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

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8239)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2008

Characteristics of the Growth Enterprise Market ("GEM'') of The Stock Exchange of Hong Kong Limited (the "Stock Exchange")

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

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

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

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

* *For identification purposes only*

FIRST QUARTERLY RESULTS (UNAUDITED)

The board (the "Board") of directors (the "Directors") of Ming Kei Energy Holdings Limited (the "Company") herein presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively refer to as the "Group") for the three months ended 30 June 2008 together with the comparative unaudited figures for the three months ended 30 June 2007 as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months ended 30 June 2008

		Three months ended 30 June	
		2008	2007
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Revenue	*3*	**10,862**	5,124
Cost of sales		**(6,823)**	(4,023)
Gross profit		**4,039**	1,101
Other income and gains		**264**	339
Selling and distribution costs		**(293)**	(264)
Administrative expenses		**(3,756)**	(3,089)
Finance costs	*4*	**(4,244)**	(29)
LOSS BEFORE TAX	*5*	**(3,990)**	(1,942)
Income tax	*6*	**272**	–
Loss for the period attributable to equity holders of the Company		**(3,718)**	(1,942)
Dividend	*7*	**–**	–
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
– Basic (cent)	*8*	**HK(0.14)**	HK(0.12)
– Diluted (cent)		**N/A**	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2008

	Issued capital *HK$'000* (unaudited)	Share premium *HK$'000* (unaudited)	Capital reserve *HK$'000* (unaudited)	Statutory reserve fund *HK$'000* (unaudited)	Share option reserve *HK$'000* (unaudited)	Exchange reserve *HK$'000* (unaudited)	Accumulated losses *HK$'000* (unaudited)	Total *HK$'000* (unaudited)
Balance as at 1 April 2008	**26,400**	**841,530**	**3,867**	**862**	**15,360**	**63,233**	**(6,862)**	**944,390**
Net loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**(3,718)**	**(3,718)**
Exchange realignment	**–**	**–**	**–**	**–**	**–**	**26,113**	**–**	**26,113**
As at 30 June 2008	**26,400**	**841,530**	**3,867**	**862**	**15,360**	**89,346**	**(10,580)**	**966,785**

	Issued capital *HK$'000* (unaudited)	Share premium *HK$'000* (unaudited)	Capital reserve *HK$'000* (unaudited)	Statutory reserve fund *HK$'000* (unaudited)	Share option reserve *HK$'000* (unaudited)	Exchange reserve *HK$'000* (unaudited)	Accumulated losses *HK$'000* (unaudited)	Total *HK$'000* (unaudited)
Balance as at 1 April 2007	15,000	14,946	3,867	–	–	–	(21,388)	12,425
Net loss for the period	–	–	–	–	–	–	(1,942)	(1,942)
Issue of new shares	3,000	90,300	–	–	–	–	–	93,300
Share issue expenses	–	(2,925)	–	–	–	–	–	(2,925)
As at 30 June 2007	18,000	102,321	3,867	–	–	–	(23,330)	100,858

Notes:

1. **GENERAL INFORMATION**

Ming Kei Energy Holdings Limited (the "Company") is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KYI-1111, Cayman Islands and its principal place of business in Hong Kong is Room 3308–3309, The Center, 99 Queen's Road Central, Hong Kong.

The Company's shares were listed on the Growth Enterprise Market (the "GEM") of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 15 November 2002.

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

2. **BASIS OF PREPARATION**

The unaudited condensed consolidated results for the three months ended 30 June 2008 (the "Results") have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants. The Results also includes the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange ("GEM Listing Rules"). The Results have been prepared under the historical cost convention.

The accounting policies and methods of computation adopted are consistent with those applied in the preparation of the Group's financial statements for the year ended 31 March 2008.

All significant transactions and balances within the Group have been eliminated on consolidation.

3. REVENUE AND SEGMENT INFORMATION

The following table present the Group's revenue derived from invoiced value of goods sold and logistics services provided:

	Three months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue		
Sale of coals	**7,616**	–
Sea freight forwarding	**255**	1,786
Road freight forwarding	**2,978**	3,221
Air freight forwarding	**13**	–
Other related logistics services	**–**	117
	10,862	5,124

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

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

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

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

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

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

(i) Business segments

	Three months ended 30 June 2008		
	Mining (Unaudited) *HK$'000*	**Logistics (Unaudited) *HK$'000***	**Consolidated (Unaudited) *HK$'000***
SEGMENT REVENUE			
External sales and services	**7,616**	**3,246**	**10,862**
SEGMENT RESULTS	**2,688**	**(725)**	**1,963**
Interest income			**164**
Unallocated costs and corporate expenses			**(1,873)**
Finance costs			**(4,244)**
Loss before tax			**(3,990)**
Income tax			**272**
Loss for the period			**(3,718)**

	Three months ended 30 June 2007		
	Mining (Unaudited) *HK$'000*	Logistics (Unaudited) *HK$'000*	Consolidated (Unaudited) *HK$'000*
SEGMENT REVENUE			
External services	–	5,124	5,124
SEGMENT RESULTS	–	(997)	(997)
Interest income			298
Unallocated costs and corporate expenses			(1,214)
Finance costs			(29)
Loss before tax			(1,942)
Income tax			–
Loss for the period			(1,942)

(ii) Geographical segments

An analysis of the Group's revenue by geographical segment is as follow:

	Three months ended 30 June					
	Hong Kong		**PRC (excluding Hong Kong)**		**Consolidated**	
	2008 (Unaudited) *HK$'000*	2007 (Unaudited) *HK$'000*	**2008 (Unaudited) *HK$'000***	2007 (Unaudited) *HK$'000*	**2008 (Unaudited) *HK$'000***	2007 (Unaudited) *HK$'000*
Segment revenue	**3,246**	5,124	**7,616**	–	**10,862**	5,124

4. FINANCE COSTS

	Three months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest expenses on promissory notes wholly repayable within five years	**3,633**	–
Interest expenses on trade financing wholly repayable within five years	**606**	–
Interest expenses on finance leases wholly repayable within five years	**5**	29
	4,244	29

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging the following:

	Three months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of inventories sold	**4,518**	–
Cost of services provided	**2,305**	4,023
Amortisation of intangible assets*	**1,447**	–
Depreciation	**706**	176

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

6. INCOME TAX

The amount of income tax in the unaudited condensed consolidated income statement represents:

	Three months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Deferred tax credit	**272**	–

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits for Hong Kong profits tax purpose for the three months ended 30 June 2008 (three months ended 30 June 2007: HK$Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

In accordance with the approval from the relevant tax authorities, Mulei County Kai Yuan Coal Company Limited (the "Kai Yuan Coal"), an indirectly wholly owned subsidiary of the Group operating in the PRC, is entitled to two years' exemption from the PRC corporate income tax (the "CIT") followed by three years' 50% relief from the CIT. The year ended 31 December 2007 is the first profit-making year of the Kai Yuan Coal for the purpose of CIT exemption. Accordingly, no CIT was provided for the three months ended 30 June 2008.

7. DIVIDEND

The Board does not recommend the payment of any dividend for the three months ended 30 June 2008 (three months ended 30 June 2007: HK$Nil).

8. LOSS PER SHARE

The calculation of basic loss per share for the three months ended 30 June 2008 is based on the net loss attributable to the equity holders of the Company for the three months ended 30 June 2008 of approximately HK$3,718,000 (three months ended 30 June 2007: net loss of approximately HK$1,942,000) and weighted average of 2,640,000,000 shares in issue during the three months ended 30 June 2008 (three months ended 30 June 2007: weighted average of 1,559,340,659 shares in issue).

Diluted loss per share for the three months ended 30 June 2008 has not been disclosed as the share options outstanding during the period under review have an anti-dilutive effect. No diluted loss per share has been disclosed for the three months ended 30 June 2007 as no dilutive events existed.

9. SIGNIFICANT SUBSEQUENT EVENTS

Subsequent to the period end date, 30 June 2008, the Group has the following significant subsequent events:

(a) On 8 July 2008, the Company entered into a disposal agreement (the "Disposal") for the disposal of the entire equity interests in the Precious Logistics Limited (the "Precious Logistics") for an aggregate cash consideration of HK$1,500,000. The Disposal is subject to the shareholders' approval at an extraordinary general meeting to be convened and held by the Company on 22 August 2008.

(b) On 18 July 2008, the Company's indirectly wholly-owned subsidiary, Star Energy International Investment Company Limited, entered into a non-legal binding memorandum of understanding (the "MOU") in relation to the possible acquisition of the entire equity interest of a company incorporated in the British Virgin Islands (the "BVI Company"). Upon completion of the reorganisation of the BVI Company and its subsidiaries, the BVI Company will own 99% of a company incorporated in the PRC (the "PRC Company"). The PRC Company has been granted a mining exploitation permit issued by the Department of Land and Resources of Guizhou Province, and such mining exploitation permit is valid until June 2018.

(c) On 4 August 2008, the Company entered into a placing letter with the placing agent of Wing Hing International (Holdings) Limited – a company incorporated in Bermuda with limited liability, the shares of which is listed on the main board of the Stock Exchange of Hong Kong Limited (stock code: 621) (the "Wing Hing"). The Company has agreed, as one of the subscribers, to subscribe in cash for the 1,600,000 subscription shares (the "Subscription") for a total subscription price of HK$2,288,000, i.e. HK$1.43 per new Wing Hing share.

    The Subscription is conditional upon the Listing Committee of the Stock Exchange of Hong Kong Limited granting approval for the listing of, and permission to deal in the new Wing Hing shares.

FINANCIAL REVIEW

During the three months ended 30 June 2008, the Group recorded a revenue of approximately HK$10,862,000 (three months ended 30 June 2007: approximately HK$5,124,000), representing an increase of approximately 112% compared to the corresponding period in previous period under review. The increase was mainly attributable to the contribution of the coal mining business, which recorded sale of coals of approximately HK$7,616,000 during the period under review. During the period under review, the income derived from logistics services relating to sea freight forwarding, road freight forwarding, air freight forwarding, other related logistics services and sales of coals represented approximately 2.4%, 27.4%, 0.1%, 0% and 70.1% respectively (three months ended 30 June 2007: approximately 34.9%, 62.9%, 0%, 2.2% and 0% respectively) of the Group's total revenue. Details of the breakdown of revenue are disclosed in note 3 to the section headed "Revenue and Segment Information" of this report.

The gross profit of the Group increased from approximately HK$1,101,000 in the three months ended 30 June 2007 to approximately HK$4,039,000 in the three months ended 30 June 2008 due to the change of the income mix resulting from the contribution from the coal mining business. Gross profit margin increased from approximately 21.5% in the corresponding period in previous year to approximately 37.2% in the current period as the Group had acquired the coal mining business as well as the effective strict cost control by the Group.

Selling and distribution costs compared to corresponding period in previous year increased by approximately 11.0% from approximately HK$264,000 to approximately HK$293,000 in the period under review as a result of new coal mining business acquired on 19 November 2007. The administrative expenses of the Group increased to approximately HK$3,756,000, an increase of approximately 21.6% compared to approximately HK$3,089,000 for the corresponding period in previous period under review. The increase was mainly attributed to the increase of numbers of employees, directors' emoluments, depreciation charge for the period and minimum lease payments under operating leases rental for land and buildings. During the three months ended 30 June 2008, the Group had loss attributable to the equity holders of the Company amounted to approximately HK$3,718,000, representing an increase of 91.5% compared to approximately HK$1,942,000 recorded in previous year. The increase in loss attributable to the equity holders of the Company was caused by increase in administrative expenses and finance costs as compared to the previous period under review.

BUSINESS REVIEW AND PROSPECTS

The principal activity of Ming Kei Energy Holdings Limited (the "Company") is investment holding. The Company and its subsidiaries (collectively refer to as the "Group") are principally engaged in the provision of various logistics services and engaged in mining, sale and distribution of coals in the People's Republic of China (the "PRC")

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

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

During the three months ended 30 June 2008, the Group recorded an increase in revenue as compared to the corresponding previous period which is mainly attributable to the contribution of the coal mining business.

During the period under review, the business of coal mining recorded a revenue of approximately HK$7,616,000 which accounted for 70.1% of the total Group's revenue. For the period under review, the raw coals production was approximately 100,000 tons.

During the period under review, the business of logistics recorded a revenue of approximately HK$3,246,000, representing a decrease of 36.7% compared to approximately HK$5,124,000 in the previous corresponding period. The unsatisfactory results for the period under review was mainly attributable to the entry of more new competitors into the market and the pricing for services provided are under pressure.

On 8 July 2008, the Company, entered into a disposal agreement (the "Disposal") with an independent third party for the disposal of the entire equity interests in the Precious Logistics Limited (the "Precious Logistics") held by the Company, comprising the entire equity interests in Precious Logistics held by the Company and the Company's loan to the Precious Logistics and its subsidiaries for an aggregate cash consideration of HK$1,500,000.

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

Following the aforesaid Disposal, the Group will focus on engaging in the mining, sale and distribution of coals in the PRC. Moreover, the Group could direct all its resources and manpower to the coal mining business. For further details, please refer to the heading "PROPOSED DISPOSAL".

The Group expects the coal mining industry and its environment to be continuously improving due to the continuous robust growth of the economy and driven by an increasing growth of energy demand in the PRC due to unsustainable nature of the mineral resources.

In addition, according to the national coal industry policy published by the PRC's National Development and Reform Commission (中華人民共和國國家發展和改革委員會) recently, the PRC's mining industry is set to experience increased consolidation. The PRC's government has started a nationwide campaign to close small coal mines, the targeted small coal mines target to be closed down which accounted for approximately one-third of the entire PRC's coal's production. The PRC's government will further develop coal projects in central region while accelerating the exploration and development of coal resources in the western region.

The Group will seize this opportunity to merger and acquisition of the above mentioned small coal mines by fully realising the synergies effects between different coal markets and spreading operational risks into different regions among the PRC in order to enlarge its market shares and enlarge the Group's coal reserves.

On 18 July 2008, the Company's indirectly wholly subsidiary, Star Energy International Investment Company Limited, entered into a non-legal binding memorandum of understanding (the "MOU") in relation to the possible acquisition of the entire equity interest of a company incorporated in the British Virgin Islands (the "BVI Company"). Upon completion of the reorganization of the BVI Company and its subsidiaries, the BVI Company will own 99% of a company incorporated in the PRC (the "PRC Company"). The PRC Company is principally engaged in coal mining and sale of coal. For further details of the MOU, please refer to the heading "PROPOSED INVESTMENT".

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

While looking at ways to improve its existing business further, the Group is looking for any other business opportunities elsewhere to improve its standard performance and improve shareholders' return.

On 4 August 2008, the Company entered into a placing letter with the placing agent of Wing Hing International (Holdings) Limited – a company incorporated in Bermuda with limited liability, the shares of which is listed on the main board of the Stock Exchange (stock code: 621) (the "Wing Hing"). The Company has agreed, as one of the subscribers, to subscribe in cash for the 1,600,000 subscription shares (the "Subscription") for a total subscription price of HK$2,288,000, i.e. HK$1.43 per new Wing Hing share. For further details of the Subscription, please refer to the heading "PROPOSED INVESTMENT".

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFLIATED COMPANIES

During the three months ended 30 June 2008, the Company's indirectly wholly owned subsidiary – Mulei County Kai Yuan Coal Company Limited (the "Purchaser") entered into a sale and purchase agreement (the "S&P") and the S&P supplemental agreement (the "Supplemental Agreement") in respect of the acquisition (the "Acquisition") of the property (the "Property") for a cash consideration of approximately RMB14.5 million.

At the date of entering into the S&P and the Supplemental Agreement, the Purchaser and Qitai County Zexu Trading Enterprise Limited (the "Zexu Trading") both are indirectly wholly-owned subsidiaries of the Company, are leasing office in Urumqi, Xinjiang Uygur Autonomous Region of the People's Republic of China (the "PRC"). The directors of the Purchaser intend to use the Property as the office of the Purchaser and Zexu Trading in Urumqi, Xinjiang Uygur Autonomous Region of the PRC.

The Acquisition will enable the Group to have its own place of business in Urumqi, Xinjiang Uygur Autonomous Region of the PRC, thereby avoiding any increase in rental expenses from leasing of property in the long run.

Following all the conditions of the S&P and the Supplemental Agreement having been fulfilled, the Acquisition of the Property has been completed on 28 July 2008.

Save as disclosed above, there were no other material acquisition or disposal of subsidiaries and affiliated companies for the three months ended 30 June 2008 under review (30 June 2007: HK$Nil).

CAPITAL STRUCTURE

The shares of the Company were listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited since 15 November 2002. There is no material change in the capital structure of the Company during the three months ended 30 June 2008. As at 30 June 2008, the total issued share capital is 2,640,000,000 shares.

PROPOSED DISPOSAL

On 8 July 2008, the Company entered into a disposal agreement (the "Disposal Agreement") for the disposal (the "Disposal") of the entire equity interests in the Precious Logistics Limited (the "Precious Logistics") held by the Company and the sale loan for an aggregate cash consideration (the "Disposal Consideration") of HK$1,500,000.

The Disposal Consideration is HK$1,500,000, which will be satisfied by cash in the following manner: (a) a sum of HK$250,000 being the non-refundable deposit and partial payment of the Disposal was paid by the purchaser to the Company within three Business Days after signing of the Disposal Agreement; and (b) the balance of the Disposal Consideration, HK$1,250,000, shall be paid by the purchaser to the Company at completion.

Precious Logistics is a wholly-owned subsidiary of the Company. Precious Logistics and its subsidiaries are principally engaged in coordinating various logistics services in sea, road and air freight forwarding and other related logistics services.

The Disposal is subject to the shareholders' approval at an extraordinary general meeting to be convened and held by the Company on 22 August 2008.

After completion of the Disposal, the Group will focus on its existing principal business of mining, sale and distribution of coals in the PRC. The boards of directors confirm that the Disposal will not have any material adverse effect to the other existing principal business of the Group.

Details of the Disposal have been set out in the announcement and circular dated 8 July 2008 and 28 July 2008 respectively.

PROPOSED INVESTMENT

On 18 July 2008, the Company's indirectly wholly subsidiary – Star Energy International Investment Company Limited (the "Star Energy") entered into a non-legal binding memorandum of understanding (the "MOU") with independent third parties (the "Vendors") in relation to the possible acquisition of the entire equity interest of a company incorporated in the British Virgin Islands (the "BVI Company").

Upon completion of the reorganization of the BVI Company and its subsidiaries, the BVI Company will own 99% of a company incorporated in the PRC (the "PRC Company").

The PRC Company is a company engaged in coal mining and sales of coal, which has been granted a mining exploitation permit issued by the Department of Land and Resources of Guizhou Province, and such mining exploitation permit is valid until June 2018.

A refundable deposit (the "Deposit") of HK$21,500,000 was paid by the Star Energy to the Vendors upon the signing of the MOU. In return for the payment of the Deposit by Star Energy, the Vendors pledged all their interests in the entire issued shares of the BVI Company to the Star Energy as security. If no legal binding formal agreement has been entered into on or before 14 January 2009, the Vendors shall return the Deposit without any accrued interest to Star Energy within three business days.

Details of the MOU have been set out in the announcement of the Company dated 18 July 2008.

On 4 August 2008, the Company entered into a placing letter with the placing agent of Wing Hing International (Holdings) Limited – a company incorporated in Bermuda with limited liability, the shares of which is listed on the main board of the Stock Exchange of Hong Kong Limited (stock code: 621) (the "Wing Hing"). The Company has agreed, as one of the subscribers, to subscribe in cash for the 1,600,000 subscription shares (the "Subscription") for a total subscription price of HK$2,288,000, i.e. HK$1.43 per new Wing Hing share.

The Subscription is conditional upon the Listing Committee of the Stock Exchange of Hong Kong Limited granting approval for the listing of, and permission to deal in the new Wing Hing shares.

Details of the Subscription have been set out in the announcement of the Company dated 5 August 2008.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 30 June 2008, the interests and short positions of the Directors of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Name	**Capacity of interests**	**Number of shares held**	**Approximate percentage of shareholding in the Company** *(Note 1)*
Tolmen Star Limited (the "Tolmen Star") *(Note 1)*	Beneficial owner	902,000,000(L) *(Note 2)*	34.17
Mr. Guo Xu *(Note 1)*	Interest of controlled corporation	902,000,000(L) *(Note 2)*	34.17
Ms. Zhou Ya Ping *(Note 1)*	Interest of spouse	902,000,000(L) *(Note 2)*	34.17

Note 1: Tolmen Star is wholly and beneficially owned by Mr. Guo Xu who is the spouse of Ms. Zhou Ya Ping. Accordingly, each of Mr. Guo Xu and Ms. Zhou Ya Ping is deemed to be interested in the 902,000,000 shares in which Tolmen Star is interested.

Note 2: The letter "L" denotes a long position in Shares.

Save as disclosed herein, as at 30 June 2008, none of the Directors had any interests or short positions in the share of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2008, the interests and short positions of persons, other than the Directors or chief executive of the Company, in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who are, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or substantial shareholders as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long position in shares and underlying shares

Name	Capacity of interests	Number of shares held	Approximate percentage of shareholding in the Company
Tolmen Star Limited (the "Tolmen Star") *(Note 1)*	Beneficial owner	902,000,000(L) *(Note 5)*	34.17
Mr. Guo Xu *(Note 1)*	Interested of controlled corporation	902,000,000(L) *(Note 5)*	34.17
Ms. Zhou Ya Ping *(Note 1)*	Interest of spouse	902,000,000(L) *(Note 5)*	34.17
Ming Kei International Holding Company Limited (the "Ming Kei")	Beneficial owner	339,000,000(L) *(Note 5)*	12.84
Mr. Wong Wai Sing	Beneficial owner	80,000,000(L) *(Note 5)*	3.03
	Interested of controlled corporation *(Note 2)*	339,000,000(L) *(Note 5)*	12.84
Mr. Wong Wai Ngok	Beneficial owner	80,000,000(L) *(Note 5)*	3.03
	Interested of controlled corporation *(Note 3)*	339,000,000(L) *(Note 5)*	12.84
Ms. Tsang Tsz Kwan *(Note 4)*	Interest of spouse	419,000,000(L) *(Note 5)*	15.87

Notes:

1. Tolmen Star is wholly and beneficially owned by Mr. Guo Xu who is the spouse of Ms. Zhou Ya Ping. Accordingly, each of Mr. Guo Xu and Ms. Zhou Ya Ping is deemed to be interested in the 902,000,000 shares in which Tolmen Star is interested.

2. Ming Kei is owned as to 50% by Mr. Wong Wai Sing and as to 50% by Mr. Wong Wai Ngok. Therefore Mr. Wong Wai Sing is deemed interested in the shares of Ming Kei.

3. Ming Kei is owned as to 50% by Mr. Wong Wai Sing and as to 50% by Mr. Wong Wai Ngok, therefore Mr. Wong Wai Ngok is deemed interested in the shares of Ming Kei.

4. Ms. Tsang Tsz Kwan is the wife of Mr. Wong Wai Ngok, therefore she is deemed interested in the shares of Mr. Wong Wai Ngok.

5. The letter "L" denotes a long position in Shares.

Save as disclosed above, as at 30 June 2008, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

SHARE OPTION SCHEME

On 26 October 2002, the Company conditionally adopted the Share Option Scheme (the "Scheme") under which share options to subscribe for the shares of the Company may be granted under the terms and conditions stipulated therein. On 11 October 2007, options to subscribe for an aggregate of 105,000,000 shares at HK$0.888 per share and on 10 March 2008, options to subscribe for an aggregate of 20,000,000 Shares at HK$0.718

had been granted by the Company under the Scheme. As at 30 June 2008, 125,000,000 share options granted under the Scheme were still outstanding. The detail number of share options outstanding, their respective exercise price and exercise period was as follows:

Categories of grantees	Date of grant	Exercisable Period	Exercise Price per share *HK$*	Closing Price at the date of grant *HK$*	Outstanding as at 01/04/2008	Granted during the period	Exercise during the period	Outstanding as at 30/06/2008
Employees	11/10/2007	11/10/2007–12/10/2017	0.888	0.870	35,000,000	–	–	35,000,000
Consultants	11/10/2007	11/10/2007–12/10/2017	0.888	0.870	70,000,000	–	–	70,000,000
Employees	10/3/2008	10/03/2008–11/03/2018	0.718	0.670	20,000,000	–	–	20,000,000
					125,000,000	–	–	125,000,000

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the paragraphs headed "Directors' and chief executives' interests in shares" and the "Share option scheme" above, at no time during the period under review were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in any other body corporate.

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

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the three months ended 30 June 2008.

COMPETITION AND CONFLICT OF INTERESTS

As at 30 June 2008, none of the Directors, the management shareholders or substantial shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interests with the Group.

CODE ON CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct for securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.46 to 5.67 of the GEM Listing Rules (the "Code"). Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with the required standard set out in the Code.

AUDIT COMMITTEE

The Company established an audit committee on 26 October 2002 with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The audit committee comprises three members, namely, Mr. Sung Wai Tak, Herman, Mr. Fung Ho Yin and Mr. Chung Ho Tung, all are independent non-executive directors of the Company. The unaudited condensed consolidated results of the Group for the three months ended 30 June 2008 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the Stock Exchange and legal requirements and that adequate disclosures have been made.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 of the GEM Listing Rules. The Company has applied the principles in the Code and complied with the code provisions set out in the Code for the period ended 30 June 2008 except that (i) no nomination committee of the Board is established.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

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

Hong Kong, 12 August 2008

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