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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2013

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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

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

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

* *For identification purpose only*

FINANCIAL RESULTS

The board (the "Board") of Directors of the Company is pleased to present the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2013 (the "Year").

CONSOLIDATED INCOME STATEMENT

		Year ended 31 March	
		2013	2012
	Notes	***HK$'000***	*HK$'000*
Continuing operations			
Turnover	*3*	**95,447**	100,631
Cost of sales		**(88,586)**	(93,892)
Direct operating expenses		**(33)**	(291)
Gross profit		**6,828**	6,448
Other income, and other gains and losses, net		**3,678**	(1,217)
Selling and distribution costs		**(686)**	(728)
Administrative and other expenses		**(34,263)**	(39,499)
Finance costs		**–**	(350)
Loss before income tax from continuing operations		**(24,443)**	(35,346)
Income tax	*5*	**(764)**	(224)
Loss for the year from continuing operations		**(25,207)**	(35,570)
Discontinued operation			
Loss for the year from discontinued operation		**(64)**	(679)
Loss for the year	*4*	**(25,271)**	(36,249)
Attributable to:			
Owners of the Company		**(25,654)**	(36,356)
Non-controlling interests		**383**	107
		(25,271)	(36,249)
Loss per share attributable to owners of the Company	*7*		
From continuing and discontinued operations			
— Basic (Hong Kong cents)		**(7.05)**	(21.14)
— Diluted (Hong Kong cents)		**(7.05)**	(21.14)
From continuing operations			
— Basic (Hong Kong cents)		**(7.03)**	(20.75)
— Diluted (Hong Kong cents)		**(7.03)**	(20.75)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March	
	2013	2012
	HK$'000	*HK$'000*
Loss for the year	**(25,271)**	(36,249)
Other comprehensive income for the year, net of tax:		
— Exchange differences on translation of financial statements of overseas subsidiaries	**96**	1,143
— Reclassification adjustment of exchange reserve on disposal of interest in an overseas subsidiary	**(1,198)**	–
	(1,102)	1,143
Total comprehensive income for the year	**(26,373)**	(35,106)
Attributable to:		
Owners of the Company	**(26,756)**	(35,213)
Non-controlling interests	**383**	107
	(26,373)	(35,106)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 March 2013 HK$'000	2012 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**12,334**	13,120
Investment properties	*8*	**101,000**	–
Intangible assets		**47,425**	47,425
		160,759	60,545
Current assets			
Trade receivables	*9*	**64,771**	51,969
Refundable deposit		**19,408**	19,411
Prepayments, deposits and other receivables		**4,165**	11,879
Tax recoverable		**85**	20
Cash and cash equivalents		**27,791**	8,543
		116,220	91,822
Assets of a disposal group classified as held for sale		**–**	15,150
Total current assets		**116,220**	106,972
Current liabilities			
Trade payables	*10*	**57,399**	46,296
Accrued expenses, other payables and deposits received		**5,285**	2,987
Amount due to a non-controlling owner of a subsidiary		**1,950**	1,950
Amount due to a related company		**30**	–
Tax payables		**–**	1,188
		64,664	52,421
Liabilities of a disposal group classified as held for sale		**–**	607
Total current liabilities		**64,664**	53,028
Net current assets		**51,556**	53,944
Total assets less current liabilities		**212,315**	114,489
Non-current liabilities			
Deferred tax liabilities		**7,825**	7,825
Net assets		**204,490**	106,664
CAPITAL AND RESERVES			
Issued capital		**5,045**	1,967
Reserves		**194,797**	100,432
Equity attributable to owners of the Company		**199,842**	102,399
Non-controlling interests		**4,648**	4,265
Total equity		**204,490**	106,664

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital *HK$'000*	Share premium *HK$'000*	Contributed surplus *HK$'000*	Capital reserve *HK$'000*	Warrant reserve *HK$'000*	Share option reserve *HK$'000*	Exchange reserve *HK$'000*	Accumulated losses *HK$'000*	Attributable to owners of the Company *HK$'000*	Non-controlling interests *HK$'000*	Total *HK$'000*
Balance at 1 April 2011	1,688	49,362	131,109	120,794	2,164	8,969	1,869	(193,528)	122,427	4,558	126,985
(Loss)/profit for the year	–	–	–	–	–	–	–	(36,356)	(36,356)	107	(36,249)
Other comprehensive income for the year	–	–	–	–	–	–	1,143	–	1,143	–	1,143
Total comprehensive income for the year	–	–	–	–	–	–	1,143	(36,356)	(35,213)	107	(35,106)
Dividend paid to a non-controlling owner of a subsidiary	–	–	–	–	–	–	–	–	–	(400)	(400)
Issue of new shares on exercise of warrants	200	11,164	–	–	(2,164)	–	–	–	9,200	–	9,200
Issue of new shares on exercise of share options	79	10,391	–	–	–	(4,485)	–	–	5,985	–	5,985
Balance at 31 March 2012	1,967	70,917	131,109	120,794	–	4,484	3,012	(229,884)	102,399	4,265	106,664
Balance at 1 April 2012	1,967	70,917	131,109	120,794	–	4,484	3,012	(229,884)	102,399	4,265	106,664
(Loss)/profit for the year	–	–	–	–	–	–	–	(25,654)	(25,654)	383	(25,271)
Other comprehensive income for the year	–	–	–	–	–	–	(1,102)	–	(1,102)	–	(1,102)
Total comprehensive income for the year	–	–	–	–	–	–	(1,102)	(25,654)	(26,756)	383	(26,373)
Issue of new shares on an open offer	1,153	45,954	–	–	–	–	–	–	47,107	–	47,107
Issue of new shares on acquisition of assets through acquisition of subsidiaries	343	25,782	–	–	–	–	–	–	26,125	–	26,125
Issue of new shares on placements	1,582	49,385	–	–	–	–	–	–	50,967	–	50,967
Lapse of share options	–	–	–	–	–	(4,484)	–	4,484	–	–	–
Balance at 31 March 2013	5,045	192,038	131,109	120,794	–	–	1,910	(251,054)	199,842	4,648	204,490

Notes:

1. ORGANISATION AND OPERATIONS

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and continues as an exempted company with limited liability in accordance with the Bermuda Companies Act 1981 upon the change of domicile of the Company from the Cayman Islands to Bermuda becoming effective on 30 November 2009, and its shares are listed on the GEM of the Stock Exchange. The address of its registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. Its principal place of business has been changed from Unit 01, 3/F., Wheelock House, 20 Pedder Street, Central, Hong Kong to Room 2103, 21/F., No. 9 Queen's Road Central, Central, Hong Kong during the year.

The Company principally engaged in investment holding and its subsidiaries (collectively referred to as the "Group") are principally engaged in business of coal trading between the People's Republic of China (the "PRC") and Indonesia, and property investment.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of amendments to HKFRSs — first effective on 1 April 2012

Amendments to HKFRS 7	Disclosures — Transfers of Financial Assets
Amendments to HKAS 12	Deferred Tax — Recovery of Underlying Assets

The adoption of these amendments has no material impact on the Group's financial statements.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group:

HKFRSs (Amendments)	Annual Improvements 2009–2011 Cycle[2]
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income[1]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[3]
Amendments to HKFRS 7	Offsetting Financial Assets and Financial Liabilities[2]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 27 (2011)	Separate Financial Statements[2]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[2]
HKAS 19 (2011)	Employee Benefits[2]
HK(IFRIC) — Interpretation 20	Stripping Costs of the Production Phase of a Surface Mine[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment entities[3]

[1] Effective for annual periods beginning on or after 1 July 2012
[2] Effective for annual periods beginning on or after 1 January 2013
[3] Effective for annual periods beginning on or after 1 January 2014
[4] Effective for annual periods beginning on or after 1 January 2015

HKFRSs (Amendments) — Annual Improvements 2009-2011 Cycle

The improvements made amendments to the following standards.

(i) HKAS 1 Presentation of Financial Statements

The amendments clarify that the requirement to present a third statement of financial position when an entity applies an accounting policy retrospectively or makes a retrospective restatement or reclassification of items in its financial statements is limited to circumstances where there is a material effect on the information in that statement of financial position. The date of the opening statement of financial position is the beginning of the preceding period and not, as at present, the beginning of the earliest comparative period. The amendments also clarify that, except for disclosures required by HKAS 1.41-44 and HKAS 8, the related notes to the third statement of financial position are not required to be presented. An entity may present additional voluntary comparative information as long as that information is prepared in accordance with HKFRS. This may include one or more statements and not a complete set of financial statements. Related notes are required for each additional statement presented.

(ii) HKAS 16 Property, Plant and Equipment

The amendments clarify that items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

(iii) HKAS 32 Financial Instruments: Presentation

The amendments clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with HKAS 12 Income Taxes. Depending on the circumstances these items of income tax might be recognised in equity, other comprehensive income or in profit or loss.

(iv) HKAS 34 Interim Financial Reporting

The amendments clarify that in interim financial statements, a measure of total assets and liabilities for a particular reportable segment need to be disclosed when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total assets and liabilities for that segment from the amount disclosed in the last annual financial statements.

Amendments to HKAS 1 (Revised) — Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) — Investment Entities

The amendments apply to a particular class of businesses that qualify as investment entities. An investment entity's business purpose is to invest funds solely for returns from capital appreciation, investment income or both. It evaluates the performance of its investments on a fair value basis. Investment entities could include private equity organisations, venture capital organisations, pension funds and investment funds.

The amendments provide an exception to the consolidation requirements in HKFRS 10 Consolidated Financial Statements and require investment entities to measure particular subsidiaries at fair value through profit or loss rather than to consolidate them. The amendments also set out the disclosure requirements for investment entities. The amendments are applied retrospectively subject to certain transitional provisions.

HKFRS 9 — Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 10 — Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

HKFRS 12 — Disclosure of Interests in Other Entities

HKFRS 12 integrates and makes consistent the disclosure requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

HKFRS 13 — Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 "Financial Instruments: Disclosures". HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively.

The Group is in the process of making an assessment of the potential impact of these pronouncements. The directors so far concluded that the application of these new pronouncements will have no material impact on the Group's financial statements.

3. SEGMENT INFORMATION

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

(a) The coal trading segment comprised the business of coal trading; and

(b) The property investment segment comprised investment in various properties for rental income purposes;

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

In determining the Group's geographical segments, revenues and results are based on the location in which the customer is located.

(i) Business segments

2013

	Continuing operations			Discontinued operation	
	Coal trading *HK$'000*	**Property investment** *HK$'000*	**Sub-total** *HK$'000*	**General trading** *HK$'000*	**Consolidated** *HK$'000*
SEGMENT REVENUE					
External sales and services	**93,618**	**1,829**	**95,447**	**–**	**95,447**
Inter-segment revenue	**–**	**–**	**–**	**–**	**–**
Reportable segment revenue	**93,618**	**1,829**	**95,447**	**–**	**95,447**
Reportable segment profits/(loss)	**4,580**	**1,332**	**5,912**	**(64)**	**5,848**
Interest income	**–**	**–**	**–**	**(1)**	**(1)**
Reporting segment assets	**135,135**	**102,398**	**237,533**	**1,091**	**238,624**
Reporting segment liabilities	**(68,026)**	**(765)**	**(68,791)**	**–**	**(68,791)**

2012

	Continuing operations			Discontinued operation	
	Coal trading	Property investment	Sub-total	General trading	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
SEGMENT REVENUE					
External sales and services	99,307	1,324	100,631	22,936	123,567
Inter-segment revenue	–	–	–	–	–
Reportable segment revenue	99,307	1,324	100,631	22,936	123,567
Reportable segment profits/(loss)	1,259	(1,124)	135	(2,325)	(2,190)
Interest income	–	5	5	10	15
Depreciation charges	–	(198)	(198)	(3)	(201)
Impairment loss on intangible asset	(3,660)	–	(3,660)	–	(3,660)
Gain on disposal of investment properties	–	14	14	–	14
Fair value gain on investment properties	–	664	664	–	664
Reporting segment assets	117,963	15,170	133,133	2,989	136,122
Reporting segment liabilities	(57,574)	(639)	(58,213)	(3)	(58,216)

Reconciliation of reportable segment profit or loss, assets and liabilities:

	2013	2012
	HK$'000	*HK$'000*
Loss before income tax from continuing operations		
Reportable segment profit	**5,912**	135
Interest income	**3**	–
Sundry Income	**–**	147
Unallocated corporate expenses	**(30,358)**	(35,278)
Finance costs	**–**	(350)
Consolidated loss before income tax from continuing operations	**(24,443)**	(35,346)

	2013	2012
	HK$'000	*HK$'000*
Total assets		
Reportable segment assets	**238,624**	136,122
Unallocated corporate assets	**38,355**	31,395
Consolidated total assets	**276,979**	167,517

	2013	2012
	HK$'000	*HK$'000*
Total liabilities		
Reportable segment liabilities	**(68,791)**	(58,216)
Unallocated corporate liabilities	**(3,698)**	(2,637)
Consolidated total liabilities	**(72,489)**	(60,853)

(ii) Geographical segments

The following table provides an analysis of the Group's revenue from external customers and non-current assets other than financial instruments and deferred tax assets ("Specified non-current assets"):

	Revenue from external customers		**Specified non-current assets**	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**95,447**	99,432	**150,483**	49,455
PRC	**–**	24,135	**10,276**	11,090
	95,447	123,567	**160,759**	60,545

(iii) Information about major customers

Revenue from one (2012: one) customer contributed to more than 10% of the Group's revenue in the amount of HK$93,618,000 (2012: HK$99,307,000) for the Year as included in the above disclosures for coal trading segment revenue.

4. LOSS FOR THE YEAR

The Group's loss for the year (including continuing and discontinued operations) is arrived at after charging the following:

	2013	2012
	HK$'000	*HK$'000*
Cost of inventories sold	**88,586**	115,610
Auditor's remuneration	**414**	380
Direct operating expenses arising on rental-earning investment properties	**33**	291
Depreciation	**1,832**	4,580
Write-off of property, plant and equipment	**8**	82
Net exchange losses	**–**	41
Staff costs (excluding directors' remuneration):		
Salaries and wages	**3,280**	5,065
Pension scheme contributions	**119**	187
	3,399	5,252
Minimum lease payments under operating leases for land and buildings*	**7,451**	4,728

* Included in the balance as at 31 March 2013 is approximately HK$615,000 (2012: HK$1,928,000) in respect of rental expenses for a director's quarter.

5. INCOME TAX

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

	2013	2012
	HK$'000	*HK$'000*
Continuing operations:		
Hong Kong		
Current tax charge for the year	**752**	805
Deferred tax credit	**–**	(604)
PRC		
Current tax charge for the year	**12**	23
	764	224

Provision for Hong Kong profits tax is calculated at 16.5% on the estimated assessable profits for the year ended 31 March 2013 (2012: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries or places in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

6. DIVIDEND

No dividend has been paid or declared by the Company during the Year (2012: HK$Nil).

The Directors do not recommend for payment of a final dividends for the Year.

7. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the year attributable to the owners of the Company, and the weighted average number of ordinary shares in issue during the year.

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

As the Company's outstanding share options and warrants where applicable had an anti-dilutive effect to the basic loss per share calculation for the current and prior years, the conversion of the above potential dilutive shares is not assumed in the computation of diluted loss per share. Therefore the basic and diluted losses per share (i) from continuing and discontinued operations; and (ii) from continuing operations for the respective years are equal.

(a) From continuing and discontinued operations

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

	2013	2012
	HK$'000	*HK$'000*
Loss		
Loss attributable to the owners of the Company, used in the basic and diluted loss per share calculations	**(25,654)**	(36,356)

	Number of shares	
	2013	2012
	'000	*'000*
Shares		
Weighted average number of ordinary shares for basic and diluted loss per share calculations	**364,048**	171,974

(b) From continuing operations

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

	2013	2012
	HK$'000	*HK$'000*
Loss		
Loss attributable to the owners of the Company, used in the basic and diluted loss per share calculations	**(25,590)**	(35,677)

	Number of shares	
	2013	2012
	'000	*'000*
Shares		
Weighted average number of ordinary shares for basic and diluted loss per share calculations	**364,048**	171,974

8. INVESTMENT PROPERTIES

	The Group	
	2013	2012
	HK$'000	*HK$'000*
Fair value:		
At beginning of year	**–**	22,004
Fair value gain on investment properties	**–**	664
Addition to investment properties	**101,000**	–
Disposal of investment properties	**–**	(10,900)
Re-classified into assets held for sale	**–**	(12,153)
Exchange realignments	**–**	385
At the end of the year	**101,000**	–

The Group's entire properties interest are held under operating leases to earn rentals or capital appreciation purposes which are measured using fair value model and are classified and accounted for as investment properties. The Group's investment properties are located in Hong Kong and held under medium lease terms.

As at 31 March 2013, the investment properties of the Group were revalued at their open market value by reference to a valuation carried out on that date by B.I. Appraisals Limited, an independent firm of professionally qualified valuers, which gave rise to no revaluation surplus or deficit during the current year.

During the prior year, an investment property located in the PRC was re-classified as asset held for sale, which were revalued at its open market value at the date of re-classification by reference to a valuation carried out by Greater China Appraisal Limited, an independent firm of professionally qualified valuers, which gave rise to revaluation surplus of HK$664,000 during the prior year.

9. TRADE RECEIVABLES

(a) The ageing analysis of the Group's trade receivables as at the end of reporting period, based on invoice date, is as follows:

	The Group	
	2013	2012
	HK$'000	*HK$'000*
Within 90 days	**32,279**	20,125
91 to 180 days	**15,511**	31,844
181 to 365 days	**16,981**	–
	64,771	51,969

(b) The Group normally allows an average credit term of 60 to 90 days (2012: 60 to 90 days) to its trade customers. For certain well-established customers with good repayment history and creditworthiness, the Group allows an average credit period beyond 90 days.

10. TRADE PAYABLES

An ageing analysis of the trade payables of the Group as at the end of reporting period, based on the invoice date, is as follows:

	The Group	
	2013	2012
	HK$'000	*HK$'000*
Within 90 days	**23,266**	18,867
91 to 180 days	**22,009**	19,566
181 to 365 days	**12,124**	7,863
	57,399	46,296

11. EVENTS AFTER THE YEAR

(a) Proposed rights issue

On 23 April 2013, the Group entered into a supplemental agreement in relation to the proposed issue (the "Rights Issue") by way of rights of three (3) new Shares (the "Rights Share") to be allotted and issued under the Rights Issue, being 151,356,987 Shares, for every ten (10) existing Shares at the subscription price of HK$0.200 per Rights Share. Details of this transaction are set out in the circular of the Company dated 15 May 2013, and announcements of the Company dated 16 January 2013, 20 February 2013, 23 April 2013 and 13 May 2013. The proposed rights issue has not been completed as at the date of this announcement.

(b) Proposed acquisition

On 27 March 2013, the Group entered into a conditional sale and purchase agreement with an independent third party to acquire the entire equity interests in target companies at an aggregate consideration of HK$13,000,000. The target companies are principally engaged in trading of coal in the PRC.

Further details of the proposed acquisition are set out in the Company's announcement dated 27 March 2013. The proposed acquisition has not been completed as at the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

The Group is principally engaged in (i) property investments; and (ii) business of coal trading business between the PRC and Indonesia.

Decrease in turnover was mainly due to the reduction in selling price per metric tonne after entered into monthly selling contracts. Since the year 2010, the reduced of selling price per metric tonne of coal sold for did not have significant impact to the cash flows or the operating model of the coal trading business pursuant to pages 18 and 19 of the circular (the "Indonesia Circular") of the Company dated 14 October 2010, in particular maintaining a positive price gap between the purchase price and the selling price of at least US$2 per metric tonne of coal sold. Given the letter of intents (the "LOIs") seperately signed with the customers and suppliers to sell and purchase 30,000 metric tonnes of Indonesian coal per month, and will be renewed automatically upon expiration with same terms and conditions, the coal trading business will continue and provide a stable and regular source of income to the Group.

The Group reported total turnover of approximately HK$95,447,000 (2012: approximately HK$100,631,000) for the Year representing a decrease by approximately HK$5,184,000 over the corresponding prior year (the "Prior Year"). The decrement of revenue were mostly contributed by the reduction in selling price per metric tonne of coal sold for the coal trading business which fell by approximately HK$5,689,000 to approximately HK$93,618,000 (2012: approximately HK$99,307,000). Reference is made to the circular ("Property Circular") of the Company dated 25 September 2012 and announcements of the Company dated 16 October 2012 and 24 October 2012. Since the completion (the "Property Completion") of the acquisition (the "Property Acquisition") of the entire issued share capital of Foremost Star Investments Limited ("Foremost Star") on 24 October 2012 pursuant to the terms of the sale and purchase agreement (the "Property Agreement") dated 24 May 2012 and entered into between Star International Business Development Company Limited ("Star International") and the Mr. Yuan Huafeng (the "Vendor"), supplemented by the supplemental agreement for the Agreement dated 15 August 2012 and the letter of agreement dated 10 September 2012, the property (the "Tuen Mun Property") located in Tuen Mun, Hong Kong began to generate additional and steady rental income and cash inflow of approximately HK$1,829,000. By reflecting the improved gross profit margin after the Property Acquisition. The gross profit was approximately HK$6,828,000 for the Year (2012: approximately HK$6,448,000) representing a slightly increase of approximately HK$386,000.

In the absent of impairment loss on intangible assets of approximately HK$3,660,000 and one-off gain arising from the disposal of the Star International Business Company Limited ("SIB") and its subsidiaries (collectively the "SIB Group"), which has been completed on 11 May 2012, the Group reported an increase in other income and other gains and (losses), net to approximately HK$3,678,000 (2012: approximately (HK$1,217,000)).

The selling and distribution costs for the Year decreased slightly to approximately HK$686,000 (2012: approximately HK$728,000) which were arising from the coal trading business. The trend was in line with the decrease in turnover during the Year.

The administrative and other expenses decreased by approximately 13.3% to approximately HK$34,263,000 (2012: approximately HK$39,499,000) was mainly due to decrease in staff costs to approximately HK$3,399,000 (2012: approximately HK$5,252,000) and depreciation to approximately HK$1,832,000 (2012: approximately HK$4,580,000).

Loss attributable to the owners of the Company for the Year was approximately HK$25,654,000 (2012: approximately HK$36,356,000).

Property Investments

Reference is made to the announcement of the Company dated 11 May 2012 in relation to a discloseable and connected transaction of the disposal of the entire issued share capital of SIB Group to Mr. Wong Wai Sing ("Mr. Wong") for the consideration of HK$15.74 million pursuant to the agreement entered on 29 February 2012 was completed on 11 May 2012. The only investment property (the "PRC Property") located in the PRC was disposed and ceased to contributed rental income to the Group.

The Property Acquisition has been completed on 24 October 2012 at a consideration (the "Consideration") of HK$88,000,000, and warranted by the Vendor that the Tuen Mun Property and the Target Group was free from any mortgage, charge, pledge or other security. The members of the Target Group are investment holding companies having no material assets other than their beneficial interests in the Tuen Mun Property, valued at HK$101,000,000 on 30 June 2013 in accordance to the valuation performed by an independent valuer.

The Consideration was fully settled by:

(1) the allotment and issue of the 34,300,000 new Shares (the "Consideration Shares") for part of the balance of the Consideration, being approximately HK$13.0 million;

(2) internal fundings of the Group for part of the balance of the Consideration, being approximately HK$13.9 million; and

(3) the equity fund raising exercise to be conducted by equity fund raising exercise to be conducted by the Company by way of, including but not limited to, rights issue, open offer, and placement of new Shares (the "Fund Raising Exercise") for the outstanding balance of the Consideration, being approximately HK$61.1 million in aggregate, including:

    (i) on 14 August 2012, 115,251,000 offer shares of par value HK$0.01 each of the Company were issued under an open offer (the "Open Offer") at a subscription price of HK$0.43 each for net proceeds of approximately HK$46.0 million. Approximately HK$38.0 million was applied for paying up part of the outstanding balance of the Consideration; and

    (ii) during the Year, 33,760,000 and 46,100,000 placing shares (79,860,000 placing shares in aggregate) of the Company were placed at subscription prices at HK$0.28 and HK$0.36 respectively, for net proceeds of approximately HK$8.6 million and approximately HK$15.5 million respectively. Approximately HK$7.6 million and HK$15.5 million was applied for paying up part of the outstanding balance of the Consideration.

Following the Property Completion, at which the 34,300,000 consideration Shares were allotted and issued by the Company at HK$0.38 issued to the Vendor as part of the consideration. The Group resumed the business in the property investment and the Group is beneficially interested in the Tuen Mun Property, valued at HK$101,000,000 on 31 March 2013 in accordance to the valuation performed by an independent valuer.

Given the annual gross rental income from the Property of approximately HK$3.5 million represents a yield of approximately 4.0% to the Consideration, the Board considered the returns satisfactory and the Property Acquisition is a good opportunity for the Group to achieve long term stable income and growth. The Board is of the same view as set out in the Property Circular that there is more appreciation potential for properties in Hong Kong and save for the Property Acquisition and subject to the availability of additional financial resources to the Group, may continue to explore the possibility of investing in more properties in Hong Kong or the P.R.C. that could strengthen the return on rental income, with good growth and/or profit potential.

Coal Trading Business

Pursuant to the Indonesia Circular, given the LOIs, the existing coal trading business will continue and provide a steady source of income and positive impact on the earnings to the Group. Although both trade receivables and payables have increased to approximately $64,771,000 (2012: approximately 51,969,000) and approximately HK57,399,000 (2012: approximately HK$46,296,000) respectively the Board expected the increase in outstanding trade receivables was temporary and would be settled in full without discounts. The Board has remained positive about the future prospect of the existing coal trading business in view of there was no change in the business relationship with customers or suppliers nor the credit period granted to both customers and suppliers. The Group will continue monitoring the sale price of steam coal as well as the controls over costs and related expenses towards the coal trading operations to ensure its continued profitability. By maintaining the same strategies as set out in the Indonesia Circular, the Group takes opportunities to expand its customer base and supplier networks through the business plan of a new coal trading business in the PRC and uses the best endeavour to make appropriate decision and process on a timely manner.

We have reviewed an article published in www.marketwatch.com (http://www.marketwatch.com/story/outlook-2013-the-case-for-a-coal-recovery-2012-12-17), who is one of the major financial news providers in the United States, in order to assess the operations, prospects and risks of the Coal Acquisition. According to the article, the global coal sector may come to a recovery in 2013. As the coal industry has been sluggish in 2012, it is reasonable to expect that the major coal plant closures have happened already and the industry is on the way to recovery. In addition, the quantitative easing policies as launched by the central banks among the developed nations will also give a boost to the economy recovery, which will increase coal consumption. Especially the heavy reliance on coal for electricity generation in the PRC, the rapid development and urbanization boosted the coal demand and consumption to a high level.

In order to catch the surge in demand as aforesaid, the Group entered into sale and purchase agreement for the proposed acquisition (the "Coal Acquisition") of the entire issued share capital of Wider Trading Limited on 27 March 2013 and processing the due diligent process for the new establishment in the PRC. The Group continues to hold the business strategy by taking opportunities to expand its customer base and suppliers network. Through the acquisition of a PRC enterprise with a coal trading qualification license (煤炭經營資格證) that (a) can enabling the Group to step in the business of trading coal domestically and nation-wide in the PRC; (b) expand the regions and geographical coverage; (c) provide a synergy effect to the existing coal trading business in the future by diversification and introducing new customer base and supplier networks; (d) improve the financial results of the Group through the additional income source; and (e) with the opportunity to mitigate this exposure and the prospect of a more balanced revenue and customer base.

The Company has been exploring opportunities to broaden the Group's business scope and additional income sources within the same industry.

The completion of the Coal Acquisition subject to and depending on the results of the due diligent review, valuation, if applicable, and other related issues. We may not be able to complete the Coal Acquisition within a prescribed time frame or conclude on terms commercially acceptable to the Group and the Shareholders, the Directors hold the view that other business opportunities as the alternatives of the Coal Acquisition could be identified if sufficient financial resources is available to the Group as the Directors have experienced to receive proposals from potential vendors in respect of potential investment projects from time to time.

Prospects

Announcement made on 23 April 2013, a supplemental agreement was entered in relation to the proposed issue (the "Rights Issue") by way of rights of three (3) new Shares (the "Rights Shares") to be allotted and issued under the Rights Issue, being 151,356,987 Shares, for every ten (10) existing Shares held on the Record Date at the subscription price of HK$0.20 per Rights Share under the Rights Issue. Following completion of the Rights Issue, additional working capital may be employed and available for the operations to capitalize on newly presented business opportunities, the Coal Acquisition. The net proceeds of the Rights Issue will be approximately HK$27.9 million. The Directors are of the view that the Rights Issue will enable the Company to raise funds for the Coal Acquisition which will provide an opportunity to all Shareholders to participate in the growth of the Company in proportion to their shareholdings. As such, the Rights Issue is consistent with the strategic plans of the Group, and is therefore fair and reasonable, and in the interests of the Company and the Shareholders as a whole. The net proceeds from the Rights Issue will (a) enable the Group to use the best endeavour to make appropriate decision and on a timely manner; (b) has sufficient financial resources to negotiate with other potential vendors; and (c) to facilitate the completion of potential acquisition (including Coal Acquisition).

As part of its business plan, the Board will continue to explore and evaluate new businesses and investment opportunities which could be of good potential and/or long-term benefit to the Group and the Shareholders.

The Board will take a cautious and conservative approach in the evaluation and timing of potential projects or investments, including Coal Acquisition and constantly keep reviewing the Group's strategies and operations with a view to improve its business performance and Company's shareholders' returns. The Board considers that there are possibilities that the Group would identify suitable investment opportunities which may broaden the Group's business scope and provide additional income sources within the same industry have greater potential returns and may enhance the earnings per share of the Group may arise from time to time by taking advantage of the good market sentiments in future.

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

Neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Year.

CORPORATE GOVERNANCE

The Company is committed to promoting high standards of corporate governance through its continuous effort in improving its corporate governance practices and processes. The Board believes that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding the shareholders' interests and the Group's assets.

The Company has adopted the code (the "Model Code") of conduct for securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries by the Company, all Directors have confirmed that they had complied with the required standards set out in the Model Code during the Year.

Throughout the Year, the Company has been fully compliant with all the code provisions set out in Appendix 15 Corporate Governance Code (the "CG Code") contained in Appendix 15 of the GEM Listing Rules with the exception of the following deviations:

Code Provision A.4.1

Code Provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

Deviation

Non-executive Directors are not appointed for a fixed term. The Bye-laws of the Company stipulate that every director (including executive or non-executive directors) shall be subject to retirement for re-election at least once every three years. Therefore, the Company has adopted adequate measures to ensure the corporate governance of the Company complies with the same level to that required under the CG Code.

Code provision A.6.7

Code provision A.6.7 of the CG Code stipulates that the independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders.

Deviation

Mr. Kinley Lincoln James Lloyd ("Mr. Kinley"), Ir. Edmund Kwok King Yan ("Ir. Kwok"), Mr. Ho Chi Wai ("Mr. Ho") and Ms. Cui Ying ("Ms. Cui") are the independent non-executive Directors of the Company were unable to attend the annual general meeting (the "AGM 2012") of the Company dated 2 August 2012 as they had other important business engagement.

Mr. Kinley, Ir. Kwok, Mr. Chan Kin Sang, Mr. Ng Wing Hang, Mr. Ho Kam Chuen, Alex and Mr. Kwok Kam Tim, the independent non-executive Directors, were unable to attend the SGM held on 4 May 2012 as they had other important business engagement.

Mr. Wong and Mr. Tsang, the non-executive Directors, and Mr. Ho and Ms. Cui, the independent non-executive Directors, were unable to attend the SGM held on 16 October 2012 as they had other important business engagement.

Code provision E.1.2

Code provision E.1.2 of the CG Code stipulates that the chairman of the board should attend the AGM 2012.

Deviation

The chairman of the Board, Mr. Wong, was unable to attend the AGM 2012 as he had other important business engagement. However, Ms. Yick Mi Ching Dawnibilily ("Ms. Yick"), had chaired the AGM 2012 in accordance with Bye-laws of the Company.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group's audited consolidated financial statements for the Year, including the accounting principles and practices adopted by the Group and recommended to the Board for approval. The Audit Committee has also considered selected accounting, internal control and financial reporting matters of the Group, in conjunction with the external auditor of the Company.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 1 August 2013 to Friday, 2 August 2013, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM of the Company to be held on 2 August 2013, all completed share transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited of 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 31 July 2013.

By order of the Board
Ming Kei Holdings Limited
Ho Pui Tin, Terence
Chief Executive Officer and Executive Director

Hong Kong, 3 June 2013

As at the date of this announcement, the executive Directors are Mr. Ho Pui Tin, Terence and Mr. Chow Pak Wah, Oliver, the non-executive Directors are Mr. Wong Wai Sing and Mr. Tsang Ho Ka, Eugene and the independent non-executive Directors are Mr. Kwok Kam Tim, Mr. Ho Chi Wai and Ms. Cui Ying.

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 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 "Latest Company Announcements" page of the GEM website for at least 7 days from the date of its posting and the Company's website at www.mkhld.com.

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.