issue up to 78,370,659 Shares, being 20% of the total number of Shares in issue as at the Latest Practicable Date.

REASONS FOR THE NEW GENERAL MANDATE

As at the Latest Practicable Date, the outstanding capital requirement for the Acquisition was HK$33 million to be satisfied at Completion as to (i) approximately HK$13 million by allotment and issue of the Consideration Shares under specific mandate, subject to the passing of the ordinary resolutions at the SGM; (ii) HK$3 million by reserve from the open offer on 5 July 2012; (iii) approximately HK$15.9 million by net proceeds from the Placing; and (iv) the rest by the internal resources of the Group that the total sum of cash available was of approximately HK$18.91 million, which consists of (a) the cash at bank of approximately HK$8.54 million as at 31 March 2012; (b) the net proceeds of approximately HK$9 million intended for general working capital raised from the open offer on 5 July 2012; and (c) approximately HK$1.37 million was used for general working capital raised from the placing on 10 April 2012. Base on the latest published first quarterly results for the period ended 30 June 2012, the average monthly general working capital requirement of the Group was approximately HK$3.6 million, mainly comprising of (i) rental expenses of approximately HK$0.5 million; (ii) staff salary and directors remuneration of approximately HK$1.1 million; and (iii) corporate and professional fees of approximately HK$0.6 million. Save as disclosed above, the Company does not have material capital requirement for the Acquisition and the general working capital.

Although the New General Mandate is requested shortly after the Current General Mandate approved in the AGM, the Company at present does not have any concrete plan regarding the utilisation of the New General Mandate to be refreshed which will dilute the shareholding of the existing Shareholders. The Directors consider that there are possibilities that the Group would identify suitable investment opportunities before the next annual general meeting which may require for further equity financing because the issue of additional Shares would exceed the amount as allowed under the Current General Mandate. The Directors are trying to identify and capture investment opportunities which will have greater potential returns and may enhance the earnings per Share of the Group and may arise from time to time by taking advantage of the good market sentiments in future. The Directors opine that the New General Mandate can enhance the flexibility of the Company to raise funds, if in need, in a timely manner so to seize the investment opportunities that may arise, or otherwise, the Company may not be able to capture such opportunities when necessary. The Directors are also of the view that the loss of the Group may concern the bank financiers such that the debt financing exercise is likely to be subject to prolonged negotiation and due diligence process and there is uncertainty and difficulty for the Group to obtain and bargain for a favorable interest rate under current conditions. The future funding for the possible investment opportunities as identified by the Group from time to time for the development of the Group is needed, the Board therefore considers that equity financing which does not create any interest paying obligations on the Group and is relatively less time consuming is an important avenue of resources to the Group.

Taking into the above consideration, including the capital requirement of the Company, the Directors opine that the New General Mandate which provides a flexible means of financing to the Group is fair and reasonable. It is also crucial and consistent with the Group's objective to maintain a prudent treasury management objective while provide flexibility for the Company to raise funds to satisfy possible future operating and investment opportunities funding requirements.

To maintain flexibility and provide discretion to the Directors to issue new Shares in the future for the Group's funding needs and future business development, the Directors propose to the Independent Shareholders a resolution to grant the New General Mandate such that the Directors can exercise the power of the Company to issue new Shares up to 20% of the issued share capital of the Company as at the date of the SGM. The Board believes that the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole by virtue of maintaining the financial flexibility for the Group's future business development and opportunities of funding which may arise urgently at any time.

The following table summaries the use of the Current General Mandate since the AGM:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Intended use of proceeds not yet utilised as at the Latest Practicable Date
20 August 2012	Placing Shares placed at HK$0.36 per Placing Shares	Approximately HK$15.9 million	Paying up part of the outstanding balance of the Consideration and serving as the general working capital of the Group	To be applied in full for the payment of the Consideration

In view of the above, the Directors consider the grant of the New General Mandate and any extension thereof, which may or may not be utilised, is in the best interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the relevant percentage ratios for the Acquisition calculated under Rule 19.07 of the GEM Listing Rules are more than 25% but less than 100%, the Acquisition constitutes a major transaction on the part of the Company under the GEM Listing Rules.

No Shareholder has a material interest in the Acquisition and is required to abstain from voting in respect of the approval of the Agreement and the transactions contemplated thereunder at the forthcoming SGM.

Pursuant to the GEM Listing Rules, the New General Mandate requires the approval of the Independent Shareholders at the SGM at which any of the controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions. Since the Company has no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions at the SGM.

As at the Latest Practicable Date, Mr. Wong, the chairman and a non-executive Director, was deemed to be interested in 112,079 Shares, 36,400 of which were personally held by Mr. Wong and 75,676 of which were held by Ming Kei International Holding Company Limited, which is wholly and beneficially owned by Mr. Wong.

As at the Latest Practicable Date, Mr. Tsang, a non-executive Director, was personally interested in 7,940,104 Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company, and their respective associates have any Shares in the Company. Mr. Wong and Mr. Tsang and their respective associates will abstain from voting in relation to the resolutions to approve the grant of the New General Mandate and any extension thereof at the SGM.

Any vote of the Shareholders for resolutions in relation to the approval of the Agreement and transactions contemplated thereunder and the same of the Independent Shareholders for resolutions in relation to the granting and extension of New General Mandate will be both taken by poll at the SGM.

The SGM will be convened and held to consider and, if thought fit, approve (i) the Agreement and the transactions contemplated thereunder and (ii) the grant of the New General Mandate and any extension thereof.

SGM

Set out on pages SGM-1 to SGM-4 is a notice convening the SGM to be held at Room 2103, 21/F, No.9 Queen's Road Central, Central, Hong Kong on Tuesday, 16 October 2012 at 11:30 a.m. at which relevant resolutions will be proposed to (i) the Shareholders to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder, including but not limited to approving the further extension of the Long Stop Date, and (ii) the Independent Shareholders to consider and, if thought fit, approve the grant of the New General Mandate and any extension thereof.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby its has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its Shares to a third party, either generally or on a case-by-case basis.

A proxy form 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 proxy form 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 proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprises Mr. Kwok Kam Tim, Mr. Ho Chi Wai and Ms. Cui Ying, all being independent non-executive Directors. It has been established to advise the Independent Shareholders on the grant of the New General Mandate and any extension thereof.

Donvex Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate and any extension thereof.

RECOMMENDATION

The Board considers that the Acquisition and the transactions contemplated under the Agreement are on normal commercial terms which are fair and reasonable so far as the Shareholders are concerned. The Board is of the view that the Acquisition and the transactions contemplated under the Agreement and the grant of the New General Mandate and any extension thereof are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders and the Independent Shareholders to vote in favour of the ordinary resolutions as set out in the notice of the SGM.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the grant of the New General Mandate and any extension thereof is fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM for approving the grant of the New General Mandate and any extension thereof.

ADDITIONAL INFORMATION

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

In relation to the New General Mandate, you should also refer to the letter of advice from the Independent Financial Adviser set out on pages 26 to 34 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the grant of the New General Mandate and the extension thereof and the letter from the Independent Board Committee set out on page 25 of this circular which contains its recommendation to the Independent Shareholders in relation to the grant of the New General Mandate and any extension thereof.

Yours faithfully
For and on behalf of the Board
Ming Kei Holdings Limited
Mr. Ho Pui Tin, Terence
Executive Director and Chief Executive Officer

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the proposed refreshment of the New General Mandate for the inclusion in this circular.

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

(Stock Code: 8239)

26 September 2012

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE

We have been appointed as the Independent Board Committee to consider and advise you on in connection with the proposed grant of the New General Mandate and any extension thereof, details of which are set out in the circular dated 26 September 2012 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms defined in the Circular will have the same meanings when used herein unless the context otherwise requires.

We wish to draw your attention to the letter from the Board and the letter of advice from Independent Financial Adviser set out on pages 6 to 24 and pages 26 to 34 of the Circular respectively.

Having taken into account the principal factors and reasons considered by Independent Financial Adviser, its conclusion and advice, we concur with the view of Independent Financial Adviser and consider the terms of the grant of the New General Mandate and any extension thereof are fair and reasonable so far as the Independent Shareholders are concerned and the New General Mandate and any extension thereof are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend you to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the grant of the New General Mandate and any extension thereof and the transactions contemplated thereunder.

Yours faithfully,
Independent Board Committee

Mr. Kwok Kam Tim **Mr. Ho Chi Wai** **Ms. Cui Ying**
Independent non-executive Directors

* *for identification purposes only*

The following is the text of a letter of advice from Donvex Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in connection with the grant of New General Mandate which has been prepared for the purpose of incorporation in this circular:

Unit 1305, 13th Floor,
Carpo Commercial Building
18–20 Lyndhurst Terrace
Central
Hong Kong

26 September 2012

To the Independent Board Committee and the Independent Shareholders of Ming Kei Holdings Limited

Dear Sirs,

REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the grant of New General Mandate, details of which are set out in the letter from the Board (the "**Board Letter**") contained in this circular (the "**Circular**") dated 26 September 2012 issued by the Company, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

The Board proposed the grant of New General Mandate for the Directors to allot and issue Shares not exceeding 20% of the share capital of the Company in issue as at the date of the SGM. Pursuant to the GEM Listing Rules, the New General Mandate requires the approval of the Independent Shareholders at the SGM at which any of the controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions. Since the Company has no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions at the SGM.

As at the Latest Practicable Date, Mr. Wong, the chairman and a non-executive Director, was deemed to be interested in 112,079 Shares, 36,400 of which were personally held by Mr. Wong and 75,676 of which were held by Ming Kei International Holding Company Limited, which is wholly and beneficially owned by Mr. Wong. As at the Latest Practicable Date, Mr. Tsang, a non-executive Director, was personally interested in 7,940,104 Shares.

The Independent Board Committee comprising three independent non-executive Directors, namely Mr. Kwok Kam Tim, Mr. Ho Chi Wai and Ms. Cui Ying has been established to advise the Independent Shareholders in respect of the grant of New General Mandate. Donvex Capital has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this respect. The appointment of Donvex Capital has been approved by the Independent Board Committee.

BASIS OF OUR ADVICE

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company, the Directors and management of the Company. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company, the Directors and management of the Company and for which they are solely and wholly responsible, were true and accurate at the time they were made and continue to be true until the date of the SGM.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, or its subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the New General Mandate. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments, including any material change in market and economic conditions, may affect or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Donvex Capital is to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendations to the Independent Board Committee and the Independent Shareholders, we have taken into consideration the following principal factors and reasons. Our conclusions are based on the results of all analyses taken as a whole.

1. Background of grant of New General Mandate

The Group is principally engaged in investment holding in the PRC and the business of coal trading between the PRC and Indonesia respectively, which mostly consists of trading of steam coals.

At the AGM, Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Current General Mandate to issue not more than 46,100,439 Shares, being 20% of the aggregate nominal amount of the issued share capital of the Company of 230,502,198 Shares as at the date of passing of the resolution.

During the period from the grant of the Current General Mandate to the Latest Practicable Date, 46,100,000 Shares out of the Current General Mandate have been utilised by the Company for the Placing. After the allotment and issue of the Placing Shares through the Placing, the remaining number of Shares that can be issued under the Current General Mandate has been reduced to 439.

Since the AGM and except for the proposed grant of New General Mandate herein, the Company has not refreshed its general mandated granted at the AGM.

As at the Latest Practicable Date, the Company had an aggregate of 391,853,297 Shares in issue. Subject to the passing of the ordinary resolutions for the approval of the New General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company would be allowed under the New General Mandate to allot and issue up to 78,370,659 Shares, being 20% of the total number of Shares in issue as at the Latest Practicable Date.

2. Reasons for the grant of New General Mandate

The Board would like to provide flexibility for the Company to raise funds for its future business development and/or any opportunities to be identified by the Company through equity financing.

Given that equity financing (i) does not incur any interest paying obligations on the Group as compared with bank or debt financing; (ii) is less costly and time-consuming than raising funds by way of rights issue or open offer; and (iii) provides the Company with the flexibility and capability to capture any capital raising and/or prospective investment opportunity as and when it arises, the Board proposes to utilise the New General Mandate for the Directors to allot, issue and deal with new Shares with an aggregate nominal amount of not exceeding 20% of the aggregate nominal amount of the

total issued share capital of the Company as at the date of the SGM. As at the Latest Practicable Date, the Company has no current plan to utilise the New General Mandate. The Board holds the view that the grant of New General Mandate to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Financial performance and business plan of the Group

According to the 2011/2012 annual report of the Group ("**AR2012**"), the revenue of the Group for the year ended 31 March 2012 was approximately HK$100.63 million (the year ended 31 March 2011: approximately HK$54.80 million), representing an increase of approximately 83.62%. The Group recorded a net loss attributable to Shareholders of approximately HK$36.36 million (the year ended 31 March 2011: net loss of approximately HK$106.04 million), representing a decrease of approximately 65.71%. Such decrease was mainly due to the combined effect of (i) the increase of the revenue stream derived from the coal trading business and the increase of revenue stream from the general trading business and property investment; (ii) the decrease of the administrative and other expenses; (iii) the record of nil loss from the discontinued operation for the disposal of the 49% equity interests in the Star Fortune International Investment Company Limited; and (iv) the record of nil impairment loss on goodwill and decrease in impairment loss on the intangible assets for the China Indonesia Friendship Coal Trading Company Limited and its subsidiaries for the year ended 31 March 2012.

There had been a reduction in the Group's bank balances and cash of approximately 52.62% from approximately HK$18.03 million as at 31 March 2011 to approximately HK$8.54 million as at 31 March 2012, which was mainly due to the net impact of (i) the net cash used in operating activities of approximately HK$32.44 million; (ii) the net proceeds from disposal of investment properties of approximately HK$10.94 million; and (iii) the net proceeds from issue of new shares on exercise of warrants of approximately HK$9.20 million.

As quoted from AR2012, the Group being a natural resources trading company, will actively look for possible future investments with or within the property investments and coal trading sectors or other sector(s) with growth potential to improve Shareholders' value. The Directors are of the view that having the fund raising capability is a prudent approach (on unforeseen circumstances) in maintaining sufficient cashflow for the normal operation of the Group's existing business, and we concur with the Directors' view. As such, it is reasonable to expect that the Group will have a timely funding need for such purposes. Having considered (i) the loss position of the Group; (ii) the deteriorated cash position of the Group; (iii) the future development plan of the Group and the timely funding need as a consequence, we concur with the Directors' view that the New General Mandate is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

3. Equity fund raising activities in the past twelve months

Sets out below are the equity fund raising activities conducted by the Company in the past twelve months prior to the Latest Practicable Date:

Date of announcement	Event	Net proceeds raised *(Approx. HK$)*	Intended use of proceeds	Actual use of proceeds/ intended use of proceeds not yet utilised as at the Latest Practicable Date
20 August 2012	Placing up to 46,100,000 new Shares under the general mandate	HK$15.9 million	To raise equity capital to satisfy part of the outstanding balance of the consideration of the Acquisition and for its future developments and to broaden the Company's shareholder base and strengthen its capital base and working capital position.	To be applied in full for the payment of the Consideration
5 July 2012	Open offer of 115,251,099 offer shares, on a fully underwritten basis, at a price of HK$0.43 per share, which was completed on 14 August 2012	HK$47 million	It was intended to use as to approximately (i) HK$38 million for paying up part of the outstanding balance of the acquisition of the entire issued share capital of Foremost Star Investments Limited; (ii) HK$9 million for general working capital of the Group	HK$35 million was paid for the further deposit of the acquisition of the entire issued share capital of Foremost Star Investments Limited, HK$3 million was reserved as payment of part of the Consideration, and the remaining HK$9 million to be applied as general working capital which mainly consists of payments for office rent, salary and professional fees.
10 April 2012	Placingup to 33,760,000 new Shares under the general mandate	Approximately HK$9 million	To apply for potential acquisition activities as identified by the Group from time to time and as the general working capital of the Group	HK$7.63 million applied to pay the deposit for the Acquisition and HK$1.37 million for the Group's general working capital which mainly consists of payments for office rent, salary and professional fees.

Save as disclosed herein, the Company has not conducted any other equity fund raising activities in the past twelve months immediately prior to the Latest Practicable Date, we are of the view that the actual use of proceeds was in line with the intended use of proceeds.

As advised by the Directors of the Company, the Company does not intend to conduct further fund raising exercise due to the following analysis:

a. the cash outstanding of the Consideration upon Completion of HK$19,966,000 will be settled by (i) the HK$3 million reserve from the open offer on 5 July 2012; (ii) the approximately HK$15.9 million net proceeds from the Placing; and (iii) the internal resources of the Company;

b. The sum of cash available was of approximately HK$18.91 million which consists of (i) the cash at bank of approximately HK$8.54 million as at 31 March 2012; (ii) the net proceeds of approximately HK$9 million intended for general working capital raised from the open offer on 5 July 2012; (iii) approximately HK$1.37 million was used for general working capital raised from the placing on 10 April 2012; and

c. base on the latest published first quarterly results for the period ended 30 June 2012, average monthly general working capital requirement of the Group was of approximately HK$3.6 million, mainly comprising of (i) rental expenses of approximately HK$0.5 million; (ii) staff salary and directors remuneration of approximately HK$1.1 million; and (iii) corporate and professional fees of approximately HK$0.6 million.

Based on the above information, it is reasonable to expect the cash at bank is sufficient for present requirements of the Group, while there is no certainty that such cash resources will be adequate or other financing options at reasonable finance costs will be available for appropriate investments that may be identified by the Company in the future. As such, instead of using the New General Mandate to raise fund for the working capital of the Group, the Directors will explore appropriate equity fund raising opportunities and/or investment opportunities which may or may not require the use of the New General Mandate. As at the Latest Practicable Date, the Company does not have any urgent need to use the New General Mandate to raise fund for its working capital. In view of the above, it is reasonable for the Directors to propose the Refreshment of General Mandate in the SGM.

4. Financial Flexibility

As advised by the Directors, the Group does not obviate the possibilities of further issuing capital should there be investors indicating interest in the business of the Group in the future. The Directors believe that the New General Mandate will provide the Group with flexibility for possible future fund raising. The Directors are therefore of the view that the New General Mandate is in the interests of the Company and the Shareholders as a whole. As further advised by the Directors, the Company did not have any plan to utilise the New General Mandate as at the Latest Practicable Date.

As discussed in the foregoing, we consider that the New General Mandate would provide the Company with the necessary flexibility to fulfil any possible funding needs for future business development and/or investment decisions. The New General Mandate would also provide the Company with the flexibility as allowed under the GEM Listing Rules to allot and issue new Shares for equity fund raising activities, such as placing of new Shares, or as consideration for potential investments in the future as and when such opportunities arise. Furthermore, the additional amount of equity which may be raised after the New General Mandate would provide the Group with more financing options when assessing and negotiating potential investments in a timely manner. Given the financial flexibility available to the Company as discussed above, we are of the opinion that the New General Mandate is in the interests of the Company and the Shareholders as a whole.

5. Other financing alternatives

We have made enquires with the Directors and the Directors confirmed that apart from equity financing, the Group will also consider debt financing, such as bank borrowings and issue of bonds, to be the other possible fund raising alternatives available to the Group. However, the Directors are of the view that the ability of the Group to obtain bank borrowings usually depends on the Group's profitability, financial position and the then prevailing market condition. In view of the net loss position and the deteriorated cash position as stated in the section named "Financial performance and business plan of the Group", the Directors consider that the chance of the approval of bank loan is low. Furthermore, the bank loan application may be subject to lengthy due diligence and negotiations with banks. Also, in light of debt financing will usually incur an interest burden on the Group, the Directors consider debt financing to be relatively uncertain and time-consuming as compared to equity financing, such as placing of new Shares, for the Group to obtain additional funding.

The Directors confirmed that they would exercise due and careful consideration when choosing the best financing method available to the Group. With this being the case, along with the fact that the New General Mandate will provide the Company with an additional alternative and it is reasonable for the Company to have the flexibility in deciding the financing methods for its future business development, we are of the view that the New General Mandate is in the interests of the Company and the Shareholders as a whole.

6. Potential dilution to shareholding of the Independent Shareholders

The table below sets out the shareholding structure of the Company (i) as the Latest Practicable Date; and (ii) upon full utilisation of the New General Mandate (assuming no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the SGM), for illustrative and reference purpose:

Name of Shareholders	Immediately before the completion of the Placing		As at the date of the Latest Practicable Date		Upon full utilisation of the New General Mandate (assuming no other Shares are issued or repurchased by the Company from the Latest Practicable Date up to the date of the SGM)	
	Number of Shares	Approximate % of the issued share capital of the Company	Number of Shares	Approximate % of the issued share capital of the Company	Number of Shares	Approximate % of the issued share capital of the Company
Directors' Interests						
Mr. Wong Wai Sing ("**Mr. Wong**") *(Note 1)*	112,076	0.03	112,076	0.03	112,076	0.02
Mr. Tsang Ho Ka Eugene ("**Mr. Tsang**") *(Note 2)*	7,940,104	2.30	7,940,104	2.03	7,940,104	1.69
Existing public Shareholders						
The placees of the Placing	–	–	46,100,000	11.76	46,100,000	9.80
The public Shareholders before the completion of the Placing	337,701,117	97.67	337,701,117	86.18	337,701,117	71.82
Subtotal	337,701,117	97.67	383,801,117	97.95	383,801,117	81.62
Shares to be issued under the New General Mandate	–	–	–	–	78,370,659	16.67
Total	345,753,297	100.00	391,853,297	100.00	470,223,956	100.00

Notes:

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

2. Mr. Tsang is a non-executive Director.

The table above illustrates that the shareholdings of the existing public Shareholders would decrease from approximately 97.95% as at the Latest Practicable Date to approximately 81.62% upon full utilisation of the New General Mandate (assuming no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the SGM). Such potential dilution to the shareholdings of the existing public Shareholders represents a dilution of approximately 16.33%, where we consider such dilution effect to be acceptable having considered the enhancement of financial flexibility to the Group as a result of the New General Mandate.

The public Shareholders before the completion of the Placing were interested in 337,701,117 shares immediately before the completion of the Placing. Upon full utilisation of the New General Mandate (assuming no other Shares are issued or repurchased by the Company from the Latest Practicable Date up to the date of the SGM), the shareholdings of the public Shareholders before the completion of the Placing will decrease from 97.67% to 71.82%. As such, the total dilution effect of the Current General Mandate and the New General Mandate together as a whole is approximately 25.85%. We have noticed that there will be a total dilution effect of 25.85% within a short period of time, and having considered that (i) the New General Mandate will increase the amount of capital which may be raised thereafter and provide more options to the Group for financing; and (ii) the enhancement of financial flexibility to the Group as a result of the New General Mandate which will increase the Group's capability to invest in profitable projects, we are of the view that the New General Mandate is fair and reasonable.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated under the section named "PRINCIPAL FACTORS AND REASONS CONSIDERED", we are of the opinion that the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the New General Mandate and we recommend the Independent Shareholders to vote in favour of the ordinary resolution in this regard.

Yours faithfully,
For and on behalf of
Donvex Capital Limited
Doris Sy
Director

1. FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 March 2010, 2011 and 2012 are disclosed in the annual reports of the Company for the years 2010 (pages 53 to 121), 2011 (pages 61 to 137) and 2012 (pages 67 to 137) dated 18 June 2010, 23 June 2011 and 25 June 2012 respectively. The auditors of the Company have not issued any qualified opinion on the Group's financial statements for the financial years ended 31 March 2010, 2011 and 2012.

All the above financial information of the Group is published and can be viewed both on the website of GEM *(www.hkgem.com)* and the website of the Company *(www.mingkeiholdings.com)*.

2. STATEMENT OF INDEBTEDNESS

Borrowings

As at the close of business on 31 July 2012, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Circular, the Enlarged Group had total outstanding borrowings of approximately HK$29,984,000 comprising of (i) a secured bank loan of approximately HK$10,762,000; (ii) an amount due to a non-controlling owner of a subsidiary of approximately HK$1,950,000, which is unsecured, interest-free and has no fixed terms of repayment; and (iii) an amount due to a shareholder of the Target of approximately HK$17,272,000, which is unsecured, interest-free and has no fixed terms of repayment.

The bank loan is secured by (i) the investment property of the Target Group with rental assignment in respect of any lease agreement to be executed by the Target Subsidiary; and (ii) unlimited personal guarantees given by the former directors of the Target Subsidiary.

Disclaimer

Save as aforesaid or as otherwise mentioned herein, and apart from intra-group liabilities, the Enlarged Group did not have any 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 as at the close of business on 31 July 2012, 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, contingent liabilities and commitments of the Enlarged Group since 31 July 2012, the date to which the indebtedness statement is made and up to the Latest Practicable Date.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that the Enlarged Group will, taking into account the Funding Raising Exercise, the present internal financial resources and existing financing facility available to the Enlarged Group, have sufficient working capital for its present operating requirements and for the next twelve months from the date of this circular. To the extent that the Enlarged Group makes any acquisitions or undertakes major asset enhancement initiatives (the "**Initiatives**"), it may be required to rely on additional external borrowings and/or other additional funding raising exercise to finance such Initiatives.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2012, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

At present, the Group is principally engaged in investment holding in the PRC and the business of coal trading between the PRC and Indonesia respectively. Upon Completion, the Enlarged Group will also engage in the property investment holding in Hong Kong.

(i) Investment holding in the PRC

Save for one office unit which is held by the Group for its own use, the Group does not hold any other properties in the PRC as at the Latest Practicable Date. Currently, the Board is still of the view that there will be a continued downturn of the property market in the PRC taken into account the control and regulatory measures imposed upon the property market by the PRC government.

Nevertheless, given the continued growth of the PRC economy and demands for quality properties, the Enlarged Group considers that there will still be good appreciation and/or profit potential for selected quality properties in the PRC. Subject to the financial capacity of the Enlarged Group and the movements of the property market in the PRC, the Group may consider exploring the opportunities of identifying suitable properties in the PRC for investment in the future.

(ii) Business in coal trading between PRC and Indonesia

The business of the coal trading will continue and provide a stable and major source of turnover to the Enlarged Group. Although the Board has remained positive about the future prospect of the business of the coal trading, the Enlarged Group needs to continue monitoring the sale price of steam coal as well as the controls over costs and related expenses towards the coal trading operation to ensure its continued profitability.

(iii) Business in property investment holding in Hong Kong

Reference is made to the Reasons for the Acquisition as stated in the Letter from the Board. The Board is of the view that there is more appreciation potential for properties in Hong Kong and save for the Acquisition and subject to the availability of additional financial resources to the Enlarged Group, may continue to explore the possibility of investing in more properties in Hong Kong with good growth and/or profit potential. Further announcement(s) will be made by the Company as and when necessary.

The Directors will continue to monitor closely the performance of its businesses and evaluate, rationalize and adapt the business strategies of the Enlarged Group from time to time with a view to maintaining the competitiveness of the Enlarged Group. The Company will remain proactive yet prudent in managing the businesses of the Enlarged Group and will continue to cautiously explore investment opportunities with promising prospects in an effort to maximize returns for the Enlarged Group and create long-term value to the Shareholders.

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

A. ACCOUNTANTS' REPORT

The following is the text of a report, prepared for the purpose of incorporation in this circular, received from the independent reporting accountants, BDO Limited, Certified Public Accountants, Hong Kong.

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26 September 2012

The Board of Directors
Ming Kei Holdings Limited

Dear Sirs,

We set out below our report on the financial information (the "**Financial Information**") of Foremost Star Investments Limited (the "**Target**") and its wholly-owned subsidiary, Calneva Capital Limited (the "**Target Subsidiary**", the Target and the Target Subsidiary are collectively referred to as the "**Target Group**") for each of years ended 31 December 2009, 2010 and 2011, and the six months ended 30 June 2012 (the "**Relevant Periods**") and the comparative financial information of the Target Group for the six months ended 30 June 2011 (the "**Comparative Financial Information**"), prepared on the basis set out in Note 2 of Section C below, for inclusion in the circular of Ming Kei Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") dated 26 September 2012 (the "**Circular**") in connection with the Group's proposed acquisition of (i) the entire equity interest in the Target; and (ii) the net attributable amount owing by the Target Group to the vendor (the "**Acquisition**") pursuant to an acquisition agreement, a supplemental agreement and a letter of agreement between the Group and the vendor dated 24 May 2012, 15 August 2012 and 10 September 2012, respectively.

The Target was incorporated in the British Virgin Islands on 20 September 2011 with limited liability. The Target's registered office is Quastisky Building, P. O. Box 4389, Road Town, Tortola, British Virgin Islands and its principal place of business is the British Virgin Islands. Pursuant to a reorganisation (the "**Reorganisation**") as detailed in Note 2 of Section C below, which was completed on 20 June 2012, the Target Subsidiary became a wholly-owned subsidiary of the Target. The Target Subsidiary was incorporated in Hong Kong on 20 February 2004 with limited liability. During the Relevant Periods (or since the respective date of incorporation if the entity is incorporated at a date later than 1 January 2009 (the earliest date presented in this Financial Information)) and up to the date of this report, the principal activities of the Target and the Target Subsidiary are investment holding and property investment in Hong Kong, respectively.

The Target and the Target Subsidiary have adopted 31 December as their financial year end date. As at the date of this report, no audited financial statements have been prepared for the Target since its incorporation because there is no statutory requirement for the Target to prepare audited financial statements under the relevant rules and regulations in its jurisdiction of incorporation. The statutory financial statements of the Target Subsidiary prepared in accordance with the Small and Medium-sized Entity Financial Reporting Standard issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") for the years ended 31 December 2009 and 2010 were audited by Phyllis Y. K. Sit & Co. and P C Yu & C Yip respectively, which are firms of certified public accountants registered in Hong Kong. No audited financial statements of the Target Subsidiary have been issued for the year ended 31 December 2011 up to the date of this report.

For the purpose of this report, the director of the Target has prepared the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Target Group for each of the Relevant Periods, and the consolidated statements of financial position of the Target Group as at 31 December 2009, 2010 and 2011 and 30 June 2012, together with the notes thereto (collectively the "**Underlying Financial Statements**"), in accordance with the basis of preparation set out in Note 2 of Section C below and accounting policies set out in Note 4 of Section C below which conform with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA.

The Financial Information has been prepared by the director of the Target based on the Underlying Financial Statements with no adjustment made thereon and in accordance with the basis of preparation set out in Note 2 of Section C below.

The director of the Target is responsible for the preparation and the true and fair presentation of the Financial Information in accordance with the basis of preparation set out in Note 2 of Section C below and the accounting policies set out in Note 4 of Section C below, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**"), and for such internal control as the director of the Target determines is necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error. The directors of the Company are responsible for the contents of the Circular in which this report is included.

Our responsibility is to form an opinion on the Financial Information based on our procedures and to report our opinion to you.

For the purpose of this report, we have carried out audit procedures in respect of the Underlying Financial Statements for each of the Relevant Periods in accordance with Hong Kong Standards on Auditing issued by the HKICPA and have examined the Financial Information of the Target Group and carried out appropriate procedures as we consider necessary in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

For the purpose of this report, we have also reviewed the Comparative Financial Information, which has been prepared in accordance with the basis of preparation set out in Note 2 of Section C below and the accounting policies set out in Note 4 of Section C below, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. The director of the Target is responsible for the preparation and presentation of the Comparative Financial Information in accordance with basis of preparation set out in Note 2 of Section C below and the accounting policies set out in Note 4 of Section C below, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure requirements of the GEM Listing Rules. Our responsibility is to express a conclusion on the Comparative Financial Information based on our review. A review consists of making enquiries, primarily of persons responsible for financial and accounting matters of the Target Group, and applying analytical and other review procedures to the Comparative Financial Information. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Comparative Financial Information.

Opinion in Respect of the Financial Information

In our opinion, the Financial Information, for the purpose of this report, prepared on the basis set out in Note 2 of Section C below gives a true and fair view of the state of affairs of the Target Group as at 31 December 2009, 2010 and 2011 and 30 June 2012 and of the Target as at 31 December 2011 and 30 June 2012, and of the consolidated results and cash flows of the Target Group for each of the Relevant Periods.

Review Conclusion in Respect of the Comparative Financial Information

Based on our review, nothing has come to our attention that causes us to believe that the Comparative Financial Information, for the purpose of this report, is not prepared, in all material respects, in accordance with the same basis adopted in respect of the Financial Information.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 of Section C below which indicates that the Target Group reported net current liabilities of HK$27,177,000, HK$26,560,000, HK$27,611,000 and HK$27,743,000 as at 31 December 2009, 2010 and 2011 and 30 June 2012 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Target Group's ability to continue as a going concern.

B. FINANCIAL INFORMATION

The Financial Information of the Target Group has been prepared on the basis set out in Note 2 of Section C.

Consolidated statements of comprehensive income

		Year ended 31 December			Six months ended 30 June	
		2009	**2010**	**2011**	**2011**	**2012**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Turnover	*7*	221	1,140	–	–	–
Other gain	*7*	9,059	17,000	33,000	16,000	16,000
Administrative and other expenses		(35)	(9)	(562)	(267)	(285)
Finance costs	*9*	(584)	(515)	(489)	(248)	(235)
Profit before income tax	*8*	8,661	17,616	31,949	15,485	15,480
Income tax	*10*	–	–	–	–	–
Profit and total comprehensive income for the year/period		8,661	17,616	31,949	15,485	15,480
Earnings per share	*11*					
– Basic and diluted *(Hong Kong Dollar)*		173	352	639	310	310

The notes in Section C form part of the Financial Information.

Consolidated Statements of Financial Position

	Notes	As at 31 December 2009 HK$'000	2010 HK$'000	2011 HK$'000	As at 30 June 2012 HK$'000
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment	*12*	1	–	–	–
Investment property	*13*	35,000	52,000	85,000	101,000
		35,001	52,000	85,000	101,000
Current assets					
Other receivables		221	–	–	–
Amount due from a shareholder of the Target	*18(b)*	–	–	–	388
Cash and cash equivalents	*15*	4	21	40	25
		225	21	40	413
Current liabilities					
Other payables, accrued expenses and rental deposits received		212	220	38	38
Amounts due to former directors of the Target Subsidiary	*18(a)*	1,795	14,575	–	–
Amount due to a director of the Target Subsidiary/a shareholder of the Target	*18(b)*	–	–	16,467	17,300
Borrowings	*16*	25,395	11,786	11,146	10,818
		27,402	26,581	27,651	28,156
Net current liabilities		(27,177)	(26,560)	(27,611)	(27,743)
Net assets		7,824	25,440	57,389	73,257
EQUITY					
Share capital	*17*	–	–	–	388
Reserves		7,824	25,440	57,389	72,869
Total equity		7,824	25,440	57,389	73,257

The notes in Section C form part of the Financial Information.

Statements of financial position

	Notes	As at 31 December 2011 HK$'000	As at 30 June 2012 HK$'000
ASSETS AND LIABILITIES			
Non-current asset			
Investment in a subsidiary	*14*	–	10
Current asset			
Amount due from a shareholder	*18(b)*	388	388
Current liability			
Amount due to a subsidiary	*18(c)*	–	10
Net current assets		388	378
Net assets		388	388
EQUITY			
Share capital		388	388
Total equity		388	388

Consolidated Statements of Changes in Equity

	Share capital *HK$'000* *(Note 17)*	Merger reserve *HK$'000* *(Note (a))*	(Accumulated loss)/retained earnings *HK$'000*	Total *HK$'000*
Balance at 1 January 2009	–	–	(837)	(837)
Profit and total comprehensive income for the year	–	–	8,661	8,661
Balance at 31 December 2009 and 1 January 2010	–	–	7,824	7,824
Profit and total comprehensive income for the year	–	–	17,616	17,616
Balance at 31 December 2010 and 1 January 2011	–	–	25,440	25,440
Profit and total comprehensive income for the year	–	–	31,949	31,949
Balance at 31 December 2011 and 1 January 2012	–	–	57,389	57,389
Profit and total comprehensive income for the period	–	–	15,480	15,480
Reorganisation *(Note 2)*	388	–	–	388
Balance at 30 June 2012	388	–	72,869	73,257
(Unaudited)				
Balance at 1 January 2011	–	–	25,440	25,440
Profit and total comprehensive income for the period	–	–	15,485	15,485
Balance at 30 June 2011	–	–	40,925	40,925

Note:

(a) The merger reserve represents the nominal value of the share capital of the Target Subsidiary prior to the Reorganisation (as defined in Note 2) to reflect the adjustment made to the share capital of the Target Group as a result of the Reorganisation (as defined in Note 2). As at 31 December 2009, 2010 and 2011, and 30 June 2012, the merger reserve amounted to HK$Nil, HK$Nil, HK$Nil and HK$4.

Consolidated statements of cash flows

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Operating activities					
Profit before income tax	8,661	17,616	31,949	15,485	15,480
Adjustments for:					
Fair value gain on investment property	(9,059)	(17,000)	(33,000)	(16,000)	(16,000)
Depreciation	9	1	–	–	–
Finance costs	584	515	489	248	235
Operating cash inflow/(outflow) before working capital changes	195	1,132	(562)	(267)	(285)
(Increase)/decrease in other receivables	(221)	221	–	–	–
Increase/(decrease) in other payables, accrued expenses and rental deposits received	202	8	(182)	(6)	–
Net cash generated from/ (used in) operating activities	176	1,361	(744)	(273)	(285)
Investing activity					
Purchase of an investment property	(25,941)	–	–	–	–
Net cash used in investing activity	(25,941)	–	–	–	–
Financing activities					
Other loans obtained	12,500	–	–	–	–
Bank loan obtained	12,500	–	–	–	–
Advance from/(repayment to) former directors of the Target Subsidiary, net	956	(215)	450	450	–
Advance from a director of the Target Subsidiary/a shareholder of the Target	–	–	1,442	699	833
Repayment of bank loan and interest	(189)	(1,129)	(1,129)	(564)	(563)
Net cash generated from/(used in) financing activities	25,767	(1,344)	763	585	270

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Net increase/(decrease) in cash and cash equivalents	2	17	19	312	(15)
Cash and cash equivalents at beginning of year	2	4	21	21	40
Cash and cash equivalents at end of year	4	21	40	333	25
Analysis of balances of cash and cash equivalents					
Cash and cash equivalents	4	21	40	333	25

The notes in Section C form part of the Financial Information.

C. NOTES TO THE FINANCIAL INFORMATION

1. ORGANISATION AND OPERATIONS

The Target is incorporated in the British Virgin Islands ("**BVI**") with limited liability and its registered office is located at Quastisky Building, P.O. Box 4389, Road Town, Tortola, BVI.

The Target principally engaged in investment holding. The principal activity of the Target Subsidiary is property investment in Hong Kong, further details of which are set out in Note 14.

2. REORGANISATION AND BASIS OF PRESENTATION AND PREPARATION

In order to fulfil one of the conditions for the completion of the Acquisition, the Target Group underwent a reorganisation (the "**Reorganisation**") which was completed on 20 June 2012, and thereafter the Target Subsidiary became a wholly-owned subsidiary of the Target. Prior to the Reorganisation, the Target Subsidiary 's entire share capital representing 4 ordinary shares of par value HK$1 each of the Target Subsidiary is wholly owned by the vendor. Details of the Reorganisation are as follows:

(i) As at the date of incorporation of the Target on 20 September 2011, 50,000 new ordinary shares of par value United States Dollar ("**US$**") 1 each (equivalent to approximately HK$388,000) were allotted and issued to the initial subscriber. On 22 May 2012, the entire issued share capital of the Target (representing 50,000 ordinary shares of par value US$1 each of the Target) was transferred to vendor from the initial subscriber.

(ii) On 29 May 2012, the Target Subsidiary allotted and issued 9,996 new ordinary shares to the Target at par value of HK$1 each. After the allotment, the Target Subsidiary was owned as to 99.96% by the Target and as to 0.04% by the vendor.

(iii) On 20 June 2012, the vendor transferred 4 ordinary shares of the Target Subsidiary to the Target at par value of HK$1 each. The Target held the entire issued share capital of the Target Subsidiary representing 10,000 ordinary shares of the Target Subsidiary thereafter.

The Reorganisation inserted the Target as a new holding company on top of the Target Subsidiary and as a result there is no economic substance in terms of any real alteration to the composition or ownership of the Target Subsidiary. The consolidated financial statements are a continuation of the Target Subsidiary. The share capital of the Target Subsidiary is adjusted to merger reserve.

The Financial Information set out in this report has been prepared in accordance with HKFRSs (including all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and interpretations) issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the Financial Information includes applicable disclosures required by the Listing Rules. The HKICPA has issued a number of new and revised HKFRSs. For the purpose of preparing this Financial Information, the Target Group has adopted all these new and revised HKFRSs throughout the Relevant Periods.

The Financial Information of the Target Group has been prepared in accordance with the accounting policies adopted by the Company as set out in the annual report of the Company for the year ended 31 March 2012.

The Financial Information has been prepared under the historical cost basis, except for investment property which was stated at fair value as explained in the accounting policy set out in Note 4(d) below. The Financial Information is presented in Hong Kong Dollars ("**HK$**") which is the functional currency of the Target and presentation currency of the Target Group and all values are rounded to the nearest thousand ("**HK$'000**") except when otherwise indicated.

As at 31 December 2009, 2010 and 2011, and 30 June 2012, the Target Group reported net current liabilities of HK$27,177,000, HK$26,560,000, HK$27,611,000 and HK$27,743,000 as at 31 December 2009, 2010 and 2011 and 30 June 2012 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Target Group's ability to continue as

a going concern and therefore, the Target Group may not be able to realise its assets and discharge its liabilities in the normal course of business. The Target Group has received an undertaking from the vendor that the vendor would provide financial assistance to the Target Group and would not call for repayment of any amount due to the vendor (i.e. shareholder of the Target) of HK$17,300,000 as at 30 June 2012 unless and until the Target Group is able to meet its financial obligations as they fall due. The director of the Target also considered that the property market in Hong Kong is highly liquid market and, where required, the Target Group is able to realise its investment property at an amount sufficient to fulfil its working capital requirements as at 31 December 2009, 2010 and 2011, and 30 June 2012. Accordingly, the Financial Information has been prepared on a going concern basis.

3. NEW/REVISED HKFRSs THAT HAVE BEEN ISSUED BUT NOT YET EFFECTIVE

The following new or revised HKFRSs, potentially relevant to the Target Group's operations, have been issued but are not effective for the Relevant Periods and have not been early adopted by the Target Group:

HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*[2]
HKFRS 9	*Financial Instruments*[4]
HKFRS 10	*Consolidated Financial Statements*[2]
HKFRS 12	*Disclosure of Interests in Other Entities*[2]
HKFRS 13	*Fair Value Measurement*[2]
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*[1]
HKAS 27 (2011)	*Separate Financial Statements*[2]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*[3]
Amendments to HKAS 1 (Revised)	*Clarification of the Requirements for Comparative Information*[2]
Amendments to HKAS 32	*Tax Effect of Distribution to Holders of Equity Instruments*[2]

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

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

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

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

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

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

The 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 of the Target so far concluded that the application of these new/revised HKFRSs will have no material impact on the Target Group's financial statements.

4. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of consolidation

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

Inter-company transactions and balances between group entities together with unrealised profits are eliminated in full in preparing the Financial Information. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

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

(b) Subsidiary

Subsidiary is an entity over 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 are presently exercisable are taken into account.

Investment in a subsidiary is included in the Target's statements of financial position at cost less any impairment losses, if any. The results of subsidiary are accounted for by the Target on the basis of dividends received and receivables.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The estimated useful lives of property, plant and equipment are as follows:

Furniture and fixtures	5 years
Office equipment	5 years

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(d) Investment property

Investment property is a property held to earn rentals or for capital appreciation and not occupied by the Target Group or held for sale in the ordinary course of business. Investment property is stated at fair value. Changes in fair value are recognised in profit or loss.

(e) Impairment of assets

At end of each reporting period, the Target Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Target Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but the increased carrying amount shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately in the profit or loss.

(f) Financial instruments

(i) Financial assets

The Target Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets at fair value through profit or loss are initially measured at fair value and all other financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to customers (trade debtors), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

(ii) Impairment loss on financial assets

The Target Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– granting concession to a debtor because of debtor's financial difficulty;

– it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

For loans and receivables, an impairment loss is recognised in profit or loss and directly reduces the carrying amount of financial asset when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

(iii) Financial liabilities

The Target Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

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

(v) Equity instruments

Equity instruments issued by the Target and the Target Subsidiary are recorded at the proceeds received, net of direct issue costs.

(vi) Derecognition

The Target Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when, and only when, the obligation specified in the relevant contract is discharged, cancelled or expires.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits at banks, and, for the purpose of consolidated statements of cash flows, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(h) Leases

The Target Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(i) Provisions 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 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.

(j) 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 Periods. Taxable profit differs from profit as reported in the profit or loss 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 at the end of reporting 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 end of each 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 reporting 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.

(k) Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(l) Related parties

(a) A person or a close member of that person's family is related to the Target Group if that person:

(i) has control or joint control over the Target Group;

(ii) has significant influence over the Target Group; or

(iii) is a member of key management personnel of the Target Group or the Target's parent.

(b) An entity is related to the Target Group if any of the following conditions apply:

(i) The entity and the Target Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of the employees of the Target Group or an entity related to the Target Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(i) that person's children and spouse or domestic partner;

(ii) children of that person's spouse or domestic partner; and

(iii) dependents of that person or that person's spouse or domestic partner.

(m) Revenue recognition

The Target Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Target Group's activities. Rental income is recognised in accordance with the Target Group's accounting policy for leases set out in Note 4(h).

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Target Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There is no significant risk of key assumptions concerning the future and other key sources of estimation at the end of Relevant Periods which will cause an adjustment to the carrying amounts of assets and liabilities subsequent to the Relevant Periods.

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

6. SEGMENT INFORMATION

The Target Group's operating segment is structured and managed according to the nature of its operation. No segment reporting information is shown as the Target Group is only engaged in the property investment in Hong Kong.

7. TURNOVER AND OTHER GAIN

Turnover is the Target Group's revenue, which solely represent rental income. An analysis of the Target Group's turnover and other gain is as follows:

	Year ended 31 December			Six months ended 30 June	
	2009	**2010**	**2011**	**2011**	**2012**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Turnover:					
Rental income	221	1,140	–	–	–
Other gain:					
Fair value gain on investment property *(Note 13)*	9,059	17,000	33,000	16,000	16,000

8. PROFIT BEFORE INCOME TAX

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
This is arrived at after charging:					
Director's remuneration	–	–	–	–	–
Auditor's remuneration	8	8	8	–	–
Depreciation *(Note 12)*	9	1	–	–	–

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

9. FINANCE COSTS

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

	Year ended 31 December			Six months ended 30 June	
	2009	2010	2011	2011	2012
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Bank loan*	89	515	489	248	235
Other loans	495	–	–	–	–
Total	584	515	489	248	235

* The analysis shows the finance costs of bank loan with the loan agreement which contains a repayment on demand clause and the bank loan is classified as "wholly repayable within five years" in this analysis.

10. INCOME TAX

(a) Provision for Hong Kong profits tax is calculated at 16.5% on the estimated assessable profits for each of the Relevant Periods.

(b) The income tax can be reconciled to accounting profit as follows:

	Year ended 31 December			Six months ended 30 June	
	2009	**2010**	**2011**	**2011**	**2012**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Profit before income tax	8,661	17,616	31,949	15,485	15,480
Tax calculated at Hong Kong profits tax rate of 16.5%	1,429	2,907	5,272	2,555	2,554
Tax effect of income not taxable for tax purposes	(1,512)	(2,822)	(5,462)	(2,657)	(2,657)
Tax effect of expenses not deductible for tax purposes	3	–	–	–	–
Tax effect on tax losses not recognised	80	–	190	102	103
Tax effect on utilisation of tax losses	–	(85)	–	–	–
Income tax for the year/period	–	–	–	–	–

(c) As at 31 December 2009, 2010 and 2011, and 30 June 2012, the Target Group has unused tax losses of HK$1,091,000, HK$577,000, HK$2,120,000 and HK$2,364,000 respectively available for offset against future profits. No deferred tax asset has been recognised in respect of the above tax losses amount due to the uncertainty over the availability of future profit streams of the Target Group respectively. Such losses may be carried forward indefinitely. The Target Group has no other material unprovided deferred tax as at 31 December 2009, 2010 and 2011, and 30 June 2012.

11. EARNINGS PER SHARE

The calculation of the basic earnings per share for each of the Relevant Periods is based on the consolidated profit attributable to the owner of the Target and the weighted average number of 50,000 shares outstanding (representing the entire issued share capital of the Target up to the date of this report) during each of the years ended 31 December 2009, 2010 and 2011, and the six months ended 30 June 2011 and 2012 on the basis that the Reorganisation as set out in Note 2 had been completed throughout the Relevant Periods.

No dilutive earnings per share is presented as there is no potential dilutive share during the Relevant Periods.

12. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures	Office equipment	Total
	HK$'000	*HK$'000*	*HK$'000*
At cost:			
At 1 January 2009, 31 December 2009, 2010 and 2011, and 30 June 2012	9	34	43
Accumulated depreciation:			
At 1 January 2009	7	26	33
Charge for the year *(Note 8)*	2	7	9
At 31 December 2009 and 1 January 2010	9	33	42
Charge for the year *(Note 8)*	–	1	1
At 31 December 2010 and 2011 and 30 June 2012	9	34	43
Net carrying value:			
At 31 December 2009	–	1	1
At 31 December 2010	–	–	–
At 31 December 2011	–	–	–
At 30 June 2012	–	–	–

13. INVESTMENT PROPERTY

	As at 31 December			As at 30 June
	2009	2010	2011	2012
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Fair value:				
At beginning of year/period	–	35,000	52,000	85,000
Addition	25,941	–	–	–
Fair value gain on investment property *(Note 7)*	9,059	17,000	33,000	16,000
At the end of the year/period	35,000	52,000	85,000	101,000

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

The Target Group's investment property is situated in Hong Kong and is held under medium term lease.

As at 31 December 2009, 2010 and 2011, the investment property of the Target Group was revalued at its open market value by reference to a valuation carried out by Asia Assets Limited, an independent firm of professionally qualified valuers. As at 30 June 2012, the investment property of the Target Group was revalued at its open market value by reference to a valuation carried out by B. I. Appraisals Limited, an independent firm of professionally qualified valuers. The valuations were arrived at by reference to market evidence of transaction prices and rental received for similar properties.

Revaluation surplus of HK$9,059,000, HK$17,000,000, HK$33,000,000, HK$16,000,000 and HK$16,000,000 were resulted for each of years ended 31 December 2009, 2010 and 2011, and the six months ended 30 June 2011 and 2012 respectively, which were recognised in profit or loss for the corresponding periods.

As at 31 December 2009, 2010 and 2011, and 30 June 2012, the investment property of the Target Group was pledged to secure the bank loan of the Target Group (Note 16).

14. INVESTMENT IN A SUBSIDIARY

	The Target	
	As at 31 December 2011	**As at 30 June 2012**
	HK$'000	*HK$'000*
Unlisted shares, at costs and classified as non-current assets	–	10

Particulars of the Target Subsidiary as at 30 June 2012 are as follows:-

Name of company	**Place of incorporation and operation**	**Nominal value of issued ordinary share capital**	**Percentage of equity attributable to the Target**		**Principal activities**
			Direct	**Indirect**	
Calneva Capital Limited	Hong Kong	HK$10,000	100	–	Property investment

15. CASH AND CASH EQUIVALENTS

As at 31 December 2009, 2010 and 2011, and 30 June 2012, the cash and cash equivalents of the Target Group were denominated in HK$.

16. BORROWINGS

	As at 31 December			As at 30 June
	2009	2010	2011	2012
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Secured – bank loan due for repayment with one year which contain a repayment on demand clause	613	640	653	663
Secured – bank loan due for repayment after one year which contain a repayment on demand clause	11,787	11,146	10,493	10,155
Unsecured – other loans	12,995	–	–	–
Borrowings included in current liabilities	25,395	11,786	11,146	10,818
Borrowings were due for repayment as follows:				
On demand or within one year	13,608	640	653	663
After one year but within two years	640	653	673	683
In the second to fifth years inclusive	2,729	2,803	2,874	2,909
After five years	8,418	7,690	6,946	6,563
	25,395	11,786	11,146	10,818

The presentation of the amounts due above is based on the scheduled repayment dates set out in the loan agreements and does not take into account the effect of any repayment on demand clause in the bank loan agreement.

During the Relevant Periods, the bank loan is secured by (i) the investment property of the Target Group (Note 13) with rental assignment in respect of any lease agreement to be executed by the Target Subsidiary; and (ii) unlimited personal guarantees given by the former directors of the Target Subsidiary. Interest is charged at 1% per annum below the Hong Kong Dollar Prime Rate. During the Relevant Periods, the average effective interest rate of the bank loan was 4.25% per annum.

The other loans were received from an independent third party, were unsecured, bore interest at 1.5% per month and were repayable in February 2010. The other loans of HK$12,995,000 were fully settled by a former director of the Target Subsidiary on behalf of the Target Subsidiary in February 2010, which was included in the Target Group's current account with the former directors of the Target Subsidiary.

The Target Group's borrowings are denominated in HK$.

17. SHARE CAPITAL

The Target Group

For the purpose of the preparation of the Financial Information, the share capital in the consolidated statements of financial position as at 31 December 2009, 2010, and 2011 represents the entire issued share capital of the Target Subsidiary comprising 4 shares of HK$1 each (equivalent to HK$4). The share capital in the consolidated statement of financial position as at 30 June 2012 represents the entire issued share capital of the Target comprising 50,000 shares of US$1 each (equivalent to approximately HK$388,000) upon the completion of the Reorganisation on 20 June 2012.

The Target

The movements of the Target's share capital during the Relevant Periods are as follows:

	Number of shares *'000*	**Nominal value** *HK$'000*
Ordinary shares of US$1 each		
Authorised:		
At date of incorporation and, at 31 December 2011, and 30 June 2012	50	388
Issued and registered:		
Issued at the date of incorporation and, at 31 December 2011 and 30 June 2012	50	388

As at the date of incorporation of the Target on 20 September 2011, 50,000 new ordinary shares of par value US$1 each (equivalent to approximately HK$388,000) were allotted and issued to the initial subscriber. On 22 May 2012, the entire issued share capital of the Target (representing 50,000 ordinary shares of par value US$1 each of the Target) was transferred to vendor from the initial subscriber.

18. RELATED PARTY TRANSACTIONS

(a) The amounts due to former directors of the Target Subsidiary were unsecured, interest-free and had no fixed terms of repayment. The aggregate amount of HK$15,025,000 due to former directors of the Target Subsidiary was assigned to the director of the Target Subsidiary in February 2011.

(b) The amounts due from/(to) Mr. Yuan Huafeng (i.e. the vendor) who is a shareholder and director of the Target as at 30 June 2012 and a director of the Target Subsidiary as at 31 December 2011 were unsecured, interest-free and had no fixed terms of repayment. The maximum outstanding balance due from this individual during the six months ended 30 June 2012 was HK$388,000.

(c) The amount due to a subsidiary was unsecured, interest-free and had no fixed terms of repayment.

19. OPERATING LEASE COMMITMENTS

During the Relevant Periods, the Target Group leases its investment property under operating lease arrangement, with the leases negotiated for terms of eighteen months. The terms of the leases generally also require the tenants to pay security deposits.

The Target Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follow:

	As at 31 December			As at 30 June
	2009	**2010**	**2011**	**2012**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	1,140	–	–	–
In the second to fifth years, inclusive	380	–	–	–
	1,520	–	–	–

20. 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 paid to shareholder, return capital to shareholder, issue new shares or sell the investment property of the Target Group to reduce debts as set out in Note 2.

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

The Target Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total capital. Total borrowings include borrowings as shown in the consolidated statements of financial position, including borrowings, amounts due to a director and former directors of the Target Subsidiary and a shareholder of the Target. Total capital is calculated as "total equity", as shown in the consolidated statements of financial position, plus borrowings. The gearing ratios of the Target Group at 31 December 2009, 2010 and 2011, and 30 June 2012 were as follows:

	As at 31 December			As at 30 June
	2009	**2010**	**2011**	**2012**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Total borrowings	27,190	26,361	27,613	28,118
Total equity	7,824	25,440	57,389	72,869
Total capital	35,014	51,801	85,002	100,987
Gearing ratio	78%	51%	32%	28%

The Target Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Target Group may adjust the amount of dividends paid to shareholder, return capital to shareholder or issue new shares to reduce debts.

The Target Group has no plan to use special measures to adjust its gearing ratio in the foreseeable future.

21. FINANCIAL RISK MANAGEMENT

The main risks arising from the Target Group's business and financial instruments are liquidity risk, interest rate risk and fair value risk.

(a) Liquidity risk

The Target Group's policy to manage liquidity risk is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. The Target Group's primary cash requirements have been for repayment on borrowings and payment of other debts. The Target Group finances its working capital requirements through funds generated from its operations and financial support provided by the shareholder of the Target. Management monitors rolling forecasts of the Target Group's liquidity reserve on the basis of expected future cash flows. Further details of management's consideration on liquidity of the Target Group are set out in Note 2.

	Carrying amount	Total contractual undiscounted cash flow	On demand
	HK$'000	*HK$'000*	*HK$'000*
As at 31 December 2009			
Other payables, accrued expenses and rental deposits received	212	212	212
Amounts due to former directors of the Target Subsidiary	1,795	1,795	1,795
Borrowings *(Note)*	25,395	25,395	25,395
	27,402	27,402	27,402
As at 31 December 2010			
Other payables, accrued expenses and rental deposits received	220	220	220
Amounts due to former directors of the Target Subsidiary	14,575	14,575	14,575
Borrowings *(Note)*	11,786	11,786	11,786
	26,581	26,581	26,581
As at 31 December 2011			
Other payables, accrued expenses and rental deposits received	38	38	38
Amount due to a director of the Target Subsidiary	16,467	16,467	16,467
Borrowings *(Note)*	11,146	11,146	11,146
	27,651	27,651	27,651
As at 30 June 2012			
Other payables, accrued expenses and rental deposits received	38	38	38
Amount due to a shareholder of the Target	17,300	17,300	17,300
Borrowings *(Note)*	10,818	10,818	10,818
	28,156	28,156	28,156

The table below follows summarises the maturity analysis of bank loan with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreement. The amounts include interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the "on demand or within one year" time band in the maturity analysis contained in Note 16. Taking into account the Target Group's financial position, the director of the Target does not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The director of the Target believes that such bank loan will be repaid in accordance with the scheduled repayment dates set out in the loan agreement.

	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 December 2009						
Bank loan	12,400	16,738	1,128	1,128	3,384	11,098
As at 31 December 2010						
Bank loan	11,786	15,610	1,128	1,128	3,384	9,970
As at 31 December 2011						
Bank loan	11,146	14,481	1,128	1,128	3,384	8,841
As at 30 June 2012						
Bank loan	10,818	12,789	1,128	1,128	3,384	7,149

(b) Interest rate risk

Cash flow interest rate risk is the risk that the cash flows of the financial liabilities will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of the financial liabilities will fluctuate because of changes in market interest rates. The Target Group is exposed to cash flow interest rate risk which relates primarily to the Target Group's floating-rate bank loan and the details of borrowings are disclosed in Note 16. Management of the Target Group closely monitors cash flow interest rate risk.

Sensitivity analysis

At 31 December 2009, 2010 and 2011, and 30 June 2012, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would decrease/increase the Target Group's net profit and retained earnings by approximately HK$20,000, HK$120,000, HK$113,000 and HK$55,000 respectively.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of each of the Relevant Periods and had been applied to the exposure to interest rate risk for the financial liabilities in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the year/period until the end of next reporting period.

(c) Fair values

The Target Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in this Financial Information approximate their corresponding fair values.

22. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Target Group's financial assets and financial liabilities as recognised at 31 December 2009, 2010 and 2011, and 30 June 2012 may be categorised as follows:

	As at 31 December			As at 30 June
	2009	**2010**	**2011**	**2012**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets				
Loans and receivables (including cash and cash equivalents), measured at amortised cost	225	21	40	413
Financial liabilities				
Financial liabilities, measured at amortised cost	27,402	26,581	27,651	28,156

D. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Target and its subsidiary in respect of any period subsequent to 30 June 2012 and up to the date of this report. No dividend or other distribution has been declared, made or paid by Target in respect of any period subsequent to 30 June 2012.

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 each of the three years ended 31 December 2011. The following financial information is based on the financial information of the Target Group as set out in Appendix II to this circular.

BUSINESS AND FINANCIAL REVIEW

The Target was incorporated in the BVI on 20 September 2011. Save for its interest in the entire issued share capital of the Target Subsidiary upon completion of the Reorganisation, the Target has not conducted and does not have any business operations since the date of its incorporation. Accordingly, it has not recorded any profit or loss from the date of its incorporation up to the Latest Practicable Date.

The Target Subsidiary was incorporated in Hong Kong on 20 February 2004. Its principal asset is its interest in the Property. There is no information on business segment as the Target Group is only engaged in the property investment in Hong Kong.

Turnover is the Target Group's revenue, which solely represent rental income. For each of the years ended 31 December 2011, 2010, 2009 and the six months period ended 30 June 2012 (the "**Periods**"), turnover of the Target Group was approximately HK$Nil, HK$1,140,000, HK$221,000 and HK$Nil respectively. The Vendor advised that the Property was rented to an Independent Third Party (the "**Previous Tenant**") as a restaurant. The tenancy was commenced in the year 2009 and ended in December 2010, at a monthly rent of HK$95,000, exclusive of all outgoings. A lower rental was charged by the Target Subsidiary as compared to the present tenancy due to (i) the initial decoration costs for setting up a restaurant, which were solely borne by the Previous Tenant, could be saved, (ii) immediate rental income streams could be earned and enjoyed by the Target Subsidiary by retaining the Previous Tenant rather than left the Property vacant, and (iii) the rising property market conditions in Hong Kong, where the longer time lagged the greater the room for increase in rental level from previous to present tenancy comparably.

The profit before income tax of the Target Group for the Periods was approximately HK$31,949,000, HK$17,616,000, HK$8,661,000 and HK$15,480,000. Such increase was mainly due to the fair value gains on investment property, which were recognized as other gain in consolidated statements of comprehensive income, of approximately HK$33,000,000, HK$17,000,000, HK$9,059,000 and HK$16,000,000 respectively for each of Periods, offsetting with interest expenses on secured bank loan of approximately HK$489,000, HK$515,000, HK$89,000 and HK$235,000 for the corresponding periods respectively.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2012, 31 December 2011, 31 December 2010 and 31 December 2009, the Target Group had (a) trade and other payables of approximately HK$38,000, HK$38,000, HK$220,000 and HK$212,000 respectively; (b) amount due to a former directors of the Target Subsidiary of approximately HK$Nil, HK$Nil, HK$14,575,000 and HK$1,795,000 respectively; and (c) borrowings which, save for the inclusion of unsecured other loans of HK$12,995,000 as at 31 December 2009, comprised mainly of a 15-year secured bank loan obtained during the year ended 31 December 2009 of approximately HK$10,818,000, HK$11,146,000, HK$11,786,000 and HK$12,400,000 respectively. The principle amount is of HK$12,500,000 and interest is charged at 1% per annum below the Hong Kong dollar prime rate. During the Periods, the average effective interest rate was 4.25% per annum. Also, as at 30 June 2012 and 31 December 2011, the Target Group had an amount due to a shareholder of the Target of approximately HK$17,300,000 and HK$16,467,000, which was unsecured, interest-free and had no fixed terms of repayment.

As at 30 June 2012, 31 December 2011, 31 December 2010 and 31 December 2009, the Target Group had cash and bank balances of approximately HK$25,000, HK$40,000, HK$21,000 and HK$4,000 respectively.

As at 30 June 2012, 31 December 2011, 31 December 2010 and 31 December 2009, the Target Group had total debts of approximately HK$28,156,000, HK$27,651,000, HK$26,581,000 and HK$27,402,000 respectively and its gearing ratio, expressed as a percentage of total debts over total assets, were approximately 27.76%, 32.52%, 51.10% and 77.79% respectively.

CAPITAL COMMITMENT

As at 30 June 2012, 31 December 2011, 31 December 2010 and 31 December 2009, the Target Group had no capital commitments.

TREASURY POLICIES

The Target Group had no formal treasury policy and did not enter into any form of financial arrangement for hedging for the three years ended 31 December 2011.

EXCHANGE RATE EXPOSURE

The principal asset of the Target Group is the Property which is an investment property in Hong Kong and has been/will be generating rental income based in Hong Kong currency. Accordingly, the Target Group did not, does not and will not have any exchange rate exposure.

CHARGE OF ASSETS

As at 30 June 2012, 31 December 2011, 31 December 2010 and 31 December 2009, the Property was charged to finance a bank loan/there was no pledge of assets of the Target Group.

EMPLOYEES AND REMUNERATION POLICY

During the three years ended 31 December 2011, the Target Group did not have any employee and no remuneration expenses were incurred.

ACQUISITION AND DISPOSAL OF SUBSIDIARIES

Save for the Reorganisation, the Target Group did not have any material acquisition and disposal of subsidiaries during the three years ended 31 December 2011.

CONTINGENT LIABILITIES

As at 30 June 2012, 31 December 2011, 31 December 2010 and 31 December 2009, the Target Group did not have any contingent liabilities.

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

The accompanying illustrative and unaudited pro forma financial information of the Enlarged Group (as 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 Foremost Star Investments Limited (the "**Target**", together with its wholly-owned subsidiary are referred to as the Target Group) by Star International Business Development 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 net attributable amount owing by the Target Group to the vendor (the "**Sale Loan**") (collectively the "**Acquisition**") pursuant to an acquisition agreement, a supplemental agreement and a letter of agreement between the Group and the vendor dated 24 May 2012, 15 August 2012 and 10 September 2012 respectively (collectively the "**Acquisition Agreements**") as if the Acquisition had been completed on 31 March 2012. The Group together with the Target Group is referred to as the Enlarged Group. Terms used herein shall have the same meanings as defined in the circular of the Company dated 26 September 2012 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 2012

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 2012 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 2012; and (ii) the audited consolidated statement of financial position of the Target Group as at 30 June 2012 as set out in Appendix II to this circular, and adjusted to reflect the effects of 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	The Target Group	Pro forma adjustments of the Acquisition	Notes	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
ASSETS AND LIABILITIES					
Non-current assets					
Property, plant and equipment	13,120	–			13,120
Investment property	–	101,000			101,000
Intangible assets	47,425	–			47,425
	60,545	101,000			161,545
Current assets					
Trade receivables	51,969	–			51,969
Amount due from a shareholder of the Target	–	388	(388)	3	–
Refundable deposit	19,411	–			19,411
Prepayments, deposits and other receivables	11,879	–			11,879
Tax recoverable	20	–			20
Cash and cash equivalents	8,543	25	46,558	1	–
			15,932	2	
			(71,058)	3	
	91,822	413			83,279
Assets of a disposal group classified as held for sale	15,150	–			15,150

	The Group	The Target Group	Pro forma adjustments of the Acquisition	Notes	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
Current liabilities					
Trade payables	46,296	–			46,296
Accrued expenses and other payables	2,987	38			3,025
Consideration payable for acquisition of subsidiaries	–	–	3,908	*3*	3,908
Amount due to a shareholder of the Target	–	17,300	(17,300)	*3*	–
Amount due to a non- controlling owner of a subsidiary	1,950	–			1,950
Borrowings	–	10,818			10,818
Tax payables	1,188	–			1,188
	52,421	28,156			67,185
Liabilities of a disposal group classified as held for sale	607	–			607
Net current assets/(liabilities)	53,944	(27,743)			30,637
Total assets less current liabilities	114,489	73,257			192,182
Non-current liabilities					
Deferred tax liabilities	7,825	–			7,825
Net assets	106,664	73,257			184,357
CAPITAL AND RESERVES					
Issued capital	1,967	388	1,153	*1*	3,924
			461	*2*	
			(388)	*3*	
			343	*3*	
Reserves	100,432	72,869	45,405	*1*	176,168
			15,471	*2*	
			(72,869)	*3*	
			14,860	*3*	
Non-controlling interest	4,265	–			4,265
Total equity	106,664	73,257			184,357

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

(1) As stipulated in the Company's prospectus ("**Prospectus**") dated 24 July 2012 of the open offer (the "**Open Offer**") of 115,251,099 offer shares of the Company on the basis of one offer share for every two existing issued shares of the Company held on the record date at a subscription price of HK$0.43 per offer share, part of the net cash proceeds from the Open Offer would be utilised to finance the payment of the cash consideration of the Acquisition, and accordingly the effect of the Open Offer is considered to be an integral part of the Acquisition and is adjusted in the Unaudited Pro Forma Financial Information.

The adjustment reflects the estimated net proceeds from the Open Offer in the amount of approximately HK$46,558,000 calculated based on the gross proceeds of HK$49,558,000 resulting from 115,251,099 offer shares of par value HK$0.01 issued at the subscription price of HK$0.43 per offer share, and after the deduction of (i) the underwriting commission in the amount of approximately HK$1,735,000 based on the underwriting commission of 3.5% on the gross proceeds of HK$49,558,000 from the Open Offer; and (ii) other estimated fees and expenses of approximately HK$1,265,000, as if the Open Offer had been completed on 31 March 2012. It is assumed that upon the completion of the Open Offer, an amount of approximately HK$1,153,000 will be credited to issued capital and the remaining balance of approximately HK$45,405,000 will be credited to the share premium account included in the reserves of the Enlarged Group.

(2) As stipulated in the Company's announcement dated 20 August 2012 in respect of the share placing (the "**Share Placing**") of 46,100,000 new ordinary shares of the Company at a subscription price of HK$0.36 each, part of the net cash proceeds from the Share Placing would be utilised to finance the payment of the cash consideration of the Acquisition, and accordingly the effect of the Share Placing is considered to be an integral part of the Acquisition and is adjusted in the Unaudited Pro Forma Financial Information.

The adjustment reflects the estimated net proceeds from the Share Placing in the amount of approximately HK$15,932,000 which is calculated based on the gross proceeds of HK$16,596,000 resulting from 46,100,000 new ordinary shares of par value HK$0.01 each to be placed at the subscription price of HK$0.36 per share, and after the deduction of (i) the estimated placing commission of approximately HK$581,000 based on placing commission of 3.5% on the gross proceeds of HK$16,596,000 from the Share Placing; and (ii) other estimated fees and expenses of approximately HK$83,000, as if the Share Placing had been completed on 31 March 2012. It is assumed that upon the completion of the Share Placing, an amount of approximately HK$461,000 will be credited to issued capital and the remaining balance of approximately HK$15,471,000 will be credited to the share premium account included in the reserves of the Enlarged Group.

(3) The adjustment represents the effects of the Acquisition to the Group with (i) the nominal consideration of HK$88,000,000 to be satisfied as to the amount of HK$74,966,000 in cash up to the completion of the Acquisition, of which HK$71,058,000 was settled in the Unaudited Pro Forma Financial Information of the Enlarged Group and the remaining amount of HK$3,908,000 was accounted for as consideration payable for acquisition of subsidiaries, and as to the remaining nominal amount of HK$13,034,000 by the allotment and issue of 34,300,000 consideration shares of par value HK$0.01 each at the issue price of HK$0.38 each (the "**Consideration Shares**") upon the completion of the Acquisition; and (ii) the elimination of the Target's issued capital of approximately HK$388,000 and pre-acquisition reserves of the Target Group of approximately HK$72,869,000 as at 30 June 2012 upon the completion of the Acquisition.

The principal activity of the Target Group is property investment and its principal asset is an investment property located in Hong Kong. The Target Group did not constitute an integrated set of activities and assets as no significant processes were acquired. In the opinion of the directors of the Company, the Acquisition was in substance an acquisition of assets and liabilities, being the investment property located in Hong Kong and its associated assets and liabilities, instead of an acquisition of business and therefore was excluded from the scope of Hong Kong Financial Reporting Standard 3 (Revised) "Business Combination" issued by the Hong Kong Institute of Certified Public Accountants. Accordingly, the Acquisition has been accounted for as the acquisition of assets and liabilities through acquisition of subsidiaries.

Since the Acquisition is considered as an acquisition of assets and liabilities and the consideration will be partially settled by the Company's equity instruments which is an equity-settlement share-based payment transaction and accordingly the fair value of the equity instruments to be recognised in the Acquisition should be determined based on the difference between the fair value consideration to be settled in cash and the fair value of the assets and liabilities acquired. As the assets and liabilities of the Target Group comprised investment property carried at fair value and financial assets and liabilities carried at amortised cost which approximate their corresponding fair values, the net assets value of the Target Group is considered as the net fair value of the assets and liabilities of the Target Group.

As a result, the shortfall of approximately of HK$15,203,000 of the consideration in cash of HK$74,966,000 below the aggregate amount of fair values of the assets and liabilities of the Target Group (i.e. HK$73,257,000 as at 30 June 2012) and the Sale Loan of HK$16,912,000 as at 30 June 2012) is considered as the fair value of the Company's Consideration Shares, of which an amount of approximately HK$343,000 will be credited to issued capital and the remaining balance of approximately HK$14,860,000 will be credited to the share premium account included in the reserves of the Enlarged Group.

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 being acquired are subject to changes up to the completion of the Acquisition which shall be re-assessed on the date of completion of the Acquisition.

Pursuant to the Acquisition Agreements, the consideration is subject to deduction adjustment in the event that the investment property of the Target Group as shown in the valuation report prepared by an independent valuer is less than HK$88,000,000 provided that deduction adjustment shall not be more than HK$8,800,000. For the purpose of preparing this Unaudited Pro Forma Financial Information, it is assumed that no deduction adjustment is required to the consideration of the Acquisition.

The consideration payable for acquisition of subsidiaries of HK$3,908,000 of the Acquisition is to be financed by the net cash proceeds from the Group's disposal (the "**Disposal**") of the entire 100% equity interests in Star International Business Company Limited and its subsidiary (collectively referred to as the "**Disposal Group**") of HK$15,140,000 (being the gross consideration of HK$15,740,000 after deducting all relevant estimated fees and expenses of approximately HK$600,000) which was extracted from the Disposal Circular (as defined below). The Disposal was completed on 11 May 2012, details of which are set out in the announcement of the Company dated 11 May 2012 and the circular of the Company dated 18 April 2012 (the "**Disposal Circular**") in relation to the Disposal.

(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.

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26 September 2012

The Board of Directors
Ming Kei Holdings Limited

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 Group's proposed acquisition of (i) the entire equity interest in Foremost Star Investments Limited (the "**Target**", together with its wholly-owned subsidiary are referred to as the "**Target Group**"); and (ii) the net attributable amount owing by the Target Group to the vendor (collectively the "**Acquisition**") pursuant to an acquisition agreement, a supplemental agreement and a letter of agreement between the Group and the vendor dated 24 May 2012, 15 August 2012 and 10 September 2012, respectively, 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 26 September 2012 (the "**Circular**"). The Group together with the Target Group is referred to as the Enlarged Group.

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 2012 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, so far as such policies related to the transactions; 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

B. I. Appraisals Limited
保柏國際評估有限公司
Registered Professional Surveyors, Valuers & Property Consultants
Unit 1301, 13/F, Tung Wai Commercial Building,
Nos. 109-111 Gloucester Road, Wan Chai, Hong Kong
Tel: (852) 2127 7762 Fax: (852) 2137 9876
Email: info@biappraisals.com.hk
Website: www.bigroupchina.com

26 September 2012

The Directors
Ming Kei Holdings Limited
Room 2103, 21/F
9 Queen's Road Central
Hong Kong

Dear Sirs,

Re: Canteen Room 222, 2/F, Nan Fung Industrial City Central Services Building, No. 18 Tin Hau Road, Tuen Mun, New Territories, Hong Kong

In accordance with the instructions from Ming Kei Holdings Limited (hereinafter referred to as the "**Company**") for us to value the captioned property (hereinafter referred to as the "**Property**"), we confirm that we have carried out inspection, conducted land searches at The Land Registry, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of value of the Property as at 30 June 2012 (hereinafter referred to as the "**Date of Valuation**").

It is our understanding that this valuation document is to be used for disclosure purpose in relation to the proposed acquisition of the Property.

This letter, forming part of our valuation report, identifies the property being valued, explains the basis and methodology of our valuation, and lists out the assumptions and the title investigation we have made in the course of our valuation, as well as the limiting conditions.

BASIS OF VALUATION

Our valuation of the Property is our opinion of its market value which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

Our valuation has been carried out in accordance with The HKIS Valuation Standards on Properties (1st Edition 2005) issued by the Hong Kong Institute of Surveyors and under generally accepted valuation procedures and practices, which are in compliance with Chapter 8 of the GEM Listing Rules.

In valuing the Property, the Government Lease of which has expired prior to 30 June 1997, we have taken into account the provisions of the New Territories Leases (Extension) Ordinance 1988 that such lease has been extended without payment of premium until 30 June 2047, and that a rent equivalent to three per cent. of the rateable value of the Property is charged per annum from the date of extension.

VALUATION METHODOLOGY

In valuing the Property, which is held for investment, we have adopted the Direct Comparison Method, assuming the Property is capable of being sold in existing state with the benefit of vacant possession, by making reference to comparable sale evidence as available in the relevant market and, wherever appropriate, the Investment Method by taking into account the current passing rent and the reversionary income potential of the Property.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the Property is sold on the open market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement that would serve to affect its value. In addition, no account has been taken of any option or right of pre-emption concerning or effecting a sale of the Property and no forced sale situation in any manner is assumed in our valuation.

We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all ordinances, except only where otherwise stated. We have further assumed that all consents, approvals, required licences, permits, certificates, and authorizations have been obtained, except only where otherwise stated, for the use of the Property upon which our valuation is based.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoing of an onerous nature that could affect its value.

TITLE INVESTIGATION

We have caused searches to be made at The Land Registry. However, we have not scrutinized the original documents to ascertain ownership or to verify any amendments that may not appear on the copies handed to us. All documents and leases have been used for reference only.

LIMITING CONDITIONS

We have inspected the exterior of the Property. In the course of our inspection, we did not note any serious defects. However, no structural survey has been made nor have any tests been carried out on any of the building services provided in the Property. We are, therefore, not able to report that the Property is free from rot, infestation or any other structural defects.

We have not conducted any on-site measurement to verify the correctness of the floor areas of the Property but have assumed that the floor areas shown on the documents and floor plans furnished to us are correct. Dimensions, measurements and areas included in the valuation certificate attached are based on information contained in the documents provided to us by the Company and are therefore approximations only

We have relied to a considerable extent on the information provided by the Company and accepted advice given to us on such matters as planning approvals, statutory notices, easements, tenure, particulars of occupancy, tenancy agreement, floor areas and all other relevant matters in the identification of the Property.

We have had no reason to doubt the truth and accuracy of the information provided by the Company and/or obtained from relevant government authorities. We were also advised by the Company that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

REMARKS

Unless otherwise stated, all monetary amounts stated in our valuation certificate are in Hong Kong dollars (HK$).

We hereby confirm that we have neither present nor prospective interests in the Company, the Property, its owner or the value reported herein.

Our valuation certificate is attached.

Yours faithfully,
For and on behalf of
B.I. APPRAISALS LIMITED

William C. K. Sham
MRICS, MHKIS, RPS(GP). MCIREA
Executive Director

Notes:

(1) Mr. William C. K. Sham is a qualified valuer on the approved List of Property Valuers for Undertaking Valuation for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers published by the Hong Kong Institute of Surveyors. Mr. Sham has over 30 years' experience in the valuation of properties in Hong Kong and has over 15 years' experience in the valuation of properties in the People's Republic of China and the Asia Pacific regions.

(2) Inspection of the Property was carried out on 19 June 2012 by Mr. William Sham, who has more than 30 years' experience in the valuation of properties in Hong Kong.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2012
Canteen Room 222 on 2nd Floor *(See Note 1 below)*, Nan Fung Industrial City Central Services Building, No. 18 Tin Hau Road, Tuen Mun, New Territories, Hong Kong 182940/26992290th undivided parts or shares of and in Tuen Mun Town Lot No. 233	Nan Fung Industrial City is a mixed industrial and commercial complex comprising five blocks of industrial building and a block of commercial/car park building located on the northern side of Tin Hau Road within Tuen Mun District of the New Territories. The subject Central Services Building, completed in about 1989, is a 5-storey building designed to have car parking spaces on Basement, Ground and 1st Floor, and shops, offices and other commercial facilities including bank, clinic, canteen/restaurant and nursery on 2nd and 3rd Floor. The Property comprises the canteen/restaurant unit (including a male and a female lavatories) on 2nd Floor. According to a Deed Poll dated 5 September 2011, the Property is sub-divided into 37 units with common areas. The gross floor area and the saleable area of the Property are approximately 18,294 sq.ft. (1,699.55 sq.m.) and 10,763 sq.ft. (999.91 sq.m.) Tuen Mun Town Lot No. 233 is held under Conditions of New Grant No. TM2541 for a term of 99 years commencing from 1 July 1898, less the last three days thereof. The said lease term has been statutorily extended until 30 June 2047. The annual Government rent payable for the Property is equivalent to 3% of its rateable value.	The Property is currently vacant and subject to renovation works. *(See Note 5 below)*	HK$101,000,000

Notes:

1. According to the land registration records available from the Land Registry, Canteen Room 222 on 2nd Floor has been subdivided into 37 units and common areas and designated as Canteen Room 222-1 to 222-3, 222-5 to 222-12, 222-15 to 222-23, 222-25 to 222-33, 222-35 to 222-41 and 222 Common Areas.

2. The registered owner of the Property is Calneva Capital Limited (hereinafter referred to as "**Target Subsidiary**"), via an assignment dated 22 October 2009, registered vide Memorial No. 09111801290088.

3. The Property is subject to the following encumbrances;

   (a) Mortgage in favour of Public Bank (Hong Kong) Limited dated 22 October 2009, registered vide Memorial No. 09111801290092;

   (b) Assignment of rentals in favour of Public Bank (Hong Kong) Limited dated 22 October 2009, registered vide Memorial No. 09111801290103; and

   (c) Deed Poll dated 5 September 2011, registered vide Memorial No. 11091201750012.

4. The Property falls within an area zoned "Other Specified Uses (Comprehensive Industrial Development with Ancillary Commercial and Community Facilities)" under the Approved Tuen Mun Outline Zoning Plan No. S/TN/29 gazetted on 23 March 2012.

5. Pursuant to the Tenancy Agreement entered into between Target Subsidiary and China Tietong Data Center Limited (hereinafter referred to as the "**Tenant**") on 10 September 2012, the Property is leased to the Tenant for a term of two years commencing from 15 October 2012 to 14 October 2014 with an option to renew for a further term of two years at the then market rent. The monthly rent is HK$295,000 exclusive of rates, government rent and management fees. We, as instructed, have taken into consideration the tenancy in our valuation.

6. According to the information provided by the Target Subsidiary, the annual government rent, rates and management fees for the Property are HK$63,884, HK$100,168 and HK$369,828 respectively.

1. RESPONSIBILITY STATEMENT

This circular, for which the Director collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Director, 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 not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL

Authorised		*HK$*
10,000,000,000	Shares	100,000,000.00
Issued and to be issued, fully paid or credited as fully paid		
391,853,297	Shares in issue as at the Latest Practicable Date	3,918,532.97
34,300,000	Consideration Shares to be allotted and issued upon Completion	343,000.00
426,153,297	Shares	4,261,532.97

3. DISCLOSURE OF INTERESTS

(a) Director's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) 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 (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to

be 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) Interests in Shares:

Name of Director	Number of the Shares held	Nature of interests	Approximate percentage or attributable percentage of shareholding *(%)*
Ming Kei International Holding Company Limited ("**MKIH**") *(Note 1)*	75,676 (L)	Beneficial owner	0.02
Mr. Wong *(Note 2)*	75,676 (L)	Interest of controlled corporation	0.02
	36,400 (L)	Beneficial owner	0.01
Mr. Tsang	7,940,104 (L)	Beneficial owner	2.03

Notes:

1. MKIH is wholly and beneficially owned by Mr. Wong, a non-executive Director and the sole executive director of MKIH.

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

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) 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 (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be 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.

(b) Substantial shareholders' and other persons' interests or short position in Shares or underlying shares

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, 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 10% 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 or, who was substantial Shareholder as recorded in the register required to be kept by the Company under Section 336 of the SFO.

As at the Latest Practicable Date, none of the Directors was a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares 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.

4. MATERIAL CONTRACTS

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

(a) the non-legal binding memorandum of understanding dated 25 February 2011 and entered into between Starry Gold Resources Investment Limited, an indirect wholly owned subsidiary of the Company, as purchaser and Mr. Li, Man Keung Edwin and Zenon International Limited as vendors in relation to the possible acquisition of the entire issued share capital of Initial Garden Limited for a refundable deposit of HK$4,000,000;

(b) the non-legal binding memorandum of understanding dated 8 July 2011 and entered into between Star Enterprise Investment Company Limited, an indirect wholly owned subsidiary of the Company, as purchaser and Mr. Woo Man Wai, David as vendor in relation to the possible acquisition of the entire issued share capital of Sino-Singapore (Offshore) Chemical Resources Trading Company Limited for a refundable deposit of HK$3,000,000;

(c) the provisional sale and purchase agreement dated 3 August 2011 and the formal sale and purchase agreement dated 17 August 2011 entered into among Star Energy International Investment Company Limited, an indirect wholly owned subsidiary of the Company as vendor and three independent third parties as purchasers in relation to the sale and purchase of a flat in Block 5 Sorrento, 1 Austin Road West, Kowloon, Hong Kong with gross area of approximately 848 sq. feet for a consideration of HK$11,300,000;

(d) the sale and purchase agreement dated 29 February 2012 and entered into between Star Fortune International Group Company Limited, a direct wholly owned subsidiary of the Company as vendor and Mr. Wong Wai Sing as purchaser in relation to the disposal of the entire interest in Star International Business Company Limited and its subsidiary for a consideration of HK$15,740,000;

(e) the placing agreement dated 10 April 2012 and entered into between the Company as the issuer and Orient Securities Limited as placing agent in relation to the placing of 33,760,000 Shares at HK$0.28 per placing share of the Company;

(f) the Agreement;

(g) the underwriting agreement dated 24 July 2012 and entered into between the Company as the issuer and Orient Securities Limited as underwriter in relation to the issue of one Share for two existing Shares held on 23 July 2012 at HK$0.43 per offer Share;

(h) the Supplemental Agreement;

(i) the placing agreement dated 20 August 2012 and entered into between the Company as the issuer and Orient Securities Limited as placing agent in relation to the Placing of 46,100,000 Placing Shares at HK$0.36 per Placing Share of the Company;

(j) the letter of agreement dated 10 September 2012 and entered into between Star International and the Vendor in relation to the Agreement, the Acquisition and the Tenancy Agreement; and

(k) the Tenancy Agreement.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into any service contract or management agreement, proposed or otherwise with any member of the Group (excluding contracts expiring or terminable by the employer within one year without payment of compensation other than statutory compensation).

6. EXPERTS

The following are the qualification of the experts (collectively, the "**Experts**") who have given opinions or advice which are contained in this circular:

Name	Qualifications
B.I. Appraisals Limited	Independent valuer
BDO Limited	Certified Public Accountants
Donvex Capital Limited	An independent financial adviser

Each of the Experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and report and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, none of the Experts had any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

7. LITIGATION

So far as the Directors are aware, 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 was known to the Directors to be pending or threatened against any member of the Enlarged Group as at the Latest Practicable Date.

8. COMPETING INTERESTS

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

9. INTERESTS IN ASSETS AND CONTRACTS OF THE ENLARGED GROUP

(a) As at the Latest Practicable Date, there was no contract or arrangement entered into by any member of the Enlarged 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, none of the Directors or proposed Directors or the Experts 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 Enlarged Group since 31 March 2012, the date to which the latest published audited consolidated financial statements of the Group were made up.

10. MISCELLANEOUS

(a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KYI-1111, Cayman Islands and the head office and principal place of business in Hong Kong is at Room 2103, 21/F, No. 9 Queen's Road Central, Central, Hong Kong.

(b) 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.

(c) The company secretary of the Company is Mr. Cheng Man Wah, who is a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.

(d) The compliance officer of the Company is Mr. Ho Pui Tin, Terence, aged 46, completed a professional diploma in accountancy in the Hong Kong Polytechnic University in 1989 and is also a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

(e) The Company established an audit committee pursuant to a Board resolution passed on 26 October 2002 and revised on 1 February 2012 with written terms of reference in compliance with Rule 5.28 and 5.29 of the GEM Listing Rules. The primary duties of the audit committee are mainly to make recommendation to the Board on the appointment, reappointment and removal of external auditor; review the financial statements and material advice in respect of financial reporting; and oversee internal control procedures of the Company. The audit committee of the Company comprises of Mr. Kwok Kam Tim (**"Mr. Kwok"**), Mr. Ho Chi Wai (**"Mr. Ho"**) and Ms. Cui Ying (**"Ms. Cui "**).

Mr. Kwok, aged 36, 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 a bachelor's degree of arts in accountancy from the Hong Kong Polytechnic University. Mr. Kwok has over 10 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, a company listed on the main board of the Stock Exchange (Stock Code: 988) and the independent non-executive director of Newtree Group Holdings Limited a company listed on the main board of the Stock Exchange (Stock Code: 1323).

Mr. Ho, aged 37, holds a Bachelor of Business Administration (Hons) from the Lingnan University (Hong Kong) (formerly known as Lingnan College (Hong Kong)). He is a certified public accountant of the Hong Kong Institute of Certified Public Accountants, a fellow of the Association of Chartered Certified Accountants, a certified tax adviser of the Taxation Institute of Hong Kong and also an associate of the Taxation Institute of Hong Kong. Mr. Ho has over 14 years of experience in audit and financial managements.

Ms. Cui, aged 44, holds a Bachelor of Economy Management majoring in external trade economics' technology (經濟管理工程系外貿技術經濟) from the Hunan University, Department of the Economic Management Engineering (湖南大學經濟管理工程系) and is a professional accountant of the Certificate of Accounting Professional, Luohu District, Bureau of Finance (羅湖區財政局), the PRC. Ms. Cui has over 21 years of experience in administrative and financial managements.

(f) The English text of this circular and proxy form shall prevail over the Chinese text in case of any inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection at the office of the Company at Room 2103, 21/F, No. 9 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 annual reports of the Company for each of the two financial years ended 31 March 2011 and 31 March 2012;

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

(d) the written consents of the experts referred to in the paragraph headed "Experts" in this Appendix to this circular;

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

(f) the letter from the Independent Board Committee, the text of which is set out on page 25 in this circular;

(g) the letter of advice from Donvex Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 26 to 34 in this circular;

(h) the letter from BDO Limited in respect of the unaudited pro forma financial information of the Enlarged Group as set out in Appendix IV to this circular;

(i) the valuation report prepared by B.I. Appraisals Limited, the text of which is set out in Appendix V to this circular;

(j) the circular of the Company dated 18 April 2012 regarding disposal of the entire issued share capital of Star International Business Company Limited; and

(k) 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 2103, 21/F, No. 9 Queen's Road Central, Central, Hong Kong on Tuesday, 16 October 2012 at 11:30 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. "**THAT**

   (a) the conditional sale and purchase agreement (the "**Agreement**") dated 24 May 2012 as supplemented by the supplemental agreement dated 15 August 2012 and the letter of agreement dated 10 September 2012 all entered into between Star International Business Development Company Limited, an indirect wholly owned subsidiary of the Company, as purchaser, and Mr. Yuan Huafeng (the "**Vendor**") as vendor in relation to the sale and purchase of 50,000 ordinary shares of US$1.00 each in the share capital of Foremost Star Investments Limited ("**Foremost Star**") and the HK$16.2 million shareholder's loan owned by Foremost Star and its subsidiary to the Vendor, at a total consideration of HK$88,000,000 (a copy of which has been produced to the SGM marked "A" and signed by the chairman of the SGM for the purpose of identification) and the transactions contemplated thereunder, including but not limited to approving further extension of the long stop date of the Agreement, be and are hereby approved, confirmed and ratified;

   (b) the grant of specific mandate to the directors (the "**Directors**") of the Company to allot and issue 34,300,000 Consideration Shares (as defined in the circular of the Company dated 26 September 2012) to the Vendor pursuant to the Agreement be and is hereby approved, confirmed and ratified;

   (c) the allotment and issue of an aggregate of 34,300,000 Consideration Shares at an issue price of HK$0.38 per Consideration Share to the Vendor in accordance with the Agreement be and is hereby approved, confirmed and ratified; and

* *for identification purposes only*

(d) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares to the Vendor."

2. "**THAT**, to the extent not already exercised, the mandate to allot and issue shares of the Company given to the Directors at the annual general meeting (the "**AGM**") of the Company held on 2 August 2012 be and is hereby revoked and replaced by the mandate **THAT**:

(a) subject to paragraph (c) below, pursuant to the Rules (the "**GEM Listing Rules**") Governing the Listing of Securities on the Growth Enterprise Market (the "**GEM**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal in unissued shares of the Company (the "**Shares**") and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the existing share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws (the "**Bye-laws**") of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

(i) 20 per cent of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and

(ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of such resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

"**Relevant Period**" means the period from the date of the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act 1981 as amended from time to time, or any other applicable laws of Bermuda to be held; or

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

"**Rights Issue**" means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong)."

3. "**THAT** conditional upon the passing of resolution no. 2 above, the mandate granted to the Directors at the AGM to extend the general mandate to allot and issue Shares to Shares repurchased by the Company be and is hereby revoked and replaced by the mandate **THAT** the Directors be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 2 above in respect of the share capital of the Company referred to in sub-paragraph (ii) of paragraph (c) of such resolution."

By order of the Board
Ming Kei Holdings Limited
Mr. Ho Pui Tin, Terence
Executive Director and Chief Executive Officer

Hong Kong, 26 September 2012

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KYI-1111
Cayman Islands

Head office and principal place of business in Hong Kong:
Room 2103, 21/F,
No. 9 Queen's Road Central
Central, Hong Kong

Notes:

1. A member entitled to attend and vote at the SGM is entitled to appoint one or more than one proxy 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 proxy form 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 proxy form in accordance with the instructions printed thereon. Completion and return of a proxy form 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 proxy form must be duly lodged at the Company's branch registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is duly signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the meeting or any adjourned meeting.

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 share as if he was solely entitled thereto, but if more than one of such joint holder 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.

5. Pursuant to the GEM Listing Rules, the voting on the ordinary resolutions at the SGM will be conducted by way of poll.