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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2010

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

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

This announcement, for which the directors (the "Directors") of Ming Kei 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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

* *For identification purposes only*

QUARTERLY RESULTS (UNAUDITED)

The board (the "Board") of directors (the "Directors") of Ming Kei Holdings Limited (the "Company") herein presents the unaudited results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months and nine months ended 31 December 2010 together with the comparative figures for the corresponding periods in 2009 as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months and nine months ended 31 December 2010

		Nine months ended 31 December		Three months ended 31 December	
		2010	2009	**2010**	2009
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Continuing operations:					
Turnover	*4*	**42,820**	5,273	**28,396**	4,997
Cost of sales		**(39,756)**	(4,499)	**(26,400)**	(4,499)
Direct operating expenses		**(195)**	(125)	**(66)**	(64)
Gross profit		**2,869**	649	**1,930**	434
Other income and gains/(losses)		**1,282**	(436)	**948**	5
Selling and distribution costs		**(139)**	–	**(139)**	–
Administrative and other expenses		**(48,212)**	(26,108)	**(23,814)**	(12,416)
Finance costs	*5*	**(70)**	(3,894)	**(55)**	(772)
Impairment loss on goodwill	*11*	**(24,425)**	–	**(24,425)**	–
Impairment loss on intangible assets	*12*	**(7,585)**	–	**(7,585)**	–
Impairment loss of property, plant and equipment		**–**	(1,127)	**–**	–
Fair value loss on investment properties		**(1,857)**	(2,791)	**(391)**	(2,073)
Loss before income tax from continuing operations	*6*	**(78,137)**	(33,707)	**(53,531)**	(14,822)
Income tax	*7*	**1,251**	(103)	**1,251**	–
Loss for the period from continuing operations		**(76,886)**	(33,810)	**(52,280)**	(14,822)
Discontinued operation:					
(Loss)/profit for the period from discontinued operation	*8*	**(21,072)**	11,712	**–**	8,337
Loss for the period		**(97,958)**	(22,098)	**(52,280)**	(6,485)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT *(Continued)*

For the three months and nine months ended 31 December 2010

		Nine months ended 31 December		Three months ended 31 December	
		2010	2009	**2010**	2009
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Attributable to:					
Owners of the Company		**(97,427)**	(22,098)	**(51,749)**	(6,485)
Non-controlling interest		**(531)**	–	**(531)**	–
		(97,958)	(22,098)	**(52,280)**	(6,485)
Dividend	*9*	**–**	–	**–**	–
Loss per share attributable to owners of the Company	*10*				
From continuing and discontinued operations			(Restated)		(Restated)
– Basic (Hong Kong dollar)		**(61.91) cents**	(20.93) cents	**(32.59) cents**	(6.14) cents
– Diluted (Hong Kong dollar)		**(61.91) cents**	(20.93) cents	**(32.59) cents**	(6.14) cents
From continuing operations					
– Basic (Hong Kong dollar)		**(48.52) cents**	(32.02) cents	**(32.59) cents**	(14.04) cents
– Diluted (Hong Kong dollar)		**(48.52) cents**	(32.02) cents	**(32.59) cents**	(14.04) cents

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 31 December 2010

	Nine months ended 31 December		Three months ended 31 December	
	2010	2009	**2010**	2009
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Loss for the period	**(97,958)**	(22,098)	**(52,280)**	(6,485)
Other comprehensive income for the period, net of tax:				
– Change in fair value of available-for-sale financial assets	**448**	2,160	**(531)**	1,063
– Reclassification adjustment of fair value gain included in profit or loss on disposal of available-for-sale financial assets	**(780)**	–	**(780)**	–
– Exchange differences on translation of financial statements of overseas subsidiaries	**1,509**	323	**710**	39
– Exchange differences on translation of financial statements of overseas associates	**471**	169	**–**	68
– Reclassification adjustment of release of exchange reserves on disposal of interests in overseas associates	**(7,218)**	–	**–**	–
Loss and total comprehensive income for the period	**(103,528)**	(19,446)	**(52,881)**	(5,315)
Attributable to:				
Owners of the Company	**(102,997)**	(19,446)	**(52,350)**	(5,315)
Non-controlling interest	**(531)**	–	**(531)**	–
	(103,528)	(19,446)	**(52,881)**	(5,315)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2010

	Issued capital (Unaudited) *HK$'000*	Share premium (Unaudited) *HK$'000*	Contributed surplus (Unaudited) *HK$'000*	Capital reserve (Unaudited) *HK$'000*	Statutory reserve fund (Unaudited) *HK$'000*	Warrant reserve (Unaudited) *HK$'000*	Share option reserve (Unaudited) *HK$'000*	Convertible bonds reserve (Unaudited) *HK$'000*	Asset revaluation reserve (Unaudited) *HK$'000*	Exchange reserve (Unaudited) *HK$'000*	Accumulated losses (Unaudited) *HK$'000*	Sub-total (Unaudited) *HK$'000*	Non-controlling interest (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*
At 1 April 2010	**664**	**25,434**	**131,109**	**120,794**	**6,356**	**1,734**	**-**	**1,172**	**332**	**6,805**	**(93,846)**	**200,554**	**-**	**200,554**
Loss and total comprehensive income for the period	-	-	-	-	-	-	-	-	(332)	(5,238)	(97,427)	(102,997)	(531)	(103,528)
Issue of new shares on conversion of convertible bonds	24	3,997	-	-	-	-	-	(1,172)	-	-	-	2,849	-	2,849
Issue of new shares on exercise of warrants	106	15,462	-	-	-	(1,734)	-	-	-	-	-	13,834	-	13,834
Issue of warrants	-	-	-	-	-	3,246	-	-	-	-	-	3,246	-	3,246
Issue of share options	-	-	-	-	-	-	9,002	-	-	-	-	9,002	-	9,002
Non-controlling interest arising on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	5,110	5,110
Transfer upon disposal of associates	-	-	-	-	(6,356)	-	-	-	-	-	6,356	-	-	-
At 31 December 2010	**794**	**44,893**	**131,109**	**120,794**	**-**	**3,246**	**9,002**	**-**	**-**	**1,567**	**(184,917)**	**126,488**	**4,579**	**131,067**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(Continued)*

For the nine months ended 31 December 2010

	Issued capital (Unaudited) *HK$'000*	Share premium (Unaudited) *HK$'000*	Contributed surplus (Unaudited) *HK$'000*	Capital reserve (Unaudited) *HK$'000*	Statutory reserve fund (Unaudited) *HK$'000*	Warrant reserve (Unaudited) *HK$'000*	Share option reserve (Unaudited) *HK$'000*	Convertible bonds reserve (Unaudited) *HK$'000*	Asset revaluation reserve (Unaudited) *HK$'000*	Exchange reserve (Unaudited) *HK$'000*	Accumulated losses (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*
At 1 April 2009	26,400	841,530	–	53,659	4,856	–	15,360	–	(1,072)	16,439	(772,920)	184,252
Loss and total comprehensive income for the period	–	–	–	–	–	–	–	–	2,160	492	(22,098)	(19,446)
Capital reorganisation	(25,872)	(841,530)	131,109	–	–	–	(15,360)	–	–	–	751,653	–
Recognition of share-based payments	–	–	–	–	–	–	2,294	–	–	–	–	2,294
Contribution from an equity participant	–	–	–	69,945	–	–	–	–	–	–	–	69,945
Appropriations	–	–	–	–	6,170	–	–	–	–	–	(6,170)	–
Transfer upon disposal of financial assets	–	–	–	–	–	–	–	–	(25)	–	–	(25)
Transfer upon disposal of subsidiaries	–	–	–	–	(4,670)	–	–	–	–	(8,524)	4,670	(8,524)
At 31 December 2009	528	–	131,109	123,604	6,356	–	2,294	–	1,063	8,407	(44,865)	228,496

NOTES TO THE QUARTERLY RESULTS

For the three months and nine months ended 31 December 2010

1. General Information

Ming Kei Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and continues as an exempted company with limited liability in accordance with the Bermuda Companies Act 1981 upon the change of domicile of the Company from the Cayman Islands to Bermuda. The address of its registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is at Room 3308, 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 Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in investment holding and property investment in Hong Kong and the People's Republic of China (the "PRC"), business of general trading in PRC and business of coal trading between PRC and Indonesia respectively.

During the current period, the Group disposed of its remaining 49% equity interests in Star Fortune International Investment Company Limited (the "SFII") and its subsidiaries (collectively referred to as the "SFII Group"), the then indirect 49%-owned associates of the Company, further details of which are set out in Note 8.

During the current period, the Group acquired the entire equity interest in China Indonesia Friendship Coal Trading Company Limited (the "CIFC", together with its 90%-owned subsidiary are collectively referred to as the "CIFC Group"). As a result, the CIFC Group became the subsidiaries of the Company, further details of which are set out in Note 15.

2. Basis of Preparation

The unaudited condensed consolidated financial results of the Group for the three months and nine months ended 31 December 2010 (the "Quarterly Results") have been prepared in accordance with the Hong Kong Financial Reporting Standards (the "HKFRSs") (which in collective term includes all applicable HKFRSs, Hong Kong Accounting Standards (the "HKASs") and interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules").

The Quarterly Results have been prepared under the historical cost convention, except for investment properties and available-for-sale financial assets, which are stated at fair values.

The accounting policies adopted for preparation of the Quarterly Results are consistent with those applied in the preparation of the annual financial statements of the Group for the year ended 31 March 2010 (the "Annual Financial Statements"), except for the adoption of the new and revised HKFRSs issued by the HKICPA as disclosed in Note 3 and the adoption of the following accounting policy which have become applicable to the Group for the first time to these Quarterly Results.

Master framework purchase agreements (the "LOIs")

The LOIs are accounted as intangible assets with indefinite useful lives and are not amortised. They are stated at cost less any impairment provision.

The Quarterly Results are unaudited, but have been reviewed by the audit committee of the Company.

The Quarterly Results should be read in conjunction with the Annual Financial Statements.

3. Adoption of New and Revised Standards

In the current period, the Group has applied all of the new and revised HKFRSs, HKASs and Interpretations issued by the HKICPA that are relevant to its operations and effective for the current accounting period of the Group and the Company.

HKFRS 3 (Revised) Business Combinations (the "HKFRS 3R")

HKFRS 3R introduced major changes to the accounting requirements for business combinations. It retains the major features of the purchase method of accounting, now referred to as the acquisition method. The most significant changes in HKFRS 3R are as follows:

- Acquisition-related costs of the combination are recorded as an expense in profit or loss. Previously, these costs would have been accounted for as part of the cost of the acquisition.

- The assets acquired and liabilities assumed are generally measured at their acquisition-date fair values unless HKFRS 3R provides an exception and provides specific measurement rules.

- Any contingent consideration is measured at fair value at the acquisition date. If the contingent consideration arrangement gives rise to a financial liability, any subsequent changes are generally recognised in profit or loss. Previously, contingent consideration was recognised at the acquisition date only if its payment was probable.

HKFRS 3R has been applied prospectively to business combinations for which the acquisition date is on or after 1 April 2010.

Early adoption of new or revised HKFRSs

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

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

[1] Effective for annual periods beginning on or after 1 January 2011

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

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs upon initial application and the Directors so far concluded that the application of these new/revised HKFRSs will not have material impact on the Quarterly Results of the Group.

4. Turnover and Segment Information

(a) Turnover

Turnover represents the sales value of goods supplied to customers less value added taxes and rental income during the periods. Turnover recognised during the periods is as follows:

		Nine months ended 31 December		Three months ended 31 December	
		2010	2009	**2010**	2009
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	Note	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Continuing operations:					
Turnover					
Trading of coals		**23,423**	–	**23,423**	–
Sales of goods		**18,464**	4,689	**4,656**	4,689
Rental income		**933**	584	**317**	308
		42,820	5,273	**28,396**	4,997
Discontinued operation:					
Turnover					
Sales of coals	*8*	**–**	63,461	**–**	–
		42,820	68,734	**28,396**	4,997

(b) Segment Information

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

- The coal trading segment comprised the business of coal trading;
- The general trading segment comprised the business of general trading;
- The property investment segment comprised investment in various properties for rental income purposes; and
- The mining segment comprised the mining, exploration and sale of coal in the PRC and the operation had been disposed of by the Group in the current period. Accordingly, the mining segment was classified as a discontinued operation and the comparative figures of this segment were re-classified from continuing operations to discontinued operation during the current period, details of which are set out in Note 8.

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.

4. Turnover and Segment Information *(Continued)*

Business segments

Segment information about these businesses is set out as follows:

	For the nine months ended 31 December 2010				
	Continuing operation	**Continuing operation**	**Continuing operation**	**Discontinued operation** *(Note 8)*	
	Coal trading (Unaudited) *HK$'000*	**General trading (Unaudited)** *HK$'000*	**Property investment (Unaudited)** *HK$'000*	**Mining (Unaudited)** *HK$'000*	**Total (Unaudited)** *HK$'000*
Segment revenue					
External sales and services	**23,423**	**18,464**	**225**	**–**	**42,112**
Inter-segment revenue	**–**	**–**	**716**	**–**	**716**
Reportable segment revenue	**23,423**	**18,464**	**941**	**–**	**42,828**
Reportable segment loss	**(29,738)**	**(189)**	**(3,383)**	**(21,072)**	**(54,382)**
Interest income	**–**	**5**	**3**	**–**	**8**
Depreciation and amortisation charges	**–**	**(2)**	**(195)**	**–**	**(197)**
Finance costs	**–**	**–**	**–**	**–**	**–**
Share of loss of associates	**–**	**–**	**–**	**(861)**	**(861)**
Loss on disposal of subsidiaries	**–**	**–**	**–**	**–**	**–**
Loss on disposal of associates	**–**	**–**	**–**	**(20,211)**	**(20,211)**
Impairment loss on goodwill	**(24,425)**	**–**	**–**	**–**	**(24,425)**
Impairment loss on intangible assets	**(7,585)**	**–**	**–**	**–**	**(7,585)**
Fair value loss on investment properties	**–**	**–**	**(1,857)**	**–**	**(1,857)**
Income tax	**1,251**	**–**	**–**	**–**	**1,251**

4. Turnover and Segment Information *(Continued)*

Business segments *(Continued)*

	For the nine months ended 31 December 2009				
	Continuing operation	Continuing operation	Continuing operation	Discontinued operation *(Note 8)*	
	Coal trading (Unaudited) *HK$'000*	General trading (Unaudited) *HK$'000*	Property investment (Unaudited) *HK$'000*	Mining (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*
Segment revenue					
External sales and services	–	4,689	118	63,461	68,268
Inter-segment revenue	–	–	466	–	466
Reportable segment revenue	–	4,689	584	63,461	68,734
Reportable segment loss	–	(1,170)	(3,174)	(832)	(5,176)
Interest income	–	–	–	27	27
Depreciation and amortisation charges	–	(1)	(277)	(2,910)	(3,188)
Finance costs	–	–	–	(51)	(51)
Share of profit of associates	–	–	–	14,390	14,390
Loss on disposal of subsidiaries	–	–	–	(6,883)	(6,883)
Impairment loss on property, plant and equipment	–	–	–	(1,127)	(1,127)
Fair value loss on investment properties	–	–	(2,791)	–	(2,791)
Income tax	–	–	–	(1,749)	(1,749)

4. Turnover and Segment Information *(Continued)*

Reconciliation of reportable segment revenue and profit or loss

	Note	Nine months ended 31 December 2010 (Unaudited) HK$'000	2009 (Unaudited) HK$'000
Continuing operations:			
Turnover			
Reportable segment revenue		**42,828**	5,273
Elimination of inter-segment revenue		**(8)**	–
		42,820	5,273
Discontinued operation:			
Turnover			
Reportable segment revenue		**–**	63,461
Elimination of inter-segment revenue		**–**	–
	8	**–**	63,461
		42,820	68,734

4. Turnover and Segment Information *(Continued)*

Reconciliation of reportable segment revenue and profit or loss *(Continued)*

		Nine months ended 31 December	
		2010	2009
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Continuing operations:			
Loss before income tax			
Reportable segment loss		**(34,561)**	(4,344)
Interest income		**268**	43
Gain on disposal of available-for-sale financial assets		**780**	25
Unallocated expenses		**(44,554)**	(25,537)
Finance costs		**(70)**	(3,894)
Consolidated loss before income tax		**(78,137)**	(33,707)
Discontinued operation:			
(Loss)/profit before income tax			
Reportable segment loss		**(21,072)**	(832)
Interest income		**–**	27
Unallocated income		**–**	14,317
Finance costs		**–**	(51)
	8	**(21,072)**	13,461
		(99,209)	(20,246)

5. Finance Costs

Interest expenses on the following borrowings, of which are all wholly repayable within five years.

		Nine months ended 31 December		Three months ended 31 December	
		2010	2009	**2010**	2009
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	Note	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Continuing operations:					
Interest expenses on convertible bonds		**15**	–	**–**	–
Interest expenses on promissory notes		**55**	3,894	**55**	772
		70	3,894	**55**	772
Discontinued operation:					
Interest expenses on trade financing	8	**–**	51	**–**	–
		70	3,945	**55**	772

6. Loss Before Income Tax

This is after charging the follows:

		Nine months ended 31 December		Three months ended 31 December	
		2010	2009	**2010**	2009
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	Note	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Continuing operations:					
Cost of inventories sold		**39,756**	4,499	**26,400**	4,499
Direct operating expenses arising on rental-earning investment properties		**195**	125	**66**	64
Share-based payments		**9,161**	2,294	**9,161**	2,294
Depreciation		**2,973**	1,672	**1,003**	1,030
Discontinued operation:					
Cost of inventories sold	8	**–**	52,153	**–**	–
Amortisation of intangible assets*		**–**	2,243	**–**	–
Depreciation		**–**	667	**–**	–

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

7. Income Tax

	Note	Nine months ended 31 December 2010 (Unaudited) HK$'000	Nine months ended 31 December 2009 (Unaudited) HK$'000	Three months ended 31 December 2010 (Unaudited) HK$'000	Three months ended 31 December 2009 (Unaudited) HK$'000
Continuing operations:					
Deferred tax (credit)/charge – Hong Kong		**(1,251)**	103	**(1,251)**	–
Discontinued operation:					
Current tax charge – PRC		**–**	2,263	**–**	–
Deferred tax credit – PRC		**–**	(514)	**–**	–
	8	**–**	1,749	**–**	–
		(1,251)	1,852	**(1,251)**	–

No provision for Hong Kong profits tax has been made as the Group has no assessable profits for Hong Kong profits tax purpose for both the current and prior periods. 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.

The share of income tax credit attributable to the then associates (ceased to be associates of the Group immediately after the completion of the Aggregate Disposal (as defined below in Note 8)) of the Group for the nine months ended 31 December 2010 amounting to approximately HK$195,000 (nine months ended 31 December 2009: approximately HK$1,074,000) is included in "Share of (loss)/profit of associates", and the amount with its comparative figures were re-classified to discontinued operation as a result of the completion of the Aggregate Disposal during the current period, details of which are set out in Note 8 as below.

8. Discontinued Operation

During the current and prior periods, the Group was engaged in the operation of mining, sale and distribution of coals in the PRC through the SFII Group.

During the prior period, the Group disposed of its 51% equity interests in the SFII Group, the then indirect wholly-owned subsidiaries of the Group (the "Former Disposal"), for a total consideration of HK$100,000,000. Upon the completion of the Former Disposal on 3 July 2009, the Group's equity interests in the SFII Group was reduced from 100% to 49%. As a result, the SFII Group ceased to be the subsidiaries of the Group and became the associates of the Group.

8. Discontinued Operation *(Continued)*

During the current period, the Group further disposed of its remaining 49% equity interests in the SFII Group, the then 49%-owned associates of the Company, for a total cash consideration of HK$50,000,000 (the "Aggregate Disposal"), details of which are set out in the Company's announcements and circular dated 16 August 2010 and 23 July 2010 respectively.

Upon the completion of the Aggregate Disposal on 16 August 2010, the Group's interests in the SFII Group have been derecognised from the unaudited condensed consolidated statement of financial position of the Group and the operation of mining, sale and distribution of coals in the PRC was classified as discontinued immediately.

The results of the discontinued operation for the current and prior periods, which had been included in the profit or loss, were as follows:

		Nine months ended 31 December		**Three months ended 31 December**	
		2010	2009	**2010**	2009
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Turnover	*4*	**–**	63,461	**–**	–
Cost of inventories sold	*6*	**–**	(52,153)	**–**	–
Gross profit		**–**	11,308	**–**	–
Other income and gains		**–**	585	**–**	–
Loss on disposal of associates		**(20,211)**	–	**–**	–
Loss on disposal of subsidiaries		**–**	(6,883)	**–**	–
Selling and distribution costs		**–**	(510)	**–**	–
Administrative and other expenses		**–**	(5,378)	**–**	–
Finance costs	*5*	**–**	(51)	**–**	–
Share of (loss)/profit of associates		**(861)**	14,390	**–**	8,337
(Loss)/profit before income tax		**(21,072)**	13,461	**–**	8,337
Income tax	*7*	**–**	(1,749)	**–**	–
(Loss)/profit for the period		**(21,072)**	11,712	**–**	8,337

8. Discontinued Operation *(Continued)*

The cash flow information of the discontinued operation was as follows:

	Nine months ended 31 December	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Net cash used in operating activities	**–**	(29,446)
Net cash generated from investing activities	**43,618**	19,049
Effect of foreign exchange rate changes, net	**–**	116
Increase/(decrease) in cash and cash equivalents	**43,618**	(10,281)

Basic loss per share for the discontinued operation for the current period is approximately HK13.39 cents and basic earnings per share for the discontinued operation for the prior period is approximately HK11.09 cents (restated) based on the loss for the current period from the discontinued operation of approximately HK$21,072,000 and profit for the prior period from the discontinued operation of approximately HK$11,712,000, respectively.

The denominators used are the same as those detailed in Note 10 for the basic loss per share attributable to owners of the Company.

Basic and diluted (loss)/earnings per share amounts for the current and prior periods were equal as the convertible instruments of the Group outstanding during the current and prior periods had an anti-dilutive effect on the basic (loss)/earnings per share from the discontinued operation for the current and prior periods.

Upon the completion of the Aggregate Disposal on 16 August 2010, the Group recognised a loss on disposal of associates amounting to approximately HK$20,211,000 in the unaudited condensed consolidated income statement for the current period, which is calculated at the date of the Aggregate Disposal as follows:

	(Unaudited)
	HK$'000
Interests in associates	71,047
Reclassification adjustment of exchange reserve upon the Aggregate Disposal	(7,218)
Costs directly attributable to the Aggregate Disposal	6,382
Loss on disposal of associates	(20,211)
Total consideration	50,000

No tax charge or credit arose on the Aggregate Disposal of the Group's remaining 49% equity interests in the SFII Group.

9. Dividend

The Board does not recommend the payment of any dividend for the nine months ended 31 December 2010 (nine months ended 31 December 2009: HK$Nil).

10. Loss per Share

The calculation of basic loss per share is based on the loss for the period attributable to the owners of the Company, and the weighted average number of ordinary shares in issue during the period, as adjusted to reflect the bonus issue subsequent to the reporting period (Note 16(a)).

The calculation of diluted loss per share for the period is based on the loss for the period attributable to the owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

Basic and diluted loss per share amounts for the three months ended 31 December 2009 and the nine months ended 31 December 2009 are restated to take into effect the Company's capital reorganisation completed in the year ended 31 March 2010 and the bonus issue subsequent to the reporting period (Note 16(a)).

As the Company's outstanding convertible bonds, share options and warrants, where applicable, had an anti-dilutive effect to the basic loss per share calculation for the current and prior periods, the conversion of the above potential dilutive shares is not assumed in the computation of diluted loss per share amounts. Therefore, the basic and diluted loss amounts per share calculations for the respective periods are equal.

From continuing and discontinued operations:

The calculation of basic and diluted loss per share are based on:

	Nine months ended 31 December		**Three months ended 31 December**	
	2010	2009	**2010**	2009
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Loss attributable to the owners of the Company, used in the basic and diluted loss per share calculation	**(97,427)**	(22,098)	**(51,749)**	(6,485)

	Number of shares Nine months ended 31 December		**Number of shares Three months ended 31 December**	
	2010	2009	**2010**	2009
	(Unaudited)	(Unaudited – restated)	**(Unaudited)**	(Unaudited – restated)
	'000	*'000*	***'000***	*'000*
Weighted average number of ordinary shares for basic and diluted loss per share calculation	**157,381**	105,600	**158,802**	105,600

10. Loss per Share *(Continued)*

From continuing operations:

The calculation of basic and diluted loss per share are based on:

	Nine months ended 31 December		Three months ended 31 December	
	2010	2009	**2010**	2009
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Loss attributable to the owners of the Company, used in the basic and diluted loss per share calculation	**(76,355)**	(33,810)	**(51,749)**	(14,822)

	Number of shares Nine months ended 31 December		Number of shares Three months ended 31 December	
	2010	2009	**2010**	2009
	(Unaudited)	(Unaudited – restated)	**(Unaudited)**	(Unaudited – restated)
	'000	*'000*	***'000***	*'000*
Weighted average number of ordinary shares for basic and diluted loss per share calculation	**157,381**	105,600	**158,802**	105,600

11. Goodwill

	31 December 2010 (Unaudited) *HK$'000*	31 March 2010 (Audited) *HK$'000*
At beginning of period/year:		
Cost	**–**	–
Acquisition of subsidiaries (Note 15)	**–**	–
Accumulated impairment	**–**	–
Net carrying amount	**–**	–
Net carrying amount:		
At beginning of period/year	**–**	–
Acquisition of subsidiaries (Note 15)	**24,425**	–
Impairment loss	**(24,425)**	–
At end of period/year	**–**	–
At end of period/year:		
Cost	**24,425**	–
Accumulated impairment	**(24,425)**	–
Net carrying amount	**–**	–

Goodwill arising during the current period relates to the acquisition of the CIFC Group.

Impairment testing of the coal trading cash generating units (the "Coal Trading CGU")

Goodwill acquired during the current period through business combination has been allocated to the Coal Trading CGU, which is a reportable segment, for impairment testing.

As at 31 December 2010, the recoverable amount of the Coal Trading CGU was assessed by the Directors by reference to the professional valuation as at 31 December 2010 performed by Greater China Appraisal Limited (the "GCA"), an independent firm of professionally qualified valuers.

The recoverable amount of the Coal Trading CGU is determined by GCA based on a value-in-use calculation using a cash flow projection according to the financial budgets approved by management for the next 5 years and extrapolates cash flows beyond the 5 years with no growth rate. The discount rate applied to the cash flow projection is 16.31% per annum. The Directors are of the opinion, based on value in use calculation, that goodwill associated with the Coal Trading CGU is fully impaired as at 31 December 2010. In addition, the Directors are of the opinion, based on value-in-use calculation, that the LOIs of the Coal Trading CGU are partially impaired by approximately HK$7,585,000 (Note 12) compared with their recoverable amounts as at 31 December 2010.

The key assumptions on which management have based its cash flow projection to undertake impairment testing of the Coal Trading CGU are as follows:

– Budgeted gross margins – the basis used to determine the value assigned to the budgeted gross margins is the management's expectation of market development and future performance of the unit; and

– Discount rate – the discount rate used is before tax and reflects specific risks relating to the relevant unit.

12. Intangible Assets

	The LOIs	Exploration and evaluation assets	Mining right	Total
	(Note a)	*(Note b)*	*(Note b)*	
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
The Group				
Cost:				
At 1 April 2009	–	1,183,457	289,231	1,472,688
Disposal of subsidiaries	–	(1,184,867)	(289,576)	(1,474,443)
Exchange realignments	–	1,410	345	1,755
At 31 March 2010	–	–	–	–
Acquisition of subsidiaries (Note 15)	60,000	–	–	60,000
At 31 December 2010	60,000	–	–	60,000
Accumulated amortisation and impairment losses:				
At 1 April 2009	–	1,058,918	226,385	1,285,303
Amortisation for the period/year	–	–	2,243	2,243
Impairment loss	7,585	–	–	7,585
Disposal of subsidiaries	–	(1,060,179)	(228,941)	(1,289,120)
Exchange realignments	–	1,261	313	1,574
At 31 March 2010 and at 31 December 2010	7,585	–	–	7,585
Net carrying amount:				
At 31 December 2010 (Unaudited)	52,415	–	–	52,415
At 31 March 2010 (Audited)	–	–	–	–

(a) The LOIs

The LOIs relates to the Coal Trading CGU and were acquired as part of the acquisition of the CIFC Group as set out in Note 15. The useful lives of the LOIs were estimated by the Directors to be indefinite as the LOIs are renewed automatically and unconditionally at no additional cost. The LOIs were tested for impairment as at 31 December 2010 and an impairment loss on LOIs in the amount of approximately HK$7,585,000 was recognised in profit or loss for the current period, details of which are set out in Note 11.

12. Intangible Assets *(Continued)*

(b) Exploration and evaluation assets and mining right

The mining right and the exploration right together with other exploration and evaluation assets purchased as part of a business combination in prior periods were initially recognised at their fair values on acquisition with reference to professional valuations performed by GCA. Prior to the Former Disposal, the mining right and exploration and evaluation assets are measured using the cost model.

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

The amortisation charge for the mining right for the prior year is included in the Group's "cost of sales" and re-classified to discontinued operation as a result of the completion of the Aggregate Disposal during the current period, details of which are set out in Note 8.

On 3 July 2009, the SFII Group (carrying on the mining business of the Group), the then subsidiaries of the Company, became associates of the Company as a result of the Former Disposal and therefore the Group's mining right and exploration right have been derecognised from the consolidated statement of financial position of the Group on the same date, details of which are set out in Note 8.

Details of the mining right and exploration right held by the associates as at 31 March 2010 of the Group are as follows:-

Mines	**Locations**	**Expiry dates**
Mining right		
Kaiyuan Open Pit Coal Mine (凱源露天煤礦)	Bei Ta Mountain (北塔山), Qitai County (奇台縣), Xinjiang Uygur Autonomous Region (新疆維吾爾自治區)	June 2018
Exploration right		
Zexu Open Pit Coal Mine (澤旭露天煤礦)	Bei Ta Mountain (北塔山), Qitai County (奇台縣), Xinjiang Uygur Autonomous Region (新疆維吾爾自治區)	22 October 2011

13. Share Capital

	Notes	As at 31 December 2010 Number of shares '000	Amount (Unaudited) HK$'000	As at 31 March 2010 Number of shares '000	Amount (Audited) HK$'000
Authorised:					
Ordinary shares of HK$0.01 each					
At end of period/year		**10,000,000**	**100,000**	10,000,000	100,000
Issued and fully paid:					
Ordinary shares of HK$0.01 each					
At beginning of period/year		**66,446**	**664**	2,640,000	26,400
Capital reorganisation		**–**	**–**	(2,587,200)	(25,872)
Issue of new shares on partial conversion of convertible bonds	*(i)*	**2,395**	**24**	9,581	96
Issue of new shares on exercise of warrants	*(ii)*	**10,560**	**106**	–	–
Issue of new shares on exercise of share options		**–**	**–**	4,065	40
At end of period/year		**79,401**	**794**	66,446	664

(i) During the current period, the remaining outstanding convertible bonds issued by the Company in the prior period with an aggregate principal amount of HK$4,000,000 (year ended 31 March 2010: HK$16,000,000) and carrying value of HK$2,849,000 (year ended 31 March 2010: HK$11,313,000) have been converted into approximately 2,395,000 (year ended 31 March 2010: approximately 9,581,000) ordinary shares of HK$0.01 each of the Company at the conversion price, of which HK$24,000 (year ended 31 March 2010: HK$96,000) was credited to issued share capital and the remaining balance of HK$2,825,000 (year ended 31 March 2010: HK$11,217,000) was credited to the share premium account. In addition, an amount of HK$1,172,000 (year ended 31 March 2010: HK$4,687,000) has been transferred from convertible bonds reserve to the share premium account.

(ii) During the current period, 10,560,000 new ordinary shares of HK$0.01 each of the Company were issued on exercise of 10,560,000 warrants at an aggregate consideration of HK$13,834,000, of which HK$106,000 was credited to issued share capital and the remaining balance of HK$13,728,000 was credited to the share premium account. In addition, an amount attributable to the related warrants of HK$1,734,000 has been transferred from the warrant reserve to the share premium account.

14. Related Party Transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Save for those disclosed elsewhere in the Quarterly Results, details of transactions between the Group and other related parties are disclosed below.

(a) During the current period, the Group received interest income from an associate (ceased to be associates of the Group immediately after the completion of the Aggregate Disposal) in respect of the loan to an associate amounted to HK$264,000 (nine months ended 31 December 2009: HK$Nil).

(b) During the current period, the Group received rental income of HK$466,000 from an associate (ceased to be associates of the Group immediately after the completion of the Aggregate Disposal), which has been included in the Group's turnover for the current period (nine months ended 31 December 2009: HK$466,000).

(c) During the current period, the Group had paid management fee of HK$109,000 to a related company of which is partially owned by a director of a subsidiary (become a director immediately after the acquired of CIFC Group) (nine months ended 31 December 2009: HK$Nil).

15. Business Combination

On 29 October 2010, Star Coal International Investment Company Limited (the "Star Coal"), an indirect wholly-owned subsidiary of the Company acquired from an independent third party (the "Vendor") (i) the entire equity interest in CIFC, an investment holding company, which owns 90% equity interests in China Energy Trading Company Limited (the "China Energy"), a company incorporated in Hong Kong with limited liability which engaged in the business of coal trading between PRC and Indonesia; and (ii) the attributable amount due by CIFC to the Vendor (the "CIFC Shareholder Loan") (collectively referred to as the "Acquisition"), at a total consideration of HK$70,000,000 (subject to adjustment), of which HK$64,000,000 was satisfied in cash and a contingent consideration of HK$4,000,000 (the "Contingent Consideration") by way of issuing a promissory note (the "Promissory Note") by the Company. At the date of Acquisition, total consideration was HK$69,515,000, net of discount on the fair value of the Promissory Note of HK$485,000.

The payment of the Contingent Consideration by the Company is subject to fulfillment of the profit guarantee (the "Profit Guarantee") provided by the Vendor to Star Coal that the actual audited net profit after tax and before any extraordinary items or exceptional items and before all non-cash items of China Energy for the period from 1 January 2011 to 31 December 2011 will not be less than HK$4,000,000 (the "Actual Profit") is being achieved. In the event that the Profit Guarantee is not achieved, the shortfall would be compensated by off-setting against the Promissory Note issued as Contingent Consideration on a dollar to dollar basis for an amount equivalent to the difference between the Profit Guarantee and the Actual Profit. As at the date of Acquisition and as at 31 December 2010, the Group is confident that the Profit Guarantee will be achived and the Promissory Note will be paid to the Vendor.

Since the completion of the Acquisition, the CIFC Group contributed to the Group's revenue and loss amounting to HK$23,423,000 and HK$29,738,000, respectively for the current period.

Had the above business combination taken place at the beginning of the current period, the loss of the Group for the period would have been approximately HK$97,967,000 and there would be no change to the Group's revenue for the current period as the CIFC Group had yet to commence its business prior to the completion of the Acquisition.

15. Business Combination *(Continued)*

Details of the net assets acquired and the goodwill arising from the Acquisition are as follows:

	Acquiree's carrying amount before business combination	**Fair value adjustment**	**Fair value adjustment as at the acquisition**
	2010	**2010**	**2010**
	(Unaudited)	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*	*HK$'000*
Net assets acquired:			
The LOIs	–	60,000	60,000
Amount due from a non-controlling equity holder of subsidiary	100	–	100
The CIFC Shareholder Loan	(7)	–	(7)
Deferred tax liabilities	–	(9,900)	(9,900)
Non-controlling interest	(100)	(5,010)	(5,110)
	(7)	45,090	45,083
Goodwill arising from Acquisition			24,425
Add: Assignment of the CIFC Shareholder Loan			7
			69,515
Consideration satisfied by:			
Cash			66,000
Promissory Note at fair value			3,515
Total consideration			69,515
Net cash outflow arising on Acquisition:			
Consideration paid in cash			66,000

16. Significant Events after the Reporting Period

(a) On 7 January 2011, the Company proposed a bonus issue to qualifying shareholders of the Company on the basis of one bonus share for every one existing share held by qualifying shareholders whose names appear on the register of members of the Company on 24 January 2011 (the above collectively referred to as the "Bonus Issues").

Pursuant to a ordinary resolution duly passed by shareholders at the special general meeting of the Company held on 24 January 2011, the Bonus Issues was approved. On 1 February 2011, the Bonus Issues was completed and the bonus shares were being issued to the qualifying shareholders of the Company on the same day.

Upon the completion of the Bonus Issues, an aggregate of 84,401,047 bonus shares of par value HK$0.01 each were issued of which HK$844,010.47 was credited to share capital and the same amount was debited to the share premium account (before issue expense).

(b) On 14 January 2011, an aggregate of 5,000,000 new ordinary shares of par value HK$0.01 each were issued at a subscription price of HK$0.92 each on exercise of 5,000,000 warrants at an aggregate consideration of HK$4,600,000 (before issue expense) of which HK$50,000 was credited to share capital and the remaining balance of HK$4,550,000 was credited to the share premium account. In addition, the related net premium of HK$1,116,000 received on issue of warrants was transferred from warrant reserve to the share premium account. At the date of approval of these Quarterly Results, the Company has 20,000,000 (adjusted as a result of the Bonus Issues) warrants outstanding.

17. Comparative Figures

As detailed in Notes 8 and 10, the results of the discontinued operation and the Company's basic and diluted loss per share amounts for the prior period have been restated to conform with the current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

Ming Kei Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") are principally engaged in investment holding and property investment in Hong Kong (the "HK") and the People's Republic of China (the "PRC"), business of general trading in PRC and business of coal trading between PRC and Indonesia respectively.

Properties hold by the Group for investment purposes are in HK and Xinjiang, the PRC respectively.

The business of general trading in the PRC consists of general trading in the following products: construction and decoration materials, electronics appliances and components as well as motor vehicles components respectively.

The business of coal trading between PRC and Indonesia mostly consists of trading of thermal coals.

FINANCIAL REVIEW

For the nine months ended 31 December 2010, the Group achieved revenue of approximately HK$42.8 million (nine months ended 31 December 2009: approximately HK$5.3 million (restated)) for the businesses of coal trading, general trading and property investment respectively, representing an increased by approximately HK$37.5 million or 707.5% over the corresponding prior period ended. The increment was mostly contributed by the revenue stream which derived from the coal trading business which commenced on November 2010 as well as an increased of the received of the rental income from its investments properties and trading income from the general trading respectively.

For the nine months ended 31 December 2010, the Group recorded total revenue of approximately HK$42.8 million (nine months ended 31 December 2009: approximately HK$5.3million (restated)) which was derived from the businesses of coal trading, general trading and property investment respectively which accounted for approximately of 54.7%, 43.2% and 2.1% respectively (nine months ended 31 December 2009: Nil%, approximately of 88.7% and 11.3% respectively). Details of the Group's revenue are disclosed in Note 4 "TURNOVER AND SEGMENT INFORMATION".

An increased in turnover by approximately HK$37.5 million or 707.5%, as compared to the corresponding prior period ended was mostly contributed by the revenue stream which derived from the coal trading business which commenced on November 2010 as well as an increased of the received of the rental income from its investment properties and trading income from the general trading respectively.

The Group generated an operating loss of approximately HK$29.7 million, HK$0.2 million and HK$3.4 million respectively for the nine months ended 31 December 2010 (nine months ended 31 December 2009: HK$Nil, approximately HK$1.2 million (restated) and HK$3.2 million (restated) respectively) for the coal trading, general trading and property investment segments' respectively.

The Group's gross profit was approximately HK$2.9 million for the nine months ended 31 December 2010 (nine months ended 31 December 2009: approximately HK$0.6 million (restated)). The gross profit increased as compared to the corresponding prior period ended was mostly contributed by the revenue stream which derived from the coal trading business which commenced on November 2010 as well as an increased of the received of the rental income from its investments properties and trading income from the general trading.

The gross profit margin was approximately of 6.7% for the nine months ended 31 December 2010 (nine months ended 31 December 2009: approximately of 12.3%), the decrement was mostly contributed by the coal trading business which commenced on November 2010 due to the positive price gap between the purchase price and the selling price of at least US$2 per metric tonne of coal sold, the Group will keep continue to bargain for the possibility of exceeding US$2 per metric tonne for the coal trade.

For the nine months ended 31 December 2010, the Group's selling and distribution costs amounted to approximately HK$0.1 million (nine months ended 31 December 2009: HK$Nil (restated)), the selling and distribution costs are in related to the selling expenses for the coal trading business which commenced on November 2010.

For the nine months ended 31 December 2010, the Group's administrative and other expenses amounted to approximately HK$48.2 million (nine months ended 31 December 2009: approximately HK$26.1 million (restated)), which represented an increased by approximately HK$22.1 million or 84.7%, as compared to the corresponding prior period ended. The increment was contributed by the increased on the depreciation charges, Company's directors (the "Directors") remunerations, staff salaries, charges on the share-based payments, project expenses in related to the acquisition of CIFC Group (as defined below) and the disposal of SFII Group (as defined below) and overseas and local travelling charged for the business trips.

For the nine months ended 31 December 2010, the Group's finance costs amounted to approximately HK$0.07 million (nine months ended 31 December 2009: approximately HK$3.9 million (restated)), the tremendous decreased by approximately HK$3.83 million or by 98.2% was contributed by the repayment of the promissory notes.

For the nine months ended 31 December 2010, the Group recorded an impairment loss on goodwill and intangible assets arising from the acquisition of the China Indonesia Friendship Coal Trading Company Limited (the "CIFC") and its subsidiary (collectively referred to as the "CIFC Group") during the current period of approximately HK$24.4 million (nine months ended 31 December 2009: HK$Nil) and approximately HK$7.6 million (nine months ended 31 December 2009: HK$Nil) respectively which represented the impairment testing has been carried out as at 31 December 2010 and impairment loss was recognised in profit or loss for the current period. Details of the Group's impairment loss on goodwill and intangible assets and disclosed in Note 11 "GOODWILL" and Note 12 "INTANGIBLE ASSETS".

For the nine months ended 31 December 2010, the Group recorded an impairment loss on property, plant and equipment of HK$Nil (nine months ended 31 December 2009: approximately HK$1.1 million).

For the nine months ended 31 December 2010, the Group recorded a fair value loss on investment properties of approximately HK$1.9 million (nine months ended 31 December 2009: approximately HK$2.8 million), which represented decreased in fair value of the Group's investment properties which are hold for investment purposes during the current period under reviewed.

For the nine months ended 31 December 2010, the Group recorded the share of loss of associates, net of tax, of approximately HK$0.9 million (nine months ended 31 December 2009: share of profit of associates, net of tax, of approximately HK$14.4 million), which represented the share of 49% results attributed by the Star Fortune International Investment Company Limited (the "SFII") and its subsidiaries (collectively referred to as the "SFII Group") to the Group. The SFII Group is principally engaged in mining, sale and distribution of coals in the PRC. The 49% equity interests in the SFII were disposed on 16 August 2010 and the SFII Group ceased to be the associates of the Group.

For the nine months ended 31 December 2010, the Group recorded a loss for the period from discontinued operation of approximately HK$21.1 million (nine months ended 31 December 2009: profit for the period from discontinued operation of approximately HK$11.7 million (restated)) mainly represented a loss for the disposal of SFII Group.

For the nine months ended 31 December 2010, the Group recorded a loss attributable to owners of the Company from the continuing operations of approximately HK$76.4 million (nine months ended 31 December 2009: approximately HK33.8 million (restated)) represented an increase in loss by approximately HK$42.6 million or 126%. The overall increase in loss attributable to the owners of the Company as compared to the corresponding prior period ended was mainly attributable by (i) the increase in administrative and other expenses, (ii) the impairment loss on the goodwill and the intangible assets arising from the acquisition of the CIFC Group in current period and (iii) the loss on disposal of 49% equity interests in SFII Group.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

On 20 May 2010, Star Fortune International Development Company Limited (the "SFID"), an indirect wholly-owned subsidiary of the Company, entered into a conditional disposal agreement (the "Disposal 2") with the purchaser (the "Purchaser"), a wholly-owned subsidiary of China Sonangol Resources Enterprise Limited (the "China Sonangol") (a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 1229)), for the disposal of the sale shares (the "Disposal Shares 2"), representing 49% equity interests in SFII, held by SFID for a total cash consideration of HK$50 million.

The Disposal 2 was completed on 16 August 2010 and the SFII ceased to be the associate of the Group.

On 26 August 2010, Star Coal International Investment Company Limited (the "Star Coal"), an indirect wholly-owned subsidiary of the Company, as a purchaser, entered into the conditional sale and purchase agreement (the "Conditional S&P") with Mr. Woo Man Wai, David (the "Vendor David"), pursuant to which Star Coal agreed to acquire and the Vendor David agreed to sell its entire share capital of CIFC and the sale loan for a total consideration of HK$70 million (subject to adjustment).

The Conditional S&P was completed on 29 October 2010 (the "Conditional S&P Completion") and upon the Conditional S&P Completion, the Company is interested in the 100% equity interests in the CIFC, the accounts of the CIFC Group will be consolidated into the consolidated financial statements of the Group.

Save as disclosed above, there was no other material acquisitions or disposals of subsidiaries and affiliated companies held by the Group as at 31 December 2010.

(31 December 2009: On 30 April 2009, SFID entered into a conditional disposal agreement (the "Disposal 1") with the China Sonangol, the Company and the China Sonangol for the disposal of the sale shares, representing 51% equity interests in SFII, held by SFID for a total cash consideration of HK$100 million.

The Disposal 1 was completed on 3 July 2009 (the "Completion"). Upon Completion, the Company is interested in only 49% equity interests in SFII , and therefore the SFII Group ceased to be subsidiaries of the Company and are accounted for as the associates of the Company.

On 7 July 2009, Star Energy International Investment Company Limited, an indirect wholly-owned subsidiary of the Company, entered into a provisional sale and purchase agreement with Ming Kei Properties Investment Limited (the "Ming Kei Properties"), a connected person, of which 51% of the shareholding of Ming Kei Properties is beneficially owned by Mr. Wong Wai Sing, a substantial shareholder and a non-executive director (the "Director") of the Company and the remaining 49% of the shareholding of Ming Kei Properties is beneficially owned by Mr. Wong Wai Ngok, the elder brother of Mr. Wong Wai Sing in relation to the acquisition (the "Acquisition") of a property, a flat in Block 5 Sorrento, 1 Austin Road West, Kowloon for a total cash consideration of HK$8,300,000.

The Acquisition was completed on 7 August 2009.

On 16 July 2009, Star Trading International Investment Company Limited (the "Star Trading"), an indirect wholly-owned subsidiary of the Company, entered into the sale and purchase agreement with Best Rise Asia Limited (the "Best Rise"), a connected person, of which Best Rise is wholly and beneficially owned by Mr. Wong Wai Sing, and Mr. Poon Chi Ho (the "Mr. Poon") (collectively referred to as the "Vendors"). Pursuant to the sale and purchase agreement, the Vendors agreed to sell, and Star Trading, as purchaser, has agreed to purchase: (i) the entire issued share capital of HongKong Talent Holdings Limited (the "Target"), which is a company incorporated in Hong Kong with limited liability, the shares of which is owned as to 90% by Mr. Poon and 10% by Best Rise respectively and (ii) the sale loan of which an outstanding shareholder's advance in an aggregate amount of approximately HK$14.5 million owed by the Target and its subsidiaries to one of the Vendors, Mr. Poon, which is unsecured, interest free and has no fixed terms of repayment for a total consideration of HK$18,000,000 which shall be settled by Star Trading in cash.

The principal asset of the Target is its interests in its subsidiary in the PRC and 100% indirect attributable interests in a commercial property located at Room A, Floor 13, Noble Center, Fuzhong San Road, Futian District, Shenzhen, the PRC, with a total gross floor area of approximately 321.35 square metres.

The acquisition of the Target was completed on 31 August 2009.

Save as disclosed above, there was no other material acquisitions or disposals of subsidiaries and affiliated companies held by the Group as at 31 December 2009.)

SIGNIFICANT INVESTMENT

On 22 November 2010, Star Enterprise Investment Company Limited (the "Star Enterprise"), an indirect wholly-owned subsidiary of the Company, delivered the redemption notice to the Proteus Growth Fund Ltd. for a fully redemption of the Class A shares (the "Redemption") which subscribed by the Group on 2 November 2009.

The Redemption constituted a discloseable transaction of the Company under Rule 19.06(2) of the GEM Listing Rules and is subject to the reporting and announcement requirements but exempt from the Company's shareholders' (the "Shareholders") approval requirement under the GEM Listing Rules.

Save as disclosed above, there was no other significant investment held by the Group for the nine months ended 31 December 2010.

(Save as disclosed above, there was no other significance investment held by the Group as at 31 December 2009).

BUSINESS REVIEW AND PROSPECTS

For the nine months ended 31 December 2010, the Group achieved revenue of approximately HK$42.8 million (nine months ended 31 December 2009: approximately HK$5.3 million (restated)) for the business of coal trading, general trading and property investment respectively, representing an increased by approximately HK$37.5 million or 707.5% over the corresponding prior period ended. The increment was mostly contributed by the revenue stream which derived from the coal trading business which commenced on November 2010 as well as an increased of the received of the rental income from its investments properties and trading income from the general trading respectively.

Pursuant to a management review of the business environment and the comparative landscape for the Group's mining business, taking into account the limited prospects as well as the limited financial contribution from this investment, the residual 49% equity interests in the SFII held by the Group was disposed during the current period, on 20 May 2010, the SFID entered into a Disposal 2 with the Purchaser for the Disposal Shares 2 for a total cash consideration of HK$50 million. The Disposal 2 was completed on 16 August 2010 and the SFII ceased to be the associate of the Group. The Group recorded a loss for the period from discontinued operation of approximately HK$21.1 million in related to the Disposal 2.

As the consideration for the Disposal 2 is all cash in nature, the Disposal 2 provides a good opportunity for the Company to realize the investment and enhance the cash resources of the Group for possible future investments.

On 26 August 2010, Star Coal entered into the Conditional S&P with Vendor David, pursuant to which Star Coal agreed to acquire and the Vendor David agreed to sell its entire share capital of the CIFC and the sale loan for a total consideration of HK$70 million (subject to adjustment) CIFC Group is principally engaged in business of coal trading between PRC and Indonesia. For the nine months ended 31 December 2010, the Group recorded revenue of approximately HK$23.4 million from the coal trading (nine months ended 31 December 2009: HK$Nil) and accounted for approximately of 54.7% of the Group's turnover for the nine months ended 31 December 2010 (nine months ended 31 December 2009: Nil%), the coals' traded was approximately 0.07 million tones (nine months ended 31 December 2009: Nil). Directors expected that the coal trading business will remain as the first main source of the Group's turnover due to the already entered into of the supplier letter of intents and the customer letter of intents for a term of three years since July 2010 which represented a foreseeable profitable business opportunity in the next three years. In addition, the PRC becomes a net coal importer in 2009 and a continuous increase in demand of coals from the PRC and notice that Australia, Indonesia and Russia were the largest exporters of coal to the PRC since 2009. It is a valuable opportunity for the Group to be able to line up companies from one of the world's largest exporters' country (the Indonesia) and one of the world's fast growing importers' country (the PRC) for the coal trading business.

For the nine months ended 31 December 2010, the Group achieved revenue of approximately HK$18.5 million for the general trading business in the PRC (nine months ended 31 December 2009: approximately HK$4.7 milion). The trading business of the Group commenced in October 2009 and the Group has entered into three letters of intent with one new and two different existing customers respectively for long term acquisition contracts with the aggregate amounts of RMB28 million starting from the period of 1 July 2010 to 30 June 2011 for different electronic appliances. For the nine months ended 31 December 2010, approximately RMB12.7 million was recorded for the trading business out of the RMB28 million long terms acquisition contract signed since on 1 July 2010. Directors expected that the general trading business will remain as the second main source of the Group's turnover and accounted for approximately of 43.2% of the Group's turnover for the nine months ended 31 December 2010 (nine months ended 31 December 2009: approximately of 88.7%). The acquisition of the CIFC not only diversified the Group's business but also contributed further source to the Group's turnover. Furthermore, the acquired of CIFC has provided cost and operation efficiency and other synergy effects to the Group from the prior management experiences and expertises from the SFII Group. As the business of coal trading is still in its development and initial stage, hence, Directors expected a potential growth from the coal trading business and hence the Group will put extra resources and diverts its current resources and focusing from the general trading to the coal trading segment to pursuit its growth and the Group will commit itself in controlling costs and improving the quality of the products.

For the nine months ended 31 December 2010, the Group achieved revenue of approximately HK$0.93 million for the rental income from the Group's investment properties in HK and the PRC respectively (nine months ended 31 December 2009: approximately of HK$0.58 million). The increment of the received of the rental income was contributed by one of the Group's investment properties from Sorrento, 1 Austin Road West, Kowloon which acquired on 7 August 2009. Further, the rising trend of the property market in HK and the PRC has been slowed down and price of the properties in HK and the PRC has been adjusted downward slightly recently due to the regulations and policies adopted by HK and the PRC government towards the property market. The Directors will continue to explore opportunities to invest in good quality properties in both Hong Kong and the PRC to strengthen its property investment business and the investment properties hold by the Group will continue provide a stable source of rental income to the Group and the potential possible of the appreciation of the properties, the future prospect of the property market in HK and PRC is promising. Addition, the Directors might consider to dispose certain of the properties of the Group which held for investment properties or property held for own use respectively when the properties can be disposed for profits.

For the nine months ended 31 December 2010, Class A shares of the Proteus Growth Fund Ltd. which subscribed on 2 November 2009 by the Group was fully redeemed and a gain of approximately HK$0.78 million (nine months ended 31 December 2009: HK$Nil) has been recognized from the Redemption. The net proceeds from the Redemption will be used for general working capital of the Group.

Despite of the net loss of the Group for the nine months ended 31 December 2010, the Board considers that the Group's overall financial positions are healthy and the Board remains positive on the prospects of the Group. Notwithstanding the foregoing, as at 31 December 2010, the Board confirms that the Group makes no investment in any financial derivatives, foreign exchange contracts, interest or currency swaps, hedgings or other financial arrangements for hedging purposes to reduce any currency risk nor made any over-the counter contingent forward transactions. The Board would like to emphasize that the Group's financial positions remain stable and has sufficient cash resources to meet its present and future cash flow requirements.

On 2 September 2010, the Company as an issuer entered into three conditional non-listed warrant placing agreements (the "Placing") with the subscribers and the guarantors in relation to a private placing of an aggregate of 15,000,000 (subsequently adjusted to 30,000,000 warrants after Bonus Issue (as defined below)) warrants to the subscribers, at the warrant issue price of HK$0.24.

The warrants entitle the subscribers to subscribe for the new shares at the subscription price of HK$0.92 per new share for a period of 18 months commencing from the date of issue of the warrants. Each warrant carries the right to subscribe for one new share.

The Directors are of the view that additional funding will strengthen the financial position of the Group for any future investment and development, which will be beneficial and in the interests of the Group and the Shareholders as a whole.

The Board considered that the present warrant placing is appropriate as (i) it does not have any immediate dilution effect on the shareholding of the existing shareholders while capital will be raised upon completion; (ii) non-interest bearing nature of Warrants; and (iii) favorable market sentiment for equity fund raising. In addition, further capital will be raised upon the exercise of the subscription rights attaching to the warrants by the holder of the warrants during the subscription period.

The Placing completed on 14 September 2010.

On 23 December 2010, the Board proposed a Bonus Issue (as defined below), the Bonus Issue is a token of gratitude to the Shareholders for loyalty to and support of the Company, the Board decided to propose the Bonus Issue. In addition to that, the Directors believe that the Bonus Issue will increase the Company's capital base and enhance the liquidity of the shares of the Company in the market and thereby enlarging the Company's shareholder and capital base.

The Board will constantly keep reviewing the Group's strategies and operations with a view to improve its business performance and Shareholders' return. As usual and with available funds on hand, the Group is capable to actively looking for possible future investments with or within the property investment, general trading sectors and coal trading sectors or other sector(s) with growth potential to improve its Shareholders' value.

CAPITAL STRUCTURE

The shares of the Company were listed on the Growth Enterprise Market (the "GEM") of the Stock Exchange since 15 November 2002. As at 31 December 2010, the total issued shares is 79,401,047 shares.

On 23 December 2010, The Board proposed a bonus issue (the "Bonus Issue") to qualifying Shareholders (other than excepted Shareholders). The Bonus Issue is proposed to be made on the basis of one Bonus Share for every one existing share held by the qualifying Shareholders (other than excepted Shareholders) whose names appear on the register of members of the Company on the record date on 24 January 2011 (the "Record Date"). The Bonus Issue will be credited as fully paid by way of capitalisation of an amount in the share premium account after the duly approved by Shareholders in the special general meeting (the "SGM") on the Record Date.

5,000,000 new Shares of the Company were issued and allotted on 14 January 2011 by the unlisted warrants' subscriber.

Following the passing of the ordinary resolution in the SGM, subsequently on 1 February 2011, 84,401,047 new ordinary shares of HK$0.01 each of the Company were issued to the Qualifying Shareholders, of which HK$844,010.47 was credited to issued share capital of the Company and of which HK$844,010.47 by way of capitalisation of an amount in the share premium account of the Company respectively. Details of the Bonus Issue which are set out in the Company's announcement dated 23 December 2010, 29 December 2010 and 24 January 2011 and circular dated 7 January 2011 respectively.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2010, the interests and short positions of the Directors and chief executives 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 set out in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

(i) Interests in shares

Name	Capacity of interests	Number of ordinary shares held	Approximate percentage of shareholding in the Company
Ming Kei International Holding Co. Limited (the "Ming Kei") *(Note 1)*	Beneficial owner	10,637,838(L) *(Note 2 and 6)*	13.40
Mr. Wong Wai Sing (the "Mr. Wong")	Beneficial owner	252,200(L) *(Note 6)*	0.32
	Interest of controlled corporation	10,637,838(L) *(Note 2 and 6)*	13.40
Lonestar Group Limited (the "Lonestar") *(Note 3)*	Beneficial owner	200,000(L) *(Note 6)*	0.25
Mr. Tsang Ho Ka, Eugene (the "Mr. Tsang") *(Note 4)*	Interest of controlled corporation	200,000(L) *(Note 6)*	0.25
Ms. Lau Kimberly Siu Yan Kaiulani (the "Ms. Lau") *(Note 5)*	Interest of spouse	200,000(L) *(Note 6)*	0.25

(ii) Interests in share options

Name of Directors	Date of grant	Exercisable period	Exercise price per Share *HK$*	Number of share options granted	Approximate percentage of shareholding in the Company
Ms. Yick Mi Ching, Dawnibilly	3 September 2010	3 September 2010 to 2 September 2020	HK$1.51	3,970,052 (L) *(Note 6)*	5.00
Mr. Tsang Ho Ka, Eugene	3 September 2010	3 September 2010 to 2 September 2020	HK$1.51	3,970,052 (L) *(Note 6)*	5.00

Notes:

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

2. Ming Kei is wholly and beneficially owned by Mr. Wong, therefore, Mr. Wong, is deemed to be interested in the 10,637,838 Shares in which Ming Kei is interested.

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

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

5. Lonestar is wholly and beneficially owned by Mr. Tsang and who is the spouse of Ms. Lau. Accordingly, Mr. Tsang and Ms. Lau is deemed to be interested in the 200,000 Shares in which Lonestar is interested and Ms. Lau is deemed to be interested in the Shares beneficially owned by Mr. Tsang in his own capacity.

6. The letter "L" denoted a long position in shares.

Save as disclosed above, as at 31 December 2010, none of the Directors nor the chief executives of the Company had any other interests and short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register kept by the Company under Section 352 of the SFO or otherwise required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2010, the interests and short positions of persons, other than the Directors or chief executives 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:

(i) Interests in shares:

Name of shareholders	Capacity of interests	Number of ordinary shares held	Approximate percentage of shareholding in the Company
Ming Kei *(Note 1)*	Beneficial owner	10,637,838(L) *(Note 2 and 6)*	13.40
Mr. Wong	Beneficial owner	252,200(L) *(Note 2 and 6)*	0.32
	Interest of controlled corporation	10,637,838(L) *(Note 2 and 6)*	13.40
Ms. Wong Ka Man	Beneficial owner	5,200,000(L) *(Note 6)*	6.55

(ii) Interests in underlying shares – non-listed warrants

Name of shareholders	Capacity of interests	Number of underlying shares held	Approximate percentage of shareholding in the Company
Triumph Star Enterprises Limited (the "Triumph") *(Note 3)*	Beneficial owner	5,000,000(L) *(Note 6)*	6.30
Mr. Chan Francis Ping Kuen ("Mr. Chan") *(Note 3)*	Interest of controlled corporation	5,000,000(L) *(Note 6)*	6.30
Lofty Star Limited (the "Lofty") *(Note 4)*	Beneficial owner	5,000,000(L) *(Note 6)*	6.30
Mr. Ip Shu Wai *(Note 4)*	Interest of controlled corporation	5,000,000(L) *(Note 6)*	6.30
Glorious Smart International Investment Limited (the "Glorious") *(Note 5)*	Beneficial owner	5,000,000(L) *(Note 6)*	6.30
Ms. Wang Hong *(Note 5)*	Interest of controlled corporation	5,000,000(L) *(Note 6)*	6.30

(iii) Interests in underlying shares – share options

Name of Directors	Date of grant	Exercisable period	Exercise price per Share *HK$*	Number of share options granted	Approximate percentage of shareholding in the Company
Ms. Yick Mi Ching, Dawnibilly	3 September 2010	3 September 2010 to 2 September 2020	HK$1.51	3,970,052 (L) *(Note 6)*	5.00
Mr. Tsang Ho Ka, Eugene	3 September 2010	3 September 2010 to 2 September 2020	HK$1.51	3,970,052 (L) *(Note 6)*	5.00

Notes:

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

2. Ming Kei is wholly and beneficially owned by Mr. Wong, therefore, Mr. Wong, is deemed to be interested in the 10,637,838 shares in which Ming Kei is interested.

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

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

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

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

Save as disclosed above, as at 31 December 2010, the Directors and the chief executives of the Company were not aware of any other person (other than the Directors and the chief executives 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 3 September 2010, the Board conditionally resolved to grant an aggregate of 7,940,104 shares at HK$1.51 per share under the Scheme, which had been approved by shareholders of the Company at the special general meeting held on 5 November 2010. As at 31 December 2010, 7,940,104 granted during the current period under reviewed were outstanding. Details number of share options granted, exercised and their respective exercise price and exercisable period are 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 01/04/2010	Granted during the period	Exercised during the period	Outstanding as at 31/12/2010
Directors								
Ms. Yick Mi Ching, Dawnibilly	3 September 2010	3 September 2010 – 2 September 2020	1.51	1.51	–	3,970,052	–	3,970,052
Mr. Tsang Ho Ka, Eugene	3 September 2010	3 September 2010 – 2 September 2020	1.51	1.51	–	3,970,052	–	3,970,052
					–	7,940,104	–	7,940,104

The fair value of the share options granted during the current period is approximately HK$9,161,000 at the date of granted determined using the Binomial Option Pricing Model based on a valuation performed by Greater China Appraisal Limited, an independent firm of professionally qualified valuers. The major inputs into the Binomial Option Pricing Model as at grant date were the spot price of HK$1.1538, the average historical volatility of share prices of certain comparable companies with similar business operation as the Company (due to the recent change in the Company's business as a result of acquisition of the CIFC Group and disposal of the SFII Group in current period) of 50.116%, the expected life of 9.83 years, the expected dividend yield of Nil, and the risk free rate of 2.607% with reference to the 7-year and 10-year Exchange Fund Notes.

The Binomial Option Pricing Model was developed for use in estimating the fair value of option. Such option pricing model requires input of highly subjective assumptions, including the expected share price volatility. As the characteristics of the options granted during the current period ended are significantly different from those of publicly traded options and changes in the subjective inputs may materially affect the fair value estimate, the Binomial Option Pricing Model does not necessarily provide a reliable measure of the fair value of the share options.

FOREIGN EXCHANGE EXPOSURE

The reporting currencies of the Group is Hong Kong Dollars (the "HKD").

The Group has transactional currency exposures. Such exposures arise from the business operations in the PRC denominated in the RMB and the coal trading operation in HK denominated in the United States dollars (the "USD"). As at 31 December 2010, the Group had a minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities were principally denominated in the functional currencies, i.e. RMB and USD, used by the Group entities or in the USD for HKD functional currency Group entities.

As HKD is pegged to USD, the Group considers the risk of movements in exchange rates between HKD and USD to be insignificant for transactions denominated in USD. The RMB is not freely convertible into other foreign currencies and conversion of the RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government.

As at 31 December 2010, the Group does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate.

The Group adopts a conservative treasury policy with most of the bank deposits being kept in HKD or RMB, or in the local currencies of the operating subsidiaries to minimize exposure to foreign exchange risks.

As at 31 December 2010, the Group had no investment in any financial derivatives, foreign exchange contracts, interest or currency swaps, hedgings or other financial arrangements for hedging purposes to reduce any currency risk nor made any over-the counter contingent forward transactions.

The Board would like to emphasize the Group's financial positions remain stable and has sufficient cash resources to meet its present and future cash flow requirements.

TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

CHANGE IN BOARD LOT SIZE

The board lot size of the Company's shares for trading on the Stock Exchange changed from 1,000 existing shares to 2,000 new shares and came into effective on 7 February 2011.

Details of the change in board lot size which are set out in the Company's announcement dated 29 December 2010 and 24 January 2011 and circular dated 7 January 2011 respectively.

NEW SERVICES

During the nine months ended 31 December 2010, the Group also engaged in the new business of coal trading between PRC and Indonesia (31 December 2009: new business of property investment in HK and PRC and general trading in the PRC respectively).

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Apart from as disclosed under the sections headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES", "SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES" and "SHARE OPTION SCHEME" above, at no time during the current 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.

DIRECTORS' INTERESTS IN CONTRACTS

As at 31 December 2010, no director of the Company had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party.

DIRECTORS' INTERESTS IN COMPETING INTERESTS

As at 31 December 2010, 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 have any other conflict of interests with the Group.

MANAGEMENT CONTRACTS

As at 31 December 2010, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed.

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

Neither the Company, nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities during the nine months ended 31 December 2010.

COMPETITION AND CONFLICT OF INTERESTS

As at 31 December 2010, none of the Directors, the management shareholders or substantial shareholders of the Company or any of their respective associates (as referred to in Note 3 to Rule 6.35 of the GEM Listing Rules) have engaged in any business that competes or may compete with the business of the Group, or have any other conflict of interests with the Group.

CODE OF 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 as 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. Kwok Kam Tim and Mr. Kinley Lincoln James Lloyd, all are being independent non-executive Directors. The unaudited condensed consolidated results of the Group for the nine months ended 31 December 2010 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the Stock Exchange and legal requirements and that adequate disclosures have been made.

REMUNERATION COMMITTEE

A remuneration committee was set up on 20 March 2006 with written terms of reference to oversee the remuneration policy and structure for all Directors and senior management. The remuneration committee comprised four members, namely, Mr. Tsang Ho Ka, Eugene, Mr. Sung Wai Tak, Herman, Mr. Kwok Kam Tim and Mr. Kinley Lincoln James Lloyd of which the majority members of the remuneration committee, save and except for Mr. Tsang Ho Ka, Eugene all are being independent non-executive Directors. The role and function of the remuneration committee include the determination of the specific remuneration packages of all executive Directors, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of independent non-executive Directors.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the "Governance Code") as set out in Appendix 15 of the GEM Listing Rules. The Company has applied the principles in the Governance Code and complied with the code provisions set out in the Governance Code for the nine months ended 31 December 2010, save and except that (i) no nomination committee of the Board is established and (ii) all independent non-executive Directors of the Company are not appointed for a specific term.

In order to maintain high standard of disclosure, an announcement of "PROFIT WARNING" dated 28 January 2011 was announced by the Company that the Group expected that the net loss of the Group for the nine months ended 31 December 2010 is expected to increase significantly as compared with that for the corresponding period in 2009.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors as at the date of this results' announcement, there is sufficient public float of the Company's issued shares as required under the Listing Rules through out the period ended 31 December 2010.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws of the Company or the Bye-laws of Bermuda which would oblige the Company to offer new shares on a pro rate basis to existing Shareholders.

PUBLICATION OF INFORMATION ON WEBSITES

This results' announcement is available for viewing on the website of Stock Exchange at www.hkex.com.hk and on the website of the Company at www.mingkeiholdings.com.

By order of the Board of
Ming Kei Holdings Limited
Mr. Wong Wai Sing
Chairman

Hong Kong, 8 February 2011

As at the date of this announcement, the executive Directors are Ms. Yick Mi Ching, Dawnibilly and Mr. Tsang Ho Ka, Eugene, the non-executive Director is Mr. Wong Wai Sing and the independent non-executive Directors are Mr. Sung Wai Tak, Herman, Mr. Kwok Kam Tim and Mr. Kinley Lincoln James Lloyd.

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