

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

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

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## 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)

### DISCLOSEABLE AND CONNECTED TRANSACTION IN RESPECT OF THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF STAR INTERNATIONAL BUSINESS COMPANY LIMITED AND NOTICE OF SPECIAL GENERAL MEETING

Financial Adviser to the Company



INCUB Corporate Finance Limited

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

Nuada Limited

Corporate Finance Advisory

A letter from the independent board committee (the "Independent Board Committee") of the board of directors of the Company is set out on pages 16 and 17 of this circular. A letter from Nuada Limited, the independent financial adviser of the Company, containing its advice to the Independent Board Committee and the independent shareholders of the Company is set out on pages 18 to 27 of this circular.

A notice convening a special general meeting of the Company to be held at Unit 01, 3/F, Wheelock House, 20 Pedder Street, Central, Hong Kong on Friday, 4 May 2012 at 11:30 a.m. is set out on pages 42 to 43 of this circular. A form of proxy for use at the special general meeting is enclosed with this circular.

Whether or not you are able to attend the special general meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjournment thereof should you so wish.

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

## CHARACTERISTICS OF GEM

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

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

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## DEFINITIONS

*In this circular, unless the context requires otherwise, the following expressions shall have the following meanings when used herein:*

“Agreement”	the agreement dated 29 February 2012 and entered into between Star Fortune and Dr., Sir Wong in relation to the sale and purchase of the Sale Share and the Sale Loan
“Announcement”	the announcement of the Company dated 29 February 2012 in relation to the Disposal
“Assets”	a few motor vehicles held by Star International Group
“Board”	the board of Directors from time to time
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Bye-Laws”	the bye-laws of the Company
“Company”	Ming Kei Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued Shares of which are listed on GEM
“Completion”	completion of the transactions contemplated under the Agreement
“Conditions”	the conditions precedent to the completion of the Agreement
“connected person(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Consideration”	the consideration of HK\$15,740,000 to be satisfied by Dr., Sir Wong for the Disposal
“Director(s)”	the directors of the Company from time to time
“Disposal”	the disposal by Star Fortune of the Sale Share and the Sale Loan subject to and upon the terms and conditions of the Agreement

## DEFINITIONS

“Dr., Sir Wong”	Dr., Sir Wong Wai Sing, an executive Director, a Shareholder and a connected person of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the rules governing the listing of securities on GEM
“Group”	the Company and its subsidiaries from time to time
“HKAS”	Hong Kong Accounting Standard
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Board comprising all the independent non-executive Directors, established to advise the Independent Shareholders in respect of the resolution(s) approving the Agreement and the transactions contemplated thereunder
“Independent Financial Adviser” or “Nuada Limited”	Nuada Limited, a licensed corporation under the SFO to conduct type 6 regulated activity, appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Agreement and the transactions contemplated thereunder
“Independent Shareholder(s)”	the Shareholders other than Dr., Sir Wong and his associates
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are third party(ies) independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Latest Practicable Date”	13 April 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“PRC”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

## DEFINITIONS

“Property”	an office unit located at Unit 2, 6th Floor, Block A, Yema Building, No. 158, Kunming Road, Urumqi, Xinjiang, Uygur Autonomous Region, PRC which has been leased out pursuant to the Tenancy Agreement
“Sale Loan”	all obligations, liabilities and debts owing or incurred by Star International Group to the Group (other than the Star International Group) on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on completion of the Agreement, which as at 31 December 2011, the net amount is to HK\$26,097,452.41
“Sale Share”	the entire issued share capital of Star International in the sum of HK\$1.00
“SFO”	the Hong Kong Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held on Friday, 4 May 2012 to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder
“Shareholders”	holders of the issued Shares from time to time
“Shares”	ordinary shares of HK\$0.01 each in the capital of the Company
“Shenzhen Star”	深圳星力投資顧問有限公司 (Shenzhen Star Investment Consultancy Limited <sup>#</sup> ), a company established in the PRC which is wholly-owned by Star International
“Star Fortune”	Star Fortune International Group Company Limited, a company incorporated in the British Virgin Islands with limited liability and a directly wholly-owned subsidiary of the Company, being the vendor to the Agreement
“Star International”	Star International Business Company Limited, a company incorporated in Hong Kong with limited liability which is wholly-owned by Star Fortune
“Star International Group”	Star International and its subsidiary, namely Shenzhen Star

## DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement entered into between Shenzhen Star, as landlord and an Independent Third Party, as tenant, which will expire on 2 July 2012
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	renminbi, the lawful currency of the PRC

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

*Translation of RMB into HK\$ are based on the exchange rate of approximately RMB1 to HK\$1.23 for information purpose only. Such translation should not be translated as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.*



**Ming Kei Holdings Limited**  
**明基控股有限公司 \***

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

**(Stock Code: 8239)**

*Executive Directors:*

Dr., Sir Wong Wai Sing (*Chairman*)  
Mr. Ho Pui Tin, Terence (*Chief Executive Officer*)  
Mr. Tsang Ho Ka, Eugene  
Ms. Yick Mi Ching, Dawnibilly  
Mr. Chow Pak Wah, Oliver

*Registered office:*

Codan Services Limited  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Independent non-executive Directors:*

Mr. Kwok Kam Tim  
Mr. Kinley Lincoln James Lloyd  
Ir. Edmund Kwok King Yan  
Mr. Chan Kin Sang  
Mr. Ho Kam Chuen, Alex  
Mr. Ng Wing Hang

*Head office and principal place of  
business in Hong Kong:*

Unit 01, 3/F  
Wheelock House  
20 Pedder Street  
Central, Hong Kong

18 April 2012

*To the Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION  
IN RESPECT OF THE DISPOSAL OF  
THE ENTIRE ISSUED SHARE CAPITAL OF  
STAR INTERNATIONAL BUSINESS COMPANY LIMITED  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

Reference is made to the Announcement, in which the Board announced that on 29 February 2012 (after trading hours of the Stock Exchange), Star Fortune entered into the Agreement, pursuant to which, Star Fortune, as a vendor, has agreed to sell, and Dr., Sir Wong, as a purchaser, has agreed to purchase the Sale Share and the Sale Loan, for a total consideration of HK\$15,740,000 which shall be settled by Dr., Sir Wong by cash.



## LETTER FROM THE BOARD

The purpose of this circular is to provide you with further details regarding, among other things, (i) the Disposal; (ii) a letter from the Independent Board Committee containing its advice in respect of the Disposal; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its advice in respect of the Disposal; (iv) a valuation from an independent valuer; and (v) a notice convening the SGM.

### THE AGREEMENT

Date: 29 February 2012 (after trading hours)

Parties: (1) Star Fortune (as vendor); and  
(2) Dr., Sir Wong (as purchaser).

Star Fortune is a direct wholly-owned subsidiary of the Company incorporated in the British Virgin Islands and is principally engaged in investment holding. It is interested in the entire issued share capital of Star International.

Dr., Sir Wong, being an executive Director, he and his associates are, in aggregate, interested in 112,076 Shares, representing approximately 0.06% of the issued share capital of the Company as at the Latest Practicable Date, and are connected persons of the Company under the GEM Listing Rules. Dr., Sir Wong is a Hong Kong citizen.

### Assets to be disposed

Pursuant to the terms of the Agreement, Star Fortune has agreed to sell and Dr., Sir Wong has agreed to purchase the Sale Share and the Sale Loan. The Sale Share represents the entire issued share capital of Star International.

### Consideration

The Consideration for the Sale Share and the Sale Loan is HK\$15,740,000 which shall be settled in cash by Dr., Sir Wong to Star Fortune at Completion.

The Consideration was arrived at after arm's length negotiations between the parties to the Agreement with reference to the market value, the carrying amount and the valuation of the Property at RMB9,900,000 as at 29 February 2012 (equivalent to approximately HK\$12,177,000) prepared by an independent valuer, Greater China Appraisal Limited.

The market value of the Property as at 31 December 2011 was RMB9,500,000 (equivalent to approximately HK\$11,595,000 (translated at the rate of RMB1 = HK\$1.2205)). The Board noted that the Property has appreciated by approximately 4.2% and was valued at RMB9,900,000 (approximately HK\$12,177,000) as at 29 February 2012.

According to the independent valuer, the office market at Urumqi is relatively inactive and relevant market data is very limited and sometime fluctuating. Property

## LETTER FROM THE BOARD

valuation in such market is often based on imperfect market information and the conclusion depends to a very considerable extent on the prevailing market data as available. The Board considered that such value difference is within an acceptable range of movement given the imperfect market character of this sub-market in Urumqi.

The Property was acquired by the Group from an independent third party at a consideration of approximately RMB14.5 million in May 2008, which was later transferred to Shenzhen Star due to reorganisation of the Group in May 2009. It is the Board's understanding that consideration of acquisition of real estate property is usually based on the fair value of the property which is measured according to the Hong Kong Accounting Standards ("HKAS") 40 – Investment Property (para. 33) that: *"After initial recognition, an entity that chooses the fair value model shall measure all of its investment property at fair value, except in the cases described in paragraph 53"*. Therefore, since the completion of reorganisation, the fair value loss (if any) of the Property has been recorded and absorbed in the Company's books of accounts in the previous financial years.

The Board considered that the original cost of the Property of RMB14,500,000 was not relevant for determining the current Consideration, since, Star Fortune and Dr., Sir Wong, the parties to the Disposal, only concerned the prevailing market value of the Property (i.e. RMB9,900,000 at 29 February 2012) and would not take the original cost of the Property paid by the Group into account when they considered whether the amount of Consideration was arrived at a normal commercial term and on an arms-length basis. Therefore, even though the market value of the Property is lower than its original price, the Board considers that the Consideration is fair and reasonable.

For providing the Shareholders with further information, there has been a significant drop in the market value of the Property after the end of 2009. For example, the Property was valued as RMB9.8 million and RMB9.5 million at 31 December 2010 and 31 December 2011 respectively by Greater China Appraisal Limited.

### **Conditions precedent**

Completion of the Agreement shall be conditional upon:

- (a) the passing of an ordinary resolution(s) by the Independent Shareholders at the SGM approving the Agreement and the transactions contemplated thereunder;
- (b) all necessary consents, authorizations, licences and approvals required to be obtained on the part of Star Fortune in respect of the Agreement and the transactions contemplated thereunder having been obtained;
- (c) the warranties provided by Star Fortune under the Agreement remaining true and accurate in all respects; and
- (d) the warranties provided by Dr., Sir Wong under the Agreement remaining true and accurate in all respects.

## LETTER FROM THE BOARD

Dr., Sir Wong may at any time by notice in writing to Star Fortune waive condition (c). Star Fortune may at any time by notice in writing to Dr., Sir Wong waive condition (d). Conditions (a) and (b) are incapable of being waived by both parties. If the conditions set out above have not been satisfied (or as the case may be, waived by the parties) on or before 4:00 p.m. on 31 May 2012, or such later date as the parties may agree, the Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

### **Completion**

Completion of the Agreement shall take place at 4:00 p.m. on any day falling within 3 Business Days after all the conditions set out above have been fulfilled or waived (as the case may be) at the principal place of business of Star Fortune in Hong Kong or such other time and place as the parties may mutually agree.

Upon completion of the Agreement, the Company will not have any interest in the Star International, and therefore the Star International will cease to be a subsidiary of the Company.

### **INFORMATION ON STAR INTERNATIONAL GROUP**

Star International, an indirect wholly-owned subsidiary of the Company, is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding and was engaged in the provision of administrative services for the Company which ceased on 31 December 2011. Accordingly, the financial information (including turnover) of the provision of administrative services for the Company was classified as a discontinued operation of the Star International Group. The operation of provision of administrative services for the Company had a turnover of HK\$9,600,000 for each of the years ended 31 March 2011 and 2010, and was fully eliminated in the audited consolidated financial statements of the Group for each of the years ended 31 March 2011 and 2010.

Star International is the legal and beneficial owner of part of the Assets and it is directly interested in the entire equity interests in Shenzhen Star, a company established in the PRC. Shenzhen Star is the legal and beneficial owner of the Property and part of the Assets.

#### **(a) Information of the Property and Assets**

The Property is an office unit which was leased out according to the Tenancy Agreement. The term of the Tenancy Agreement is from 3 July 2011 to 2 July 2012. The rental income generated pursuant to the Tenancy Agreement up to the Latest Practicable Date is approximately HK\$905,000 (equivalent to approximately RMB736,000). The carrying values of the Property and the Assets are approximately HK\$11,595,000 (equivalent to RMB9,500,000 (translated at the rate of RMB1 = HK\$1.2205)) and approximately HK\$2,309,000 respectively as of 31 December 2011.

## LETTER FROM THE BOARD

It is noted that Shenzhen Star has not yet applied for the state-owned land (strata title) use rights registration and obtained an updated state-owned land use rights certificate of the Property. As advised by the PRC Lawyers, according to the PRC laws, Shenzhen Star and the transferee of the Property, if any, would not be subject to any investigation, claim, penalty, punishment or other legal liability from any governmental authority of the PRC only because of the foregoing.

As Shenzhen Star would not be subject to any claim, penalty, punishment or other legal liability from any governmental authority of the PRC, the Board considers that Dr., Sir Wong would not be claimed by the governmental authority of the PRC. Even if Dr., Sir Wong would be claimed by the governmental authority of the PRC, the Group has no obligation to indemnify Dr., Sir Wong for any losses suffered or to bear any future losses.

### **(b) Financial information**

According to the unaudited consolidated financial statements of Star International Group for the year ended 31 March 2010, which is prepared in accordance with generally accepted accounting principles in Hong Kong, Star International Group had an aggregate turnover of approximately HK\$10,298,000 (consist of approximately HK\$698,000 for continuing operation and HK\$9,600,000 for discontinued operation represented by the administration fee charged to the Company by Star International Group which will no longer be derived subsequent to the Disposal) and the net loss (including both continuing and discontinued operations) before and after tax and extraordinary items were approximately HK\$5,640,000 and approximately HK\$5,640,000 respectively. The unaudited consolidated net liabilities of the Star International Group were approximately HK\$6,019,000 as at 31 March 2010. For illustration purpose only, if the administration fee charged to the Company was excluded from the unaudited consolidated financial statements of Star International Group for the year ended 31 March 2010, the net losses before and after tax and extraordinary items were approximately HK\$15,240,000 and approximately HK\$15,240,000 respectively.

According to the unaudited consolidated financial statements of the Star International Group for the year ended 31 March 2011, which is prepared in accordance with generally accepted accounting principles in Hong Kong, Star International Group had an aggregate turnover of approximately HK\$10,549,000 (consist of approximately HK\$949,000 for continuing operation and HK\$9,600,000 for discontinued operation represented by the administration fee charged to the Company by Star International Group which will no longer be derived subsequent to the Disposal) and the net loss (including both continuing and discontinued operations) before and after tax and extraordinary items were approximately HK\$6,471,000 and approximately HK\$6,471,000 respectively. The unaudited consolidated net liabilities of the Star International Group were approximately HK\$12,315,000 as at 31 March 2011 and approximately HK\$11,710,000 as at 31 December 2011. For illustration purpose only, if the administration fee charged to the Company was excluded from the unaudited consolidated financial statements of Star International Group for the year ended 31 March 2011, the net loss before and after tax and extraordinary items were approximately HK\$16,071,000 and approximately HK\$16,071,000 respectively.

## LETTER FROM THE BOARD

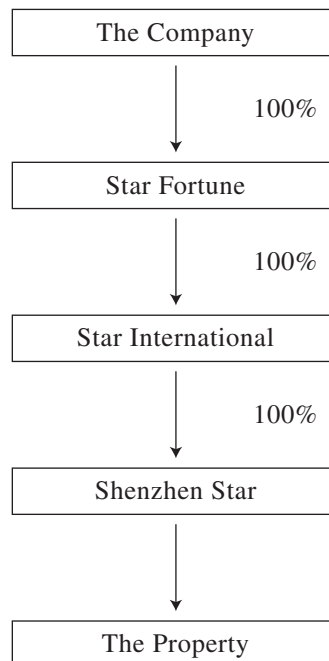
The Star International Group's major expenses associated with the provision of administrative services for the Company for the year ended 31 March 2011 are (i) travelling expenses in the amount of approximately HK\$2,777,000 (2010: approximately HK\$622,000); (ii) rent and rates, and building management fees in the amount of approximately HK\$2,734,000 (2010: approximately HK\$3,297,000); (iii) staff costs (including directors' remuneration) in the amount of approximately HK\$2,941,000 (2010: approximately HK\$4,123,000); and (iv) depreciation in the amount of approximately HK\$152,000 (2010: approximately HK\$276,000).

The Star International Group's major expenses associated with the Property and Assets for the year ended 31 March 2011 are (i) staff costs (including directors' remuneration) in the amount of approximately HK\$591,000 (2010: approximately HK\$551,000); (ii) motor vehicle expenses of approximately HK\$581,000 (2010: approximately HK\$661,000); and (iii) depreciation in the amount of approximately HK\$588,000 (2010: approximately HK\$345,000).

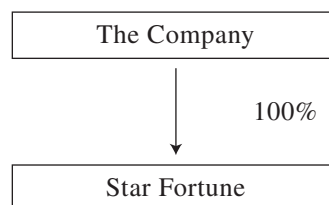
### GROUP CHART

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

Structure of the Group immediately before the Completion:



Structure of the Group immediately after the Completion:



## LETTER FROM THE BOARD

### REASONS FOR THE DISPOSAL

The Group is principally engaged in investment holding and property investment in the PRC and business of coal trading between the PRC and Indonesia.

In light of the downturn of the property market in the PRC as a result of the control and regulatory measures against the property market by the PRC government, such as the current intention of the PRC government to cool down property price in the past (which is expected to be continued in the near future) and the social condition in Xinjiang where the Property is located, the Board considers that further appreciation of the Property is limited. In addition, as Xinjiang is in inner part of the PRC and far away from the cities where the Group's office and subsidiaries are located, it is expensive for the Group to manage the Property effectively at low cost. The Board considers that since the Property can be disposed at the current fair market value, the Disposal represents a good opportunity for the Group to realize its investment in the property market in the PRC. Moreover, the Group will no longer be required to provide maintenance and management to the Assets and the Property, such that the Group may reallocate its resources to other investments which may generate higher returns for the Group.

Save for the loss of chance for potential capital gain if there is any boom in the property market of the PRC in the future and the rental income to be derived from the Property, the Board does not consider that there will be any disadvantage of the Disposal.

As the result of the Disposal, the Directors expect that the Group would record an unaudited gain on the Disposal of approximately HK\$1,850,000 (based on the unaudited consolidated financial statements of the Star International Group as at 31 December 2011), being the difference between (i) the estimated net proceeds from the Disposal of approximately HK\$15,140,000 (after deducting all relevant estimated fees and expenses of approximately HK\$600,000); (ii) the unaudited consolidated net liabilities of the Star International Group of approximately HK\$11,710,000 as at 31 December 2011; (iii) the Sale Loan of approximately HK\$26,097,000; and (iv) adding back the realisation of exchange reserve of approximately HK\$1,097,000 attributable to the Star International Group as at 31 December 2011. The actual amount of the gain on disposal will be determined upon Completion depending on the consolidated net asset/liabilities of the Star International Group and the amount of Sale Loan at Completion.

The net proceeds from the Disposal will be used as general working capital of the Group and for future investments as if and appropriate.

## LETTER FROM THE BOARD

Based on the above, the Directors (including the independent non-executive Directors after having been advised by the Independent Financial Adviser, and Dr., Sir Wong who given his interest in the Disposal, has abstained from voting in the meeting of the Board approving the Agreement and the transactions contemplated thereunder) consider that the terms and conditions of the Disposal are fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

After completion of the Disposal and the termination of the general trading business in the first quarter of 2012, the Group will continue to engage in the investment holding of property in the PRC, business of coal trading between the PRC and Indonesia and providing mining consulting services in the PRC respectively.

### INFORMATION ABOUT THE BUSINESS OF THE GROUP

The Group has not identified any investment nor contemplated any agreement, arrangement, understanding, intention or negotiation (concluded or otherwise) for future investments up to the Latest Practicable Date.

Save for its intention to terminate its general trading business in the first quarter of 2012 as disclosed in its third quarterly report 2011/12 dated 9 February 2012, the Group has not contemplated any agreement, arrangement, understanding, intention or negotiation (concluded or otherwise) about any further disposal, termination or scaling-down of its existing business or assets up to the Latest Practicable Date.

As to the business of coal trading, the Group will perform impairment assessment in the financial result for the year ended 31 March 2012 in accordance with the requirements under the HKAS. Such impairment assessment will be made with reference to a business valuation performed on the coal trading cash generating unit ("Coal Trading CGU") as at 31 March 2012. The business valuation will be included in a valuation report to be prepared by an independent valuer after 31 March 2012 and will also be reviewed by the Company's auditors during their forthcoming annual audit of the Group's consolidated financial statements for the year ended 31 March 2012.

As at the Latest Practicable Date, the Board is aware of the following factors that could possibly be indicators for impairment on the Coal Trading CGU, however, the Group will have to obtain the valuation results on the Coal Trading CGU as at 31 March 2012 from the independent valuer in order to properly assess and quantify the actual impact on the Coal Trading CGU (if any).



## LETTER FROM THE BOARD

(i) Sales volume:

Since the first quarter of 2012, the sales volume for the coal traded from the Coal Trading CGU has slightly decreased as compared to previous sales orders, since the upcoming and past few months are slack seasons for the coal trading customer. Hence, the reduction of the sales volume might be a possible indicator of impairment for the Coal Trading CGU.

(ii) Discount rate:

Discount rate to be applied for the business valuation of the Coal Trading CGU as of 31 March 2012 can be varied either upwards or downwards and will be verified by the independent valuer in the valuation report of the Coal Trading CGU.

As at the Latest Practicable Date, the factors below add further difficulties for the Board to determine the valuation of the Coal Trading CGU properly without reference to the valuation report of the Coal Trading CGU:

- (1) US\$2 positive price gap between the purchase price and the selling price of the coal can still be maintained;
- (2) the financial information of the coal trading business for the year ended 31 March 2012 had not yet been finalised and reviewed by the Board; and
- (3) the preparation for the valuation report of the Coal Trading CGU had not yet commenced or completed as at the Latest Practicable Date.

Based on the current information available, it is expected that no material amount of net impairment loss will be provided on the Coal Trading CGU as at result of the above mentioned factors. If, in case net impairment loss on the Coal Trading CGU is resulted from the above mentioned factors, it is expected that the amount of net impairment loss will not exceed 10% of the net carrying value of the Coal Trading CGU. The Company will make further announcement if there is any future development on the Coal Trading CGU that will result in any material net impairment loss on the Coal Trading CGU to be provided in the Group's consolidated financial statements for the year ended 31 March 2012.

### GEM LISTING RULES IMPLICATION

Since the applicable percentage ratios are more than 5% but less than 25%, the Disposal and the transactions contemplated under the Agreement constitute a discloseable transaction on the part of the Company under the GEM Listing Rules.

Dr., Sir Wong, being an executive Director, he and his associates are, in aggregate, interested in approximately 0.06% of the issued share capital of the Company as at Latest Practicable Date, and are connected persons of the Company. As the consideration of the



## LETTER FROM THE BOARD

Disposal is more than HK\$10,000,000, the Disposal constitutes a non-exempted connected transaction on the part of the Company under the GEM Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements.

Approval of the Independent Shareholders by way of poll is proposed to be sought at the SGM in respect of the Agreement and the transactions contemplated thereunder.

Dr., Sir Wong and his associates shall abstain from voting for the relevant resolution(s) approving the Agreement and the transactions contemplated thereunder at the SGM. As at the Latest Practicable Date, Dr., Sir Wong and his associates are, in aggregate, interested in 112,076 Shares, representing approximately 0.06% of the total issued Shares of 196,742,198 Shares, and are required to abstain from voting for the resolution approving the Agreement and the transactions contemplated thereunder at the forthcoming SGM. Save as disclosed, no other Shareholders have material interest in the Disposal and the transactions contemplated under the Agreement and are required to abstain from voting in respect of the approval of the Agreement and the transactions contemplated thereunder at the SGM.

### SGM

Set out on pages 42 to 43 of this circular is a notice convening the SGM which will be held at Unit 01, 3/F, Wheelock House, 20 Pedder Street, Central, Hong Kong on Friday, 4 May 2012 at 11:30 a.m.. At the SGM, an ordinary resolution will be proposed to approve the Agreement and the Disposal and the transactions contemplated thereunder. Any vote exercised by the Independent Shareholders at the SGM shall be taken by way of poll.

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

### INDEPENDENT BOARD COMMITTEE

The Independent Board Committee which comprises Mr. Kwok Kam Tim, Mr. Kinley Lincoln James Lloyd, Ir. Edmund Kwok King Yan, Mr. Chan Kin Sang, Mr. Ho Kam Chuen, Alex and Mr. Ng Wing Hang, all being the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Agreement and the Disposal and the transactions contemplated thereunder.

Nuada Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Agreement and the Disposal and the transactions contemplated thereunder.

## LETTER FROM THE BOARD

The Independent Board Committee and the Directors, having taken into account the advice of the Independent Financial Adviser, consider that the Agreement was entered into on normal commercial terms and that the terms and conditions of the Disposal are fair and reasonable and in the interests of the Group so far as the Independent Shareholders are concerned and accordingly recommend the Independent Shareholders to vote in favour of the ordinary resolution which will be proposed at the SGM for approving the Agreement and the Disposal and the transactions contemplated thereunder.

The text of the letter from the Independent Board Committee is set out on pages 16 to 17 of this circular and the text of the letter from the Independent Financial Adviser containing its advice is set out on pages 18 to 27 of this circular.

### RECOMMENDATION

The Board having taken into account the advice of the Independent Financial Adviser and the Independent Board Committee considers that the terms and conditions of the Disposal are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution(s) as set out in the notice of the SGM.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 16 and 17 of this circular which contains its views in relation to the Disposal and transactions contemplated under the Agreement; and (ii) the letter from the Independent Financial Adviser, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Disposal and transactions contemplated under the Agreement and the principal factors and reasons considered by it in arriving at its opinions. The text of the letter from the Independent Financial Adviser is set out on pages 18 to 27 of this circular.

### ADDITIONAL INFORMATION

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

Yours faithfully,  
For and on behalf of the Board of  
**Ming Kei Holdings Limited**  
**Dr., Sir Wong Wai Sing**  
*Chairman and Executive Director*



**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)**

18 April 2012

*To the Independent Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION  
IN RESPECT OF THE DISPOSAL OF  
THE ENTIRE ISSUED SHARE CAPITAL OF  
STAR INTERNATIONAL BUSINESS COMPANY LIMITED**

We refer to the circular of the Company dated 18 April 2012 (the “**Circular**”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members to form the Independent Board Committee and to advise you as to whether the terms of the Agreement are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Nuada Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders in this respect. Details of its advice, together with the principal factors taken into consideration in arriving at such advice, are set out on pages 18 to 27 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 5 to 15 of the Circular and the additional information set out in the appendices of the Circular.

Having considered the terms and conditions of the Agreement, the principal reasons and factors considered by, and the advice of Nuada Limited, we are of the opinion that the Agreement and the Disposal and the transactions contemplated thereunder are on normal commercial terms and the terms and conditions of the Agreement are fair and

<b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE</b>
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reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Agreement and the Disposal and the transactions contemplated thereunder.

Yours faithfully,  
Independent Board Committee of  
**Ming Kei Holdings Limited**

**Mr. Kwok Kam Tim**  
*Independent*  
*non-executive Director*

**Mr. Kinley Lincoln James Lloyd**  
*Independent*  
*non-executive Director*

**Ir. Edmund Kwok King Yan**  
*Independent*  
*non-executive Director*

**Mr. Chan Kin Sang**  
*Independent*  
*non-executive Director*

**Mr. Ho Kam Chuen, Alex**  
*Independent*  
*non-executive Director*

**Mr. Ng Wing Hang**  
*Independent*  
*non-executive Director*

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

*The following is the text of a letter of advice from Nuada Limited in connection with the terms of the Disposal which has been prepared for inclusion in this circular.*

**Nuada Limited**  
*Corporate Finance Advisory*

19<sup>th</sup> Floor, BLINK, 111 Bonham Strand  
Sheung Wan, Hong Kong  
香港上環文咸東街111號BLINK 19字樓

18 April 2012

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

Dear Sirs,

### DISCLOSEABLE AND CONNECTED TRANSACTION

#### INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Disposal and the transactions contemplated under the Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole and whether the Independent Shareholders should vote in favour of the resolution(s) to be proposed at the SGM. Details of the Agreement are set out in the letter from the board (the “**Letter**”) in the circular to the Shareholders dated 18 April 2012 (the “**Circular**”), of which this letter forms part. Unless otherwise stated, terms used in this letter have the same meanings as those defined in the Circular.

On 29 February 2012, Star Fortune, a direct wholly-owned subsidiary of the Company entered into the Agreement pursuant to which Star Fortune has agreed to sell and Dr., Sir Wong has agreed to purchase the Sale Share and the Sale Loan for the Consideration of HK\$15,740,000.

Since the applicable percentage ratios are more than 5% but less than 25%, the Disposal and the transactions contemplated under the Agreement constitute a discloseable transaction on the part of the Company under the GEM Listing Rules.

Given Dr., Sir Wong, being an executive Director, and his associates are connected persons of the Company under the GEM Listing Rules and the consideration of the Disposal is more than HK\$10,000,000, the Disposal constitutes a non-exempted connected transaction on the part of the Company under the GEM Listing Rules. Therefore, the Disposal is subject to the reporting, announcement and Independent Shareholders’ approval requirements.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, Dr., Sir Wong and his associates are, in aggregate, interested in 112,076 Shares, representing approximately 0.06% of the total issued Shares of 196,742,198 Shares, and are required to abstain from voting for the resolution approving the Agreement and the transactions contemplated thereunder at the SGM. Save as disclosed, no other Shareholders have material interest in the Disposal and the transactions contemplated under the Agreement and are required to abstain from voting in respect of the approval of the Agreement and the transactions contemplated thereunder at the SGM.

The Independent Board Committee has been formed to advise the Independent Shareholders as to whether the terms of the Disposal and the transactions contemplated under the Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. We have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

### **BASIS OF OUR OPINION**

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company and the Directors. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company and the Directors and for which they are solely and wholly responsible, were true and accurate at the time they were made and continue to be true and accurate to the date hereof. We have also assumed the accuracy and truthfulness of the public information available from the National Bureau of Statistics of China (中華人民共和國國家統計局) regarding real estate development in the PRC.

The Directors collectively and severally accept full responsibility for the accuracy of the information contained in the Circular. The Directors have confirmed, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading. We consider that we have reviewed sufficient information to reach an informed view regarding the Disposal, and to justify our reliance on the accuracy of the information contained in the Circular and to form a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information provided, nor have we carried out any in-depth investigation into the business, affairs and prospects of the Group or the markets in which it operates.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have not studied, investigated nor verified the validity of all legal aspects of, and procedural aspects for, the Agreement. We have further assumed that all material governmental, regulatory or other consents, rights, waivers, authorisations, licenses, clearances and approvals necessary for the effectiveness and implementation of the Agreement has been or will be obtained and will not be withdrawn without any adverse effect on the Group, the assets and liabilities of the Group or the contemplated benefits to the Group as derived from the Agreement.

Our opinion is necessarily based upon the financial, economic (including exchange rates and interest rates), market, regulatory and other conditions as they exist on, and the facts, information, representations and opinions made available to us as of the Latest Practicable Date. Our opinion does not in any manner address the Company's own decision to proceed with the Disposal. We disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting the opinion expressed herein, which may come or be brought to our attention after the Latest Practicable Date.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

The principal factors and reasons we have taken into account in assessing the Agreement and in giving our advice to the Independent Board Committee and the Independent Shareholders are set out below:

#### Financial information on the Group and Star International Group

The Group is principally engaged in investment holding and property investment in the PRC and business of coal trading between the PRC and Indonesia.

Set out below is a summary of the Group's segment revenue for the year ended 31 March 2010 and 31 March 2011 and for the nine months ended 31 December 2011 as extracted from the Company's annual report for the year ended 31 March 2011 (the "2010/11 Annual Report") and the third quarterly report for the three months and nine months ended 31 December 2011 (the "2011/12 Third Quarterly Report") respectively:

	For the nine months ended 31 December 2011 HK\$'000	For the year ended 31 March 2011 HK\$'000	For the year ended 31 March 2010 HK\$'000
<i>Continuing operations</i>			
Coal trading	79,190	53,555	–
General trading	22,851	22,177	14,205
Property investment	1,002	1,257	902
	<hr/>	<hr/>	<hr/>
Total reportable segment revenue	103,043	76,989	15,107
	<hr/>	<hr/>	<hr/>

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As disclosed in the 2010/11 Annual report and 2011/12 Third Quarterly Report, the reportable segment revenue generated from property investment accounted for approximately 1.6% and approximately 1.0% of the total reportable segment revenue of the Group for the year ended 31 March 2011 and nine months ended 31 December 2011 respectively. In addition, the property investments of the Group recorded a net fair value loss of HK\$1.7 million for the year ended 31 March 2011 and a net fair value gain of HK\$0.2 million for the nine months ended 31 December 2011.

According to the 2011/2012 Third Quarterly Report, the Group achieved revenue of approximately HK\$22.8 million for the general trading business (the “**General Trading Business**”) in the PRC. The General Trading Business commenced in October 2009 and the Group has entered into an acquisition contracts (the “**Acquisition Contracts**”) with the trading customers (the “**Trading Customers**”) from the period of 1 July 2010 to 30 June 2011 for different electronic appliances with the contract’s amount of RMB28 million. As the entire Acquisition Contracts were completed and no renewal of the acquisition contract is signed upon the expired of the Acquisition Contracts and keen competitions from local competitors and infrequent orders from the Trading Customers, the Group decided to cease to engage the General Trading Business starting from the first quarter of 2012. Although the General Trading Business will be ceased starting from the first quarter of 2012, the Board considers the termination of the General Trading Business will not have a material effects to the Group, as it will not further contributed any turnover to the Group for the forthcoming financial year of 2012 and 2013.

As disclosed in the Letter, save for its intention to terminate the General Trading Business in the first quarter of 2012 as disclosed in its third quarterly report 2011/12 dated 9 February 2012, the Group has not contemplated any agreement, arrangement, understanding, intention or negotiation (concluded or otherwise) about any further disposal, termination or scaling-down of its existing business or assets up to the Latest Practicable Date.

As disclosed in the Letter, Star International, an indirect wholly-owned subsidiary of the Company, is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding and was engaged in provision of administrative services for the Company which ceased on 31 December 2011. Star International is the legal and beneficial owner of part of the Assets and it is directly interested in the entire equity interests in Shenzhen Star, a company established in the PRC. Shenzhen Star is the legal and beneficial owner of the Property and part of the Assets. The Property is subject to the Tenancy Agreement which will fall due on 2 July 2012.

Based on the information disclosed in the Letter, according to the unaudited consolidated financial statements of the Star International Group for the year ended 31 March 2011, which is prepared in accordance with generally accepted accounting principles in Hong Kong, Star International Group had an aggregate turnover of approximately HK\$10,549,000 (consist of approximately HK\$949,000 for continuing operation and HK\$9,600,000 for discontinued operation represented by the



## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

administration fee charged to the Company by Star International Group which will no longer be derived subsequent to the Disposal) and the net loss (including both continuing and discontinued operations) before and after tax and extraordinary items were approximately HK\$6,471,000 and approximately HK\$6,471,000 respectively. The unaudited consolidated net liabilities of the Star International Group were approximately HK\$12,315,000 as at 31 March 2011 and approximately HK\$11,710,000 as at 31 December 2011. For illustration purpose, if the administration fee charged to the Company was excluded from the unaudited consolidated financial statements of Star International Group for the year ended 31 March 2011, the net loss before and after tax and extraordinary items were approximately HK\$16,071,000 and approximately HK\$16,071,000 respectively.

The Star International Group's major expenses associated with the provision of administrative services for the Company for the year ended 31 March 2011 are (i) travelling expenses in the amount of approximately HK\$2,777,000; (ii) rent and rates, and building management fees in the amount of approximately HK\$2,734,000; (iii) staff costs (including directors' remuneration) in the amount of approximately HK\$2,941,000; and (iv) depreciation in the amount of approximately HK\$152,000. The Star International Group's major expenses associated with the Property and Assets for the year ended 31 March 2011 are (i) staff costs (including directors' remuneration) in the amount of approximately HK\$591,000; (ii) motor vehicle expenses of approximately HK\$581,000; and (iii) depreciation in the amount of approximately HK\$588,000.

In respect of the Star International Group incurred low turnover and high operating expenses for the year ended 31 March 2011, we are given to understand that Star International provided administration services for the Company and investment holding and the operating costs covered the expenses of Star International and Shenzhen Star, including rental expenses of Hong Kong office and the staff salaries, travelling expenses and depreciation expenses of both companies. The total amount received by the Star International Group from the Company was HK\$9.6 million for the year ended 31 March 2011, which was before the elimination of intra-group transaction and classified as discontinued operation of the Star International Group for the year ended 31 March 2011 as the provision of administrative services to the Company from Star International had been ceased on 31 December 2011.

Taking into account the Star International Group operated in its ordinary course of business and the financial information of Star International Group prepared in accordance with generally accepted accounting principles in Hong Kong, we are of the view that the financial information of Star International Group is reasonably prepared and the financial performance of Star International Group is commercially acceptable.

### **Reasons for the Disposal**

As mentioned in the Letter, the Directors consider that the Disposal represents a good opportunity for the Group to realize its investment in the property market in

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the PRC given the downturn of the property market in the PRC as a result of the control and regulatory measures against the property market by the PRC government, such as the current intention of the PRC government to cool down property price in the past (which is expected to be continued in the near future) and the social condition in Xinjiang where the Property is located, the Board considers that further appreciation of the Property is limited. In addition, as Xinjiang is in inner part of the PRC and far away from the cities where the Group's office and subsidiaries are located, it is expensive for the Group to manage the Property effectively at low cost. The Board considers that since the Property can be disposed at the current fair market value, the Disposal represents a good opportunity for the Group to realize its investment in the property market in the PRC. Moreover, the Group will no longer be required to provide maintenance and management to the Assets and the Property, such that the Group may reallocate its resources to other investments which may generate higher returns for the Group. The net proceeds from the Disposal will be used as general working capital of the Group and future investments as if and appropriate.

According to the management accounts of Star International Group for the year ended 31 March 2010 and 31 March 2011, which were prepared in accordance with generally accepted accounting principles in Hong Kong, Star International Group recorded net loss after tax and extraordinary items of approximately HK\$5,640,000 and HK\$6,471,000 respectively. Reference is made to the 2010/11 Annual Report and 2011/12 Third Quarterly Report. We note that the Company had a loss attributable to the owners of the Company of approximately HK\$106.04 million for the year ended 31 March 2011 and loss attributable to the owners of the Company of approximately HK\$23.64 million for the nine months ended 31 December 2011. Although the Group has not identified any investment nor contemplated any agreement, arrangement, understanding, intention or negotiation (concluded or otherwise) for future investments as at the Latest Practicable Date, we concur with the view of Directors that the Disposal represents a good opportunity for the Group to realize its investment in the property market in the PRC and reallocate its resources to other investments which may generate higher returns for the Group by disposing of loss-making companies although the Company has no immediate need of fund for its operation of its existing business.

As disclosed in the 2010/11 Annual Report and 2011/12 Third Quarterly Report, the Directors had been considering to dispose certain of the properties of the Group when the properties can be disposed for profits since the property market in Hong Kong and the PRC had been slowed down and price of the properties in Hong Kong and the PRC had been adjusted downward due to the regulations and policies adopted by Hong Kong and the PRC government towards the speculation on the property market.

For reference purpose, the Company had disposed one of its investment properties located in Hong Kong in 2011. The disposal was completed on 21 September 2011 and an unaudited gain on disposal of approximately HK\$0.01 million was recognized by the Group according to the 2011 Third Quarterly Report. As a result of the Disposal, we are given to understand that the Directors expect the

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Group would record an unaudited gain on the Disposal of approximately HK\$1.85 million, details of which are set out in the Letter. The actual amount of the gain on disposal will be determined upon Completion depending on the consolidated net asset/liabilities of the Star International Group and the amount of the Sale Loan at Completion.

According to National Bureau of Statistics of China, the average selling price of commercialized buildings (including residential buildings, office buildings, house for business use and others) within the nation had risen substantially from RMB3,800 per square meter in year 2008 to RMB5,032 per square meter in year 2010. The average selling price of commercialized buildings in Xinjiang, where the Property located, has risen from RMB2,240 per square meter in year 2008 to RMB3,087 per square meter in year 2010 (the “**2008-2010 Market Trend**”). In light of the excessive growth in property prices, numbers of property market-cooling measures, including raising down payment for home purchase and expanding property tax nationwide, were introduced by the Central Government of China in April 2010. During the year 2011, the property market-cooling measures were enhanced by the Central Government of China, such as suspending mortgages for third-home buyers and the down payment requirement for second property purchasers, to bring the property price back down to reasonable levels.

Although no official annual data of selling price of commercialized buildings has been published by National Bureau of Statistics of China for the year of 2011, we notice that the growth of property market has relieved in view of the nominal annual growth of 33.2% in total investment in real estate development of the PRC compared to year 2009 and the nominal annual growth of 27.9% in total investment in real estate development of the PRC compared to year 2010 according to the National Economy Maintained Steady and Fast Development in the Year of 2010 and 2011 published by National Bureau of Statistics of China. It represented that the nominal annual growth rate decreased by 5.3% after the property market-cooling measures were initiated and the real estate development in the PRC showed a downward trend with the sales of commercialized buildings falling back by the end of 2011 compared to the year 2010. Based on the foregoing, we concur with the view of Directors that the Disposal represents a good opportunity for the Group to realize its investment in the property market in the PRC given the downturn of the property market in the PRC.

In light of the above, taking into account that (i) the Disposal is in an ordinary course of business of the Group in line with the Group’s corporate strategy to minimize the risk exposure in the property market of the Group; (ii) the Group may reallocate its resources to other investment as the Group will no longer be required to provide maintenance and management to the Assets and the Property; (iii) the net proceed from the Disposal can be used for general working capital and/or future investment of the Group; and (iv) the Group is expected to record a gain on the Disposal, we consider that the transaction is in the interest of the Company and the Shareholders as a whole.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### Principal terms of the Agreement

As stated in the Letter, the Consideration for the Sale Share and the Sale Loan is HK\$15,740,000 which shall be settled in cash by Dr., Sir Wong to Star Fortune at Completion. The Consideration was arrived at after arm's length negotiations between the parties to the Agreement with reference to the market value, the carrying amount and the valuation report of the Property at RMB9,900,000 as at 29 February 2012 (equivalent to approximately HK\$12,177,000) (the "**Valuation Report**") prepared by an independent valuer, Greater China Appraisal Limited (the "**Valuer**"), in Appendix I of the Circular.

In order to access fairness and reasonableness of the Consideration, we have discussed with the Valuer, and reviewed the methodology and bases and assumption regarding the Valuation Report. It is stated in the Valuation Report that the Valuer used the comparison method to value the Property. The comparison method is based on prices realized or market prices of comparable properties is made. Comparable properties of similar size, character and location are analyzed and carefully weighed against all the respective advantages and disadvantages of each property. Adjustments in the prices of the comparable properties are then made to account for the identified differences between the properties in the relevant factors.

According to the Valuation Report, the appraised value of the Property was at RMB9,900,000 (equivalent to approximately HK\$12,177,000) as at 29 February 2012. Compared to the book value of the Property of RMB9,500,000 (equivalent to approximately HK\$11,595,000 (translated at the rate of RMB1 = HK\$1.2205)) as at 31 December 2011, the appraised value of the Property as at 29 February 2012 according to the Valuation Report represents a surplus of RMB400,000 (equivalent to approximately HK\$488,000) representing an appreciation of approximately 4.2% to the book value of the Property as at 31 December 2011 (the "**Surplus**"). In light of the Surplus, we have reviewed the valuation report of the Property as at 31 December 2011 which has been disclosed in Appendix II to this circular and compared the basis and assumption made by the Valuer to the Valuation Report. We note that there is no material difference in assessing the appraisal value of the Property as at 31 December 2011 and the appraisal value of the Property as at 29 February 2012. We are also advised by the Valuer that the office market at Urumqi is relatively inactive and relevant market data is very limited and sometime fluctuating. Property valuation in such market is often based on imperfect market information and the conclusion depends to a very considerable extent on the prevailing market data as available. The Valuer considers that the appraisal value of the Property at RMB9.9 million as at 29 February 2012 which is RMB400,000 or approximately 4.2% higher than that at 31 December 2011 is within an acceptable range of movement given the imperfect market character of the sub-market in Urumqi. Based on the foregoing, we are of the view that the Valuation Report is reasonably prepared valuation and the underlying assumptions performed by the Valuer and the Surplus are fair and reasonable.

According to the announcement of the Company dated 15 May 2008, the Property was acquired by the Group from an independent third party at a

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

consideration of approximately RMB14.5 million (the “**Original Cost**”). The Original Cost was arrived at after arm’s length negotiations between parties with reference to the valuation on the Property prepared by the Valuer in May 2008 (the “**2008 Valuation Report**”). We noted that the valuation of the Property decreased by approximately 31% to RMB9.9 million as at 29 February 2012, as compared to RMB14.5 million as at 15 May 2008. As mentioned in the Letter, the Board considered that the original cost of the Property of RMB14,500,000 was not relevant for determining the current Consideration, since, Star Fortune and Dr., Sir Wong, the parties to the Disposal, only concerned the prevailing market value of the Property (i.e. RMB9,900,000 at 29 February 2012) and would not take the original cost of the Property paid by the Group into account when they considered whether the amount of Consideration was arrived at a normal commercial term and on an arms-length basis. Therefore, even though the market value of the Property is lower than its original price, the Board considers that the Consideration is fair and reasonable.

As mentioned under the sub-section headed “Reasons of the Disposal” in this letter above, we are given to understand that the 2008-2010 Market Trend had showed an upward trend. Although the valuation of the Property recorded a decrease of 31% to RMB9.9 million as at 29 February 2012 as compared to the Original Cost while the 2008-2010 Market Trend increased, we considered the 2008-2010 Market Trend do not represent a direct contradiction to the valuation of the Property which has taken into (i) the statistical figures of average selling price of commercialized buildings which include residential buildings, office buildings, house for business use and others in Xinjiang are just general indication of Xinjiang property market under 2008-2010 Market Trend; (ii) the office market in Urumqi where the Property located is relatively inactive and relevant market data is very limited and sometime fluctuating according to the Valuer; and (iii) the valuation report issued by the Valuer in May 2008 and the Valuation Report which are evaluating the Property with same valuation methodology by using comparison method, comparable properties of similar size, character and location are analyzed and carefully weighed against all the respective advantages and disadvantages of each property, and adjustments in the prices of the comparable properties are then made to account for the identified differences between the properties in the relevant factors as disclosed in Appendix I and Appendix II.

Having considered the above factors, we concur with the view of the Board that the value of the Property on the prevailing market condition under the Valuation Report is fair and reasonable.

As mentioned in this letter above, the unaudited consolidated net liabilities of the Star International Group was approximately HK\$11,710,000 as at 31 December 2011. Taking into account the Surplus and disregarding the Sale Loan amounting to approximately HK\$26,097,000 as at 31 December 2011, which shall be assigned to Dr., Sir Wong pursuant to the Agreement, the Star International Group would have net asset value of approximately HK\$14,875,000 (calculated as the net liabilities of Star International Group adjusted by the amounts of Surplus and the Sale Loan) as at 31 December 2011 (the “**Adjusted NAV**”).

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Consideration represents a premium of approximately 5.8% over the Adjusted NAV, we are of the view that the Consideration is fair and reasonable to the Group and the terms as stipulated under the Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

### RECOMMENDATION

Having considered the above-mentioned principal factors and reasons, we are of the opinion that the terms of the Disposal are on normal commercial terms and are fair and reasonable so far as the Company and the Independent Shareholders are concerned and the Disposal is in an ordinary course of business of the Group and is in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders and the Independent Board Committee to advise the Independent Shareholders to vote in favour of the proposed ordinary resolution to approve the Disposal at the SGM.

Yours faithfully,  
For and on behalf of  
**Nuada Limited**  
**Bernard Chan**  
*Executive Director*



*The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation of this circular received from Greater China Appraisal Limited, an independent valuer, in connection with its valuation as at 29 February 2012 of the Property.*

**GREATER CHINA APPRAISAL LIMITED**

漢華評值有限公司

Room 2703  
Shui On Centre  
6–8 Harbour Road  
Wanchai  
Hong Kong

18 April 2012

The Directors  
Ming Kei Holdings Limited  
Unit 01, 3/F  
Wheelock House  
20 Pedder Street  
Central, Hong Kong

Dear Sirs,

**Re: Unit 2 on 6th Floor, Block A, Yema Building, No. 158 Kunming Road, Urumqi, Xinjiang Uygur Autonomous Region, The People's Republic of China (the "Property")**

In accordance with the instructions from Ming Kei Holdings Limited (the "Company") to value the Property, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you our opinion of the capital value of the property interest as at 29 February 2012 (referred to as the "date of valuation").

This letter which forms part of our valuation report explains the basis and methodology of valuation, and clarifies our assumptions made, title investigation of the properties and the limiting conditions.

**BASIS OF VALUATION**

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

**VALUATION METHODOLOGY**

The property interest is valued by the comparison method where comparison based on prices realised or market prices of comparable properties is made. Comparable properties of similar size, character and location are analyzed and carefully weighed against all the respective advantages and disadvantages of each property. Adjustments in the prices of the comparable properties are then made to account for the identified differences between the properties in the relevant factors.

**ASSUMPTIONS**

Our valuation has been made on the assumption that the owner sells the property interest in its existing state without the benefit of any deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangement which would serve to increase the value of the property interest.

For the property interest which is held under long term Land Use Rights, we have assumed that the owner of the property interest has free and uninterrupted rights to use or transfer the property interest for the whole of the unexpired term of the Land Use Rights. In our valuation, we have assumed that the property interest can be freely disposed of, transferred and leased to third parties on the open market without any additional payment to the relevant government authorities.

Other special assumptions of the property interest, if any, have been stated out in the footnotes of the valuation certificate.

**TITLESHP INVESTIGATION**

We have been provided with copies of title documents of the Property. However, due to the current registration system of the PRC, no investigations have been made for the legal title or any material liabilities attached to the Property.

In the course of our valuation, we have relied upon the legal opinion given by the Company's PRC legal advisor – Deheng Fuzhou Law Office in relation to the legal title to the Property.

All legal documents disclosed in this report, if any, are for reference only and no responsibility is assumed for any legal matters concerning the legal title to the property interest set out in this report.

**LIMITING CONDITIONS**

We have inspected the Property. However, no structural survey has been made and we are therefore unable to report as to whether the Property is free from rot, infestation or any other structural defects. Also, no tests were carried out on any of the services.



We have not carried out detailed site measurements to verify the correctness of the areas in respect of the property interest but have assumed that the areas shown on the legal documents provided to us are correct. Based on our experience of valuation of similar properties, we consider the assumptions so made to be reasonable. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

Having examined all relevant documentation, we have relied to a very considerable extent on the information provided by the Company and have accepted advice given to us by it on such matters as planning approvals, statutory notices, easements, tenure, occupation, rentals, site and floor areas and in the identification of the Property. We have no reason to doubt the truth and accuracy of the information provided to us by the Company. We were also advised by the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to enable us to reach an informed view, and have no reason to suspect that any material information has been withheld.

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

Since the Property is located in a relatively under-developed market, the PRC, the above assumptions are often based on imperfect market evidence. A range of values may be attributable to the property interest depending upon the assumptions made. While we have exercised our professional judgment in arriving at the value, report readers are urged to consider carefully the nature of such assumptions which are disclosed in the valuation report and should exercise caution in interpreting the valuation report.

#### **OPINION OF VALUE**

Valuation figure of the Property is shown in the attached valuation certificate.

#### **REMARKS**

Our valuation has been prepared in accordance with generally accepted valuation procedures and in compliance with the requirements contained in Chapter 8 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

Site inspection of the Property was conducted on 6 March 2012 by Jeff Liu (MHKIS, MRICS).

In valuing the property interest, we have complied with the requirements contained in the HKIS Valuation Standards on Properties (1st Edition 2005) published by the Hong Kong Institute of Surveyors.

We have issued a previous valuation report on 10 January 2012 for the valuation of market value of a number of properties as at 31 December 2011 for accounting purpose of the Company. An extract of the previous report relating to the Property is disclosed in Appendix II of this circular.

All amounts are denominated in Chinese Renminbi (RMB).

We enclose herewith the valuation certificate.

Yours faithfully,  
For and on behalf of  
**GREATER CHINA APPRAISAL LIMITED**  
**Nikson Y. T. Ng**  
*MSc MHKIS MRICS MCIREA*  
*Registered Professional Surveyor (G.P.)*  
*Senior Director*

*Note:* Mr. Nikson Y. T. Ng is a Chartered Surveyor and a Registered Professional Surveyor who has over 21 years' experience in valuation of properties in Hong Kong and 5 years' experience in valuation of properties in the PRC.

## VALUATION CERTIFICATE

## Property interest held for investment in the PRC

Property	Descriptions and Tenure	Particulars of Occupancy	Capital Value in existing state as at 29 February 2012
Unit 2 on 6th Floor, Block A, Yema Building, No. 158 Kunming Road, Urumqi, Xinjiang Uygur Autonomous Region, The PRC	<p>Yema Building comprises 1 block of 27-storey office building (Block A) and 1 block of 27-storey apartment building (Block B) with a 1-storey basement carpark. It was completed in 2006.</p> <p>The Property comprises an office unit on the 6th floor of Block A with a gross floor area of approximately 1,811.65 square metres (19,501 square feet).</p> <p>The Property is held under a Building Ownership Certificate for office use.</p>	<p>The Property is leased to 木疊縣凱源煤炭有限公司 (Mulei County Kai Yuan Coal Company Limited), an independent third party, for a term of 12 months from 3 July 2011 to 2 July 2012 at a total rent of RMB1,100,000 inclusive of property tax, business tax and management fees.</p> <p>The Property is occupied for office use.</p>	RMB9,900,000

## Notes:

- (i) According to a Real Property Transfer Contract dated 4 May 2009, 木疊縣凱源煤炭有限公司 (Mulei County Kai Yuan Coal Company Limited) transferred the Property to Shenzhen Star Investment Consultancy Limited ("Shenzhen Star") at a consideration of RMB17,500,000.
- (ii) According to a Building Ownership Certificate (Wu Fang Quan Zheng Gao Xin Qu Zi Di No.2009335135) dated 9 June 2009, the Property is held by Shenzhen Star, a 100%-owned subsidiary of the Company, with a gross floor area of approximately 1,811.65 square metres for office use.
- (iii) According to a tenancy agreement dated 25 June 2011 ("Tenancy Agreement"), Shenzhen Star leased the Property to 木疊縣凱源煤炭有限公司 (Mulei County Kai Yuan Coal Company Limited) for a term of 12 months from 3 July 2011 to 2 July 2012 at a total rent of RMB1,100,000 inclusive of property tax, business tax and management fees for office use.
- (iv) The legal opinion of the Company's PRC legal advisor contains, inter alia, the following:
  - (a) Shenzhen Star has legally obtained the building ownership certificate of the Property. The Tenancy Agreement is valid and effective. The Property is not subject to any mortgage, seal order or restriction on the completeness of the rights. Therefore, Shenzhen Star, being the legal owner of the Property, legally holds the complete rights to occupy, receive benefits from or deal with the Property.
  - (b) Currently, Shenzhen Star has not yet applied for the registration of the state-owned land (strata title) use rights and obtained the relevant updated state-owned land use rights certificate for the Property. Shenzhen Star can legally apply for the registration of the state-owned land (strata title) use rights and the state-owned land use rights certificate. There is no legal impediment for Shenzhen Star to apply for the registration of the state-owned land (strata title) use rights and obtain the updated state-owned land use rights certificate for the Property. According to the PRC laws, Shenzhen Star and the transferee of the Property, if any, would not be subject to investigation, claim, penalty, punishment or other legal liability from any governmental authority of the PRC due to that the registration of the state-owned land (strata title) use rights of the Property has not been applied and the updated state-owned land use rights certificate of the Property has not been obtained.

*The following is an extract of a previous valuation report, prepared for accounting purpose for the Company, received from Greater China Appraisal Limited in connection with the valuation as at 31 December 2011 of the Property as mentioned in Appendix I of this circular.*

**GREATER CHINA APPRAISAL LIMITED**

漢 華 評 值 有 限 公 司

Room 2703  
Shui On Centre  
6-8 Harbour Road  
Wanchai  
Hong Kong

10 January 2012

The Directors  
Ming Kei Holdings Limited  
Unit 01, 3/F  
Wheelock House  
20 Pedder Street  
Central, Hong Kong

Dear Sirs,

In accordance with your instructions to value the property interests of Ming Kei Holdings Limited (the "Company") and its subsidiaries (together referred to as the "Group") in the People's Republic of China (the "PRC"), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you our opinion of the market value of such property interests as at 31 December 2011 (referred to as the "date of valuation").

It is our understanding that this valuation is for accounting purpose.

This letter which forms part of our valuation report explains the basis and methodology of valuation, and clarifies our assumptions made, title investigation of the properties and the limiting conditions.

**BASIS OF VALUATION**

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

## **VALUATION METHODOLOGY**

All property interests are valued by the comparison method where comparison based on prices realised or market prices of comparable properties is made. Comparable properties of similar size, character and location are analyzed and carefully weighed against all the respective advantages and disadvantages of each property. Adjustments in the prices of the comparable properties are then made to account for the identified differences between the properties in the relevant factors.

## **ASSUMPTIONS**

Our valuation has been made on the assumption that the owner sells the property interests in their existing states without the benefit of any deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangement which would serve to increase the value of the property interests.

For the properties which are held under long term Land Use Rights, we have assumed that the owners of the properties have free and uninterrupted rights to use or transfer the properties for the whole of the unexpired term of the respective Land Use Rights. In our valuation, we have assumed that the properties can be freely disposed of and transferred to third parties on the open market without any additional payment to the relevant government authorities.

Other special assumptions of each property, if any, have been stated out in the footnotes of the valuation certificates.

## **TITLESHP INVESTIGATION**

For the properties in the PRC, we have been provided with copy of title documents. However, due to the current registration system of the PRC, no investigations have been made for the legal title or any material liabilities attached to the property.

All legal documents disclosed in this report, if any, are for reference only and no responsibility is assumed for any legal matters concerning the legal title to the property interests set out in this report.

## **LIMITING CONDITIONS**

We have inspected the exterior and, where possible, the interior of the properties. However, no structural survey has been made and we are therefore unable to report as to whether the property is free from rot, infestation or any other structural defects. Also, no tests were carried out on any of the services.

We have not carried out detailed site measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the legal documents provided to us are correct. Based on our experience of valuation of similar properties, we consider the assumptions so made to be reasonable. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

Having examined all relevant documentation, we have relied to a very considerable extent on the information provided by the Company and have accepted advice given to us by it on such matters as planning approvals, statutory notices, easements, tenure, occupation, rentals, site and floor areas and in the identification of the property in which the Group has valid interests.

No allowances have been made in our valuation for any charges, mortgages or amounts owing on any of the properties valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the interests are free of encumbrances, restrictions and outgoing of an onerous nature which could affect their values.

For the properties located in a relatively under-developed market, the PRC, those assumptions are often based on imperfect market evidence. A range of values may be attributable to the property depending upon the assumptions made. While we have exercised our professional judgment in arriving at the value, report readers are urged to consider carefully the nature of such assumptions which are disclosed in the valuation report and should exercise caution in interpreting the valuation report.

#### OPINION OF VALUE

Valuation figures of the properties held by the Group are shown in the attached summary of values and their respective valuation certificates.

#### REMARKS

Our valuation has been prepared in accordance with generally accepted valuation procedures. In valuing the properties, we have complied with the requirements contained in the HKIS Valuation Standards on Properties (1st Edition 2005) published by the Hong Kong Institute of Surveyors.

For the property interests in the PRC, the property values are stated in Chinese Renminbi (RMB).

We enclose herewith the summary of values and valuation certificates.

This valuation report is issued subject to our General Service Conditions.

Yours faithfully,  
For and on behalf of  
**GREATER CHINA APPRAISAL LIMITED**  
**Nikson Y. T. Ng**  
*MSc MHKIS MRICS MCIREA*  
*Registered Professional Surveyor (G.P.)*  
*Senior Director*

Investigated and reported by  
Phoebe W.Y. Fung

VALUATION CERTIFICATE

Group I – Property interests held by the Group for Investment in the PRC

No.	Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 31 December 2011
1.	Unit 2 on 6th Floor Block A Yema Building No. 158 Kunming Road Urumqi Xinjiang Uygur Autonomous Region The PRC	Yema Building comprises 1 block of 27-storey office building (Block A) and 1 block of 27-storey apartment building (Block B) with a 1-storey basement carpark. It was completed in 2006.  The subject property comprises an office unit on the 6th floor of Block A with a gross floor area of approximately 1,811.65 square metres (19,501 square feet).  The property is held under a Building Ownership Certificate for office use.	The property is leased to 木疊縣凱源煤炭有限責任公司 (an independent third party) for a term of 12 months from 3 July 2011 to 2 July 2012 at a total rent of RMB1,100,000 inclusive of property tax, business tax and management fees.	RMB9,500,000

Notes:

- (i) According to a Building Ownership Certificate (烏房權証高新區字第2009335135號) dated 9 June 2009, the property is held by 深圳星力投資顧問有限公司 (Shenzhen Star Investment Consultancy Limited, a 100%-owned subsidiary of the Company) for office use.
- (ii) In our valuation, we have assumed that proper ownership title of the property has been obtained and the property interest can be freely disposed of and transferred to third parties in the open market without any additional payment to the relevant government authorities.

**1. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief that:

- (1) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (2) there are no other matters the omission of which would make any statement in this circular misleading; and
- (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

**2. DISCLOSURE OF INTERESTS****(a) Directors' and chief executives' interests and short positions in shares, underlying shares and debentures**

As at the Latest Practicable Date, the interests and short positions of the Directors of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the



Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

(i) *interest in Shares:*

Name of Director	Number or attributable number of Shares held or short positions	Nature of interests	Approximate percentage or attributable percentage of shareholding (%)
Ming Kei International Holding Company Limited ("Ming Kei") (Note 1)	75,676 (L)	Beneficial owner	0.04
Dr., Sir Wong (Note 2)	75,676 (L)	Interest of controlled corporation	0.04
	36,400 (L)	Beneficial owner	0.02
Mr. Tsang Ho Ka, Eugene	7,940,104 (L)	Beneficial owner	4.04

L: *Long Position*

Notes:

1. Ming Kei is wholly and beneficially owned by Dr., Sir Wong, an executive Director and the sole executive director of Ming Kei.
2. Ming Kei is wholly and beneficially owned by Dr., Sir Wong, therefore, Dr., Sir. Wong, is deemed to be interested in the 75,676 Shares in which Ming Kei is interested.

(ii) *Interest in share options:*

Name of Director	Date of grant	Exercisable period	Exercise price per Share HK\$	Number of share options granted	Approximate percentage or attributable percentage of shareholding (%)
Ms. Yick Mi Ching Dawnibilly	3 September 2010	3 September 2010 – 2 September 2020	0.755	7,940,104(L)	4.04

L: *Long Position*

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

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

As at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or, who was substantial Shareholder as recorded in the register required to be kept by the Company under Section 336 of the SFO.

**3. DIRECTORS' SERVICE CONTRACTS**

Each of the executive Directors and independent non-executive Directors has entered into a letter of appointment with the Company for a term of one year commencing from the date of the relevant appointment, which will continue thereafter until terminated by either party giving not less than one month's notice in writing to the other party.

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

#### 4. EXPERTS

The following are the qualifications of the experts who have given opinions or advice which are contained in this circular:

Name	Qualifications
Nuada Limited	A licensed corporation to carry out type 6 regulated activity pursuant to the SFO
Greater China Appraisal Limited ("Greater China")	An independent valuer
Deheng Fuzhou Law Office ("Deheng") 北京德恒(福州)律師事務所	PRC lawyers

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

As at the Latest Practicable Date, each of Nuada Limited, Greater China and Deheng does not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities which carry voting rights in any member of the Group.

#### 5. MATERIAL ADVERSE CHANGE

Save and except that the Group has decided to cease the operation of the general trading commencing from the first quarter of 2012 and the possible net impairment loss on the Coal Trading CGU (subject to the verification of the independent valuer and the auditors) as stated in the section headed "INFORMATION ABOUT THE BUSINESS OF THE GROUP" under the Letter from the Board of this circular, the Directors have not aware of any material adverse change in the financial position or trading position of the Group since 31 March 2011, being the date to which the latest published audited financial statements of the Group were made up.

#### 6. INTEREST IN CONTRACTS AND ASSETS

No contract or arrangement of significance in relation to the Group's business to which the Company or any of its subsidiaries is a party and in which any Director and proposed Directors has a material interest, whether directly or indirectly, subsist at the date of this circular.

Save for the Agreement in which Dr., Sir Wong has interest, none of the Directors, proposed Directors and experts referred in the paragraph headed "EXPERTS" in this appendix has any direct or indirect interest in any asset which has been acquired or

disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, the Company or any of its subsidiaries during the period since 31 March 2011, the date to which the latest published audited consolidated financial statements of the Group were complied, up to and including the Latest Practicable Date.

## 7. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Unit 01, 3/F, Wheelock House, 20 Pedder Street, Central, Hong Kong, during normal business hours on any Business Day from the date of this circular up to and including the date of the SGM:

- (a) the service contracts referred to in the paragraph headed “Directors’ service contracts” in this Appendix III;
- (b) the letter from the Independent Board Committee, the text of which is set out on pages 16 to 17 in this circular;
- (c) the letter of advice from Nuada Limited to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 18 to 27 in this circular;
- (d) the valuation report and the extract of the previous valuation report of the Property prepared by Greater China Appraisal Limited, the text of which is set out in Appendix I and Appendix II of this circular;
- (e) the Agreement; and
- (f) this circular.

## 8. MISCELLANEOUS

The English text of this circular shall prevail over Chinese text in case of any inconsistency.



**Ming Kei Holdings Limited**  
**明基控股有限公司 \***

*(incorporated in the Cayman Islands and continued in Bermuda with limited liability)*  
**(Stock Code: 8239)**

**NOTICE OF SPECIAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “**SGM**”) of the Shareholders of Ming Kei Holdings Limited (the “**Company**”) will be held at Unit 01, 3/F, Wheelock House, 20 Pedder Street, Central, Hong Kong on Friday, 4 May 2012 at 11:30 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions as ordinary resolution of the Company:

- (a) “**THAT** the conditional sale and purchase agreement (the “**Agreement**”) dated 29 February 2012 and entered into between Star Fortune International Group Company Limited, a wholly-owned subsidiary of the Company, as vendor, and Dr., Sir Wong Wai Sing (“**Dr., Sir Wong**”), as purchaser in relation to the sale and purchase of one ordinary share of HK\$1.00 each in the share capital of Star International Business Company Limited and the HK\$26.1 million Shareholders’ loan owed by Star International Business Company Limited and its subsidiary to the Company and its subsidiaries (other than Star International Business Company Limited and its subsidiary), at a total consideration of HK\$15,740,000 (a copy of which has been produced to the SGM marked “A” and signed by the chairman of the SGM for the purpose of identification) and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) any one or more of the directors (the “**Directors**”) of the Company be and is/are hereby authorised to do all such acts and things and execute all such documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Agreement and the transactions contemplated thereunder.”

Yours faithfully,  
For and on behalf of the Board of  
**Ming Kei Holdings Limited**  
**Dr., Sir Wong Wai Sing**  
*Chairman and Executive Director*

Hong Kong, 18 April 2012

## NOTICE OF THE SGM

*Registered office:*

Codan Services Limited  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place of  
business in Hong Kong:*

Unit 01, 3/F, Wheelock House  
20 Pedder Street  
Central  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the SGM is entitled to appoint one or more proxies to attend and, subject to the provisions of the bye-laws of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. A form of proxy for use of the SGM is enclosed. Whether or not you intend to attend the SGM in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he so wish.
3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's Hong Kong branch share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
4. In the case of joint holders of Shares, any one of such holders may vote at the SGM, either personally or by proxy, in respect of such Shares as if he was solely entitled thereto, but if more than one such joint holders are present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.