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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 TRANSACTION:
DISPOSAL OF REAL PROPERTY IN HONG KONG**



INCUB Corporate Finance Limited

On 3 August 2011 (after trading hours), the Vendor entered into the Provisional Sale and Purchase Agreement with the Purchasers, being Independent Third Parties in relation to the disposal of the Property for a cash consideration of HK\$11,300,000.

Since the applicable percentage ratios are more than 5% but less than 25%, the Disposal contemplated thereunder the Provisional Sale and Purchase Agreement constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

* For identification purposes only

THE PROVISIONAL SALE AND PURCHASE AGREEMENT

Date: 3 August 2011 (after trading hours)

Parties:

Vendor: Star Energy International Investment Company Limited

Purchasers: three individual Hong Kong citizens

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

Asset to be disposed:

Pursuant to the Provisional Sale and Purchase Agreement, the Vendor agreed to sell and the Purchasers agreed to acquire the Property (together with the fixtures and air-conditioners), subject to and upon the terms and conditions of the Provisional Sale and Purchase Agreement.

Consideration:

The consideration for the Property is HK\$11,300,000 which will be settled by the Purchasers in cash in the following manner:

- (a) a sum of HK\$339,000, being the deposit and partial payment of the consideration which has been paid by the Purchasers to the Vendor upon signing of the Provisional Sale and Purchase Agreement;
- (b) a sum of HK\$791,000, being further deposit and partial payment of the consideration which shall be paid by the Purchasers to the Vendor on or before 17 August 2011 upon signing of the Formal Sale and Purchase Agreement; and
- (c) the balance of the consideration of HK\$10,170,000 shall be paid by the Purchasers to the Vendor at Completion which will be on or before 3 October 2011.

The consideration for the Property, representing approximately HK\$13,325 per sq. feet, was arrived at after arm's length negotiations between the parties to the Provisional Sale and Purchase Agreement in normal commercial terms after having taken into account the market price/valuation of the Property where comparison based on market prices of comparable properties of similar size, character and location.

The Directors (including the independent non-executive Directors) consider that the consideration for the Disposal arrived at after arm's length negotiation is fair and reasonable as the amount has taken into account the market price/valuation of the Property and has been verified by Greater China Appraisal Limited, a professional independent valuer. The Directors consider that the terms of the Provisional Sale and Purchase Agreement are fair and reasonable and in normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Completion

Completion shall take place on or before 3 October 2011. The Vendor shall deliver the Property in vacant possession with all fixtures and air-conditioners in the Property to the Purchasers pursuant to the Provisional Sale and Purchase Agreement. The tenancy agreement attached to the Property will be terminated before Completion.

Pursuant to the Provisional Sale and Purchase Agreement, should the Purchaser fail to complete the purchase in the manner as stated in the Provisional Sale and Purchase Agreement, the Deposit paid shall be forfeited to the Vendor and the Vendor shall then be entitled at his absolute discretion to sell the Property to anyone it thinks fit and the Vendor shall not sue the Purchaser for any liabilities and/or damages caused by the Purchaser's default in the Provisional Sale and Purchase Agreement.

Pursuant to the Provisional Sale and Purchase Agreement, should the Vendor, after receiving the Deposit paid and fail to complete the sale in the manner as stated in the Provisional Sale and Purchase Agreement, the Vendor shall immediately compensate the Purchaser with a sum equivalent to the amount of the Deposit as liquidated damage together with the refund of the Deposit and the Purchaser shall not take any further action to claim for damages or to enforce specific performance.

INFORMATION OF THE PROPERTY

The Property is a flat with a gross area of approximately 848 sq. feet which was acquired by the Vendor in July 2009 at the cost of HK\$8,300,000. The market value of the Property was valued at HK\$10,900,000 as at 1 August 2011 by Greater China Appraisal Limited, a professional independent valuer.

The Property is currently leased to an Independent Third Party under a tenancy agreement dated 1 July 2010 with a term of two years (with the right of early termination by either party after 13 months of rental by serving one month notice to the other party) at a monthly rental of HK\$25,000. The information of the rental income generated by the Property for the year ended 31 March 2010 and 31 March 2011 were as follows:

	For the year ended 31 March	
	2010	2011
Rental income	HK\$192,742	HK\$300,000
Net rental income (after deduction of government rent and rates, building management fee and before taxation)	HK\$176,332	HK\$272,357
Net rental income (after deduction of government rent and rates, building management fee and taxation)	HK\$176,332	HK\$237,321

As at 31 March 2011, the book values of the Property and the fixtures were approximately HK\$10.60 million and HK\$0.03 million respectively.

It is expected that the Group will record a book gain, before tax (if any) from the Disposal of approximately HK\$0.36 million (subject to auditors' confirmation), being the difference between the net sale proceeds of approximately HK\$10.99 million (subject to auditors' confirmation) and the carrying values of the Property and the fixtures of approximately HK\$10.63 million in aggregate as at 31 March 2011.

REASONS FOR THE DISPOSAL

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

Given the current rising property market in Hong Kong surpassed its previous peak in 1997, the government has implemented several policies aimed at cooling down the overheating residential property market and curbing speculation in the luxury residential property may have effect on property market; and the uncertainties in the macro economy, such as the future change in interest rate, tightening monetary policy in the PRC and the recent announcement of raising the U.S. borrowing limit and avert an unprecedented debt default, the Directors is cautious on the increasing risk in the residential property market. The Directors consider that the Disposal represents a good opportunity for the Company to yield a reasonable return to its investment in the Property. The Directors believe that the terms of the Disposal are on normal commercial terms, the terms of which are fair and reasonable and in the interests of the Shareholders as a whole.

The Directors (including the independent non-executive Directors) consider that the terms of the Provisional Sale and Purchase Agreement are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

The proceeds from the Disposal after deducting related estimated expenses shall be applied towards the general working capital of the Group.

GENERAL

As the applicable percentage ratios are more than 5% but less than 25%, the Disposal contemplated thereunder the Provisional Sale and Purchase Agreement constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

The following expressions have the following meanings in this announcement.

“Board”	the board of Directors from time to time
“Company”	Ming Kei Holding Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued shares of which are listed on GEM
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Formal Sale and Purchase Agreement to be entered into
“connected person(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Deposit”	HK\$339,000 or together HK\$339,000 and HK\$791,000 (as the case may be), being the deposit and/or further deposit of the Property under the Provisional Sale and Purchase Agreement
“Director(s)”	the director(s), including the independent non-executive directors of the Company from time to time
“Disposal”	the disposal of the Property subject to and upon the terms and conditions of the Provisional Sale and Purchase Agreement
“Formal Sale and Purchase Agreement”	the formal sale and purchase agreement of the Property to be dated on or before 17 August 2011 and to be entered into among the Purchasers and the Vendor
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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 parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Property”	a flat in Block 5 Sorrento, 1 Austin Road West, Kowloon, Hong Kong with gross area of approximately 848 sq. feet

“Provisional Sale and Purchase Agreement”	the provisional agreement for sale and purchase of the Property dated 3 August 2011 and entered into among the Purchasers and the Vendor
“Purchasers”	three individual Hong Kong citizens and Independent Third Parties
“Share(s)”	ordinary issued share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Star Energy International Investment Company Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“sq. feet”	square feet

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

Hong Kong, 3 August 2011

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

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

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