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Ming Kei Energy Holdings Limited

明基能源控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8239)

ANNOUNCEMENT

CONNECTED TRANSACTION: ACQUISITION OF REAL PROPERTY

On 7 July 2009, the Purchaser entered into the Provisional Sale and Purchase Agreement with the Vendor in relation to the acquisition of the Property for a cash consideration of HK\$8,300,000.

Mr. Nelson Wong is an executive Director and a substantial Shareholder. Pursuant to Chapter 20 of the GEM Listing Rules, Mr. Nelson Wong is a connected person of the Company. The Acquisition contemplated thereunder the Provisional Sale and Purchase Agreement constitutes a connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules. As each of the percentage ratios is more than 2.5% but less than 25% and the total consideration is less than HK\$10,000,000, the Acquisition is only subject to reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

PROVISIONAL SALE AND PURCHASE AGREEMENT

Date: 7 July 2009

Parties:

Vendor: Ming Kei Properties Investment Limited

Purchaser: Star Energy International Investment Company Limited

* For identification purposes only

The Vendor, a connected person, of which 51% of the shareholding is beneficially owned by Mr. Nelson Wong and the remaining 49% of the shareholding is beneficially owned by Mr. Wong Wai Ngok, the elder brother of Mr. Nelson Wong. The principal business of the Vendor is property investment.

Asset to be acquired:

The Property was acquired by the Vendor in December 2007 at the cost of HK\$6,450,000. Pursuant to the Provisional Sale and Purchase Agreement, the Vendor agreed to sell and the Purchaser agreed to acquire the Property subject to and upon the terms and conditions of the Provisional Sale and Purchase Agreement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Property has a gross area of approximately 848 sq.ft..

As informed by the Vendor, since it acquired the Property in December 2007, the Property has not been leased out and the Property did not have any revenue and profit.

Consideration:

The consideration for the Property is HK\$8,300,000 which will be settled by the Purchaser in cash in the following manner:

- (a) a sum of HK\$830,000, being the deposit and partial payment of the consideration which has been paid by the Purchaser to the Vendor upon signing of the Provisional Sale and Purchase Agreement;
- (b) a sum of HK\$1,660,000 being further deposit and partial payment of the consideration which shall be paid by the Purchaser to the Vendor on or before 21 July 2009 upon signing of formal sale and purchase agreement; and
- (c) the balance of the consideration of HK\$5,810,000 shall be paid by the Purchaser to the Vendor on or before 7 August 2009.

The consideration for the Property, representing approximately HK\$9,788 per sq.ft., 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 and valuation of the Property where comparison based on market prices of comparable properties of similar size, character and location. The Group will finance the consideration of the Acquisition by its internal resources.

In the Board meeting (which Mr. Nelson Wong has abstained from voting), the Directors (including the independent non-executive Director) consider that the consideration for the Acquisition arrived at after arm's length negotiation is fair and reasonable as the amount has taken into account the market price and valuation of the Property of HK\$8,300,000 which has been verified by an independent professional valuer. The Directors (including the independent non-executive 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 7 August 2009. The Vendor shall deliver the Property to the vacant possession of the Property to the Purchaser.

The possible leasing

Upon Completion, the Purchaser expects to lease out the Property to Mr. Nelson Wong or other party which is not connected persons of the Company and is independent of the Company and its connected persons by entering into a tenancy agreement at market price which is to be determined. If the Property is leased out to Mr. Nelson Wong, which when materialised may constitute a continuing connected transaction. Further announcement will be made in relation to the possible leasing as and when appropriate in accordance with the GEM Listing Rules.

The memorandum of understanding

As disclosed in the announcement of the Company dated 17 June 2009, the Purchaser as purchaser entered into a non-legally binding memorandum of understanding with Mr. Poon Chi Ho and Best Rise Asia Limited as co-vendors on 17 June 2009, in relation to the possible acquisition by the Group from the co-vendors of the entire issued share capital of Hong Kong Talent Holdings Limited, which in turn, indirectly held the entire beneficial interest in a commercial property located at Room A, Floor 13, Noble Center, Fuzhong San Road, Futian District, Shenzhen, the PRC, with the total gross floor area of approximately 321.35 sq.m.. Given that Mr. Nelson Wong is the sole beneficial owner of the entire issued share capital in Best Rise Asia Limited, such memorandum of understanding when materialised will constitute a notifiable and/or connected transaction on the part of the Company and may be aggregated with the Acquisition. Further announcement will be made in relation to the possible acquisition in accordance with the GEM Listing Rules, if such memorandum of understanding is materialised.

REASON FOR THE ACQUISITION

The Group is principally engaged in mining, sale and distribution of coals in the PRC. Subsequent to the completion of the very substantial disposal of 51% equity interests in Star Fortune International Investment Company Limited on 3 July 2009, the Company is also engaged in investment holding and property investment.

In view of the recent economic performance in Hong Kong, in particular, the quick rebound of the property market, the Directors (including the independent non-executive Directors) believe that future prospect of the property marketing in Hong Kong is promising. The Acquisition will provide a good opportunity for the Group to expand its investment in the property market in Hong Kong.

The Group expects to lease out the Property shortly after the Completion, which will provide a stable source of rental income to the Group in the future. 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.

GENERAL

Mr. Nelson Wong is an executive Director and a substantial Shareholder. Pursuant to Chapter 20 of the GEM Listing Rules, Mr. Nelson Wong is a connected person of the Company. The Acquisition contemplated thereunder the Provisional Sale and Purchase Agreement constitutes a connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules. As each of the percentage ratios is more than 2.5% but less than 25% and the total consideration is less than HK\$10,000,000, the Acquisition is only subject to reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

DEFINITIONS

The following expressions have the following meanings in this announcement.

“Acquisition”	the acquisition of the Property subject to and upon the terms and conditions of the Provisional Sale and Purchase Agreement
“Board”	the board of Directors from time to time
“Company”	Ming Kei Energy Holding Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the sale and purchase agreement to be entered into
“connected person(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Director(s)”	the director(s), including the independent non-executive directors of the Company from time to time
“Group”	the Company and its subsidiaries from time to time
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Mr. Nelson Wong”	Wong Wai Sing, an executive Director and a substantial Shareholder

“Property”	A flat in Block 5 Sorrento, 1 Austin Road West, Kowloon, Hong Kong with gross area of approximately 848 sq.ft.
“Provisional Sale and Purchase Agreement”	the provisional agreement for sale and purchase of the Property dated 7 July 2009 and entered into between the Purchaser and the Vendor
“Purchaser”	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
“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”	Ming Kei Properties Investment Limited, a company incorporated in Hong Kong with limited liability, the beneficial owner of the Property
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“sq.ft.”	square feet
“sq.m”	square metres

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

Hong Kong, 8 July 2009

As at the date of this announcement, the executive Directors are Ms. Yick Mi Ching Dawnibilly, Mr. Tsang Ho Ka, Eugene, Mr. Wong Wai Sing and Mr. Luk Yue Kan, and the independent non-executive Directors are Mr. Fung Ho Yin, Mr. Sung Wai Tak, Herman, and Mr. Chung Ho Tung.

This announcement, 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: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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.mingkeienergy.com.