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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)

PRELIMINARY ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2014

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 2014 (the “Year”).

CONSOLIDATED INCOME STATEMENT

		Year ended 31 March	
		2014	2013
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Continuing operations			
Turnover	3	90,159	95,447
Cost of sales		(82,305)	(88,586)
Direct operating expenses		<u>–</u>	<u>(33)</u>
Gross profit		7,854	6,828
Other income, and other gains and losses, net		(9,431)	3,678
Selling and distribution costs		(684)	(686)
Administrative and other expenses		<u>(60,289)</u>	<u>(34,263)</u>
Loss before income tax from continuing operations		(62,550)	(24,443)
Income tax credit/(expense)	5	<u>904</u>	<u>(764)</u>
Loss for the year from continuing operations		(61,646)	(25,207)
Discontinued operation			
Loss for the year from discontinued operation		<u>–</u>	<u>(64)</u>
Loss for the year	4	<u>(61,646)</u>	<u>(25,271)</u>
Attributable to:			
Owners of the Company		(61,057)	(25,654)
Non-controlling interests		(589)	383
		<u>(61,646)</u>	<u>(25,271)</u>
Loss per share attributable to owners of the Company			
	7		
From continuing and discontinued operations			(Restated)
– Basic (Hong Kong cents)		<u>(9.59)</u>	<u>(6.14)</u>
– Diluted (Hong Kong cents)		<u>(9.59)</u>	<u>(6.14)</u>
From continuing operations			
– Basic (Hong Kong cents)		<u>(9.59)</u>	<u>(6.12)</u>
– Diluted (Hong Kong cents)		<u>(9.59)</u>	<u>(6.12)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the year	<u>(61,646)</u>	<u>(25,271)</u>
Other comprehensive income for the year, net of tax:		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements of overseas subsidiaries	157	96
Item that was reclassified to profit or loss:		
– Reclassification adjustment of exchange reserve on disposal of interest in an overseas subsidiary	<u>–</u>	<u>(1,198)</u>
	<u>157</u>	<u>(1,102)</u>
Total comprehensive income for the year	<u>(61,489)</u>	<u>(26,373)</u>
Attributable to:		
Owners of the Company	(60,898)	(26,756)
Non-controlling interests	<u>(591)</u>	<u>383</u>
	<u>(61,489)</u>	<u>(26,373)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 March	
		2014	2013
	Notes	HK\$'000	HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		10,157	12,334
Investment property	8	101,000	101,000
Intangible assets	9	36,287	47,425
		147,444	160,759
Current assets			
Trade receivables	10	43,779	64,771
Refundable deposits		27,192	19,408
Prepayments, deposits and other receivables		10,255	4,165
Tax recoverable		84	85
Cash and cash equivalents		1,381	27,791
Total current assets		82,691	116,220
Current liabilities			
Trade payables	11	33,779	57,399
Accrued expenses, other payables and deposits received		17,297	5,285
Amount due to a non-controlling owner of a subsidiary		1,950	1,950
Amount due to a related company		60	30
Tax payable		251	–
Total current liabilities		53,337	64,664
Net current assets		29,354	51,556
Total assets less current liabilities		176,798	212,315
Non-current liabilities			
Deferred tax liabilities		5,987	7,825
Net assets		170,811	204,490
CAPITAL AND RESERVES			
Issued capital		6,559	5,045
Reserves		160,195	194,797
Equity attributable to owners of the Company		166,754	199,842
Non-controlling interests		4,057	4,648
Total equity		170,811	204,490

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Equity attributable to owners of the Company <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
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	<u>5,045</u>	<u>192,038</u>	<u>131,109</u>	<u>120,794</u>	<u>-</u>	<u>1,910</u>	<u>(251,054)</u>	<u>199,842</u>	<u>4,648</u>	<u>204,490</u>
Balance at 1 April 2013	<u>5,045</u>	<u>192,038</u>	<u>131,109</u>	<u>120,794</u>	<u>-</u>	<u>1,910</u>	<u>(251,054)</u>	<u>199,842</u>	<u>4,648</u>	<u>204,490</u>
Loss for the year	-	-	-	-	-	-	(61,057)	(61,057)	(589)	(61,646)
Other comprehensive income for the year	-	-	-	-	-	159	-	159	(2)	157
Total comprehensive income for the year	-	-	-	-	-	159	(61,057)	(60,898)	(591)	(61,489)
Rights issue	<u>1,514</u>	<u>26,296</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,810</u>	<u>-</u>	<u>27,810</u>
Balance at 31 March 2014	<u><u>6,559</u></u>	<u><u>218,334</u></u>	<u><u>131,109</u></u>	<u><u>120,794</u></u>	<u><u>-</u></u>	<u><u>2,069</u></u>	<u><u>(312,111)</u></u>	<u><u>166,754</u></u>	<u><u>4,057</u></u>	<u><u>170,811</u></u>

Notes:

1. ORGANISATION AND OPERATIONS

Ming Kei Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and continues as an exempted company with limited liability in accordance with the Bermuda Companies Act 1981 upon the change of domicile of the Company from the Cayman Islands to Bermuda becoming effective on 30 November 2009, and its shares are listed on The Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (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 Room 2103, 21/F., No. 9 Queen’s Road Central, Central, Hong Kong to Unit 01, 3/F., Wheelock House, 20 Pedder Street, Central, Hong Kong during the year.

The Company is 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, further details of which are set out in Note 3.

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRS”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

These financial statements have been prepared under the historical cost convention, except for investment property which was stated at fair value.

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

(a) Adoption of new/revised to HKFRSs – effective on 1 April 2013

HKFRSs (Amendments)	Annual Improvements 2009-2011 Cycle
HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income
Amendments to HKFRS 7	Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HKAS 19 (2011)	Employee Benefits
HK(IFRIC) – Interpretation 20	Stripping Costs of the Production Phase of a Surface Mine

Except as explained below, the adoption of these amendments has no material impact on the Group’s financial statements.

HKFRSs (Amendments) – Annual Improvements 2009-2011 Cycle

HKAS 1 has been amended to clarify that an opening statement of financial position is required only when a retrospective application of an accounting policy, a retrospective restatement or reclassification has a material effect on the information presented in the opening position. Further, this opening statement of financial position does not have to be accompanied by comparative information in the related notes. This is consistent with the Group's existing accounting policy.

HKFRSs (Amendments) – Annual Improvements 2010-2012 Cycle

The Basis of Conclusions for HKFRS 13 Fair Value Measurement was amended to clarify that short-term receivables and payables with no stated interest rate can be measured at their invoice amounts without discounting, if the effect of discounting is immaterial. This is consistent with the Group's existing accounting policy.

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 and those that may not. Tax on items of other comprehensive income is allocated and disclosed on the same basis.

The Group has adopted the amendments retrospectively for the financial year ended 31 March 2014. Items of other comprehensive income that may and may not be reclassified to profit and loss in the future have been presented separately in the consolidated statement of comprehensive income. The comparative information has been restated to comply with the amendments. As the amendments affect presentation only, there are no effects on the Group's financial position or performance.

Amendments to HKFRS 7 – Offsetting Financial Assets and Financial Liabilities

HKFRS 7 is amended to introduce disclosures for all recognised financial instruments that are set off under HKAS 32 and those that are subject to an enforceable master netting agreement or similar arrangement, irrespective of whether they are set off under HKAS 32.

The adoption of the amendments has no impact on these financial statements as the Group has not offset financial instruments, nor has it entered into a master netting agreement or a similar arrangement.

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 accounting requirements in HKAS 27 (2008) on other consolidation related matters are carried forward unchanged. The Group has changed its accounting policy in determining whether it has control of an investee and therefore is required to consolidate that interest.

The adoption of HKFRS 10 has not resulted any change of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 April 2013.

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 is applied prospectively.

HKFRS 13 did not materially affect any fair value measurements of the Group’s assets and liabilities and therefore has no effect on the Group’s financial position and performance. The standard requires additional disclosures about fair value measurements and these are included in Note 8. Comparative disclosures have not been presented in accordance with the transitional provisions of the standard.

HKAS 19 (2011) – Employee Benefits

HKAS 19 (2011) distinguishes between short-term and long-term employee benefits based on the expected date of settlement. The previous standard used the term “due to be settled”. HKAS 19 (2011) provides additional guidance on the definition of termination benefits. Benefits that are conditional on future service being provided including those that increase if additional service is provided are not termination benefits. The revised standard requires that a liability for termination benefits is recognised on the earlier of the date when the entity can no longer withdraw the offer of those benefits and the date the entity recognises any related restructuring costs.

The Group has amended its accounting policies for short-term employee benefits and termination benefits, however the adoption of the revised standard has no effect on the Group’s financial position or performance.

(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:

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ¹
HKFRS 9	Financial Instruments
Amendments to HKAS 36	Recoverable Amount Disclosure for Non-Financial Assets ¹

¹ Effective for annual periods beginning on or after 1 January 2014

Amendments to HKAS 32 – Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity “currently has a legally enforceable right to set off” and when a gross settlement mechanism is considered equivalent to net settlement.

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.

Amendments to HK36 – Recoverable Amount Disclosure for Non-Financial Assets

The amendments limit the requirements to disclose the recoverable amount of an asset or cash generating unit (CGU) to those periods in which an impairment loss has been recognised or reversed, and expand the disclosures where the recoverable amount of impaired assets or CGUs has been determined based on fair value less costs of disposal. The amendments are effective for annual periods commencing on or after 1 January 2014.

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 properties for rental income purposes.

General trading segment was discontinued in prior years.

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, revenue and results are based on the location in which the customer is located.

(i) Business segments

2014

	Continuing operations			Discontinued operation	Consolidated HK\$'000
	Coal trading HK\$'000	Property investment HK\$'000	Sub-total HK\$'000	General trading HK\$'000	
SEGMENT REVENUE					
External sales and services	86,619	3,540	90,159	-	90,159
Inter-segment revenue	-	-	-	-	-
Reportable segment revenue	<u>86,619</u>	<u>3,540</u>	<u>90,159</u>	<u>-</u>	<u>90,159</u>
Reportable segment (loss)/profit	<u>(6,955)</u>	<u>1,523</u>	<u>(5,432)</u>	<u>-</u>	<u>(5,432)</u>
Impairment loss on intangible assets	11,138	-	11,138	-	11,138
Reportable segment assets	100,235	102,581	202,816	-	202,816
Reportable segment liabilities	<u>(41,922)</u>	<u>(1,005)</u>	<u>(42,927)</u>	<u>-</u>	<u>(42,927)</u>

2013

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

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

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Loss before income tax from continuing operations		
Reportable segment (loss)/profit	(5,432)	5,912
Interest income	2	3
Unallocated corporate expenses	<u>(57,120)</u>	<u>(30,358)</u>
Consolidated loss before income tax from continuing operations	<u>(62,550)</u>	<u>(24,443)</u>
	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Total assets		
Reportable segment assets	202,816	238,624
Unallocated corporate assets	<u>27,319</u>	<u>38,355</u>
Consolidated total assets	<u>230,135</u>	<u>276,979</u>

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Total liabilities		
Reportable segment liabilities	(42,927)	(68,791)
Unallocated corporate liabilities	(16,397)	(3,698)
Consolidated total liabilities	(59,324)	(72,489)

(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	
	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Hong Kong	3,540	1,829	137,757	150,483
PRC	86,619	93,618	9,687	10,276
	90,159	95,447	147,444	160,759

(iii) Information about major customers

Revenue from one (2013: one) customer contributed to more than 10% of the Group's revenue in the amount of HK\$86,619,000 (2013: HK\$93,618,000) for the year ended 31 March 2014 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:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Staff costs (excluding directors' remuneration):		
Salaries and wages	1,999	3,280
Pension scheme contributions	83	119
	<u>2,082</u>	<u>3,399</u>
Cost of inventories sold	82,305	88,586
Auditor's remuneration	448	414
Direct operating expenses arising on rental-earning investment properties	–	33
Depreciation	1,693	1,832
Write-off of property, plant and equipment	283	8
Legal and professional fees related to the proposed acquisition as mentioned in Note 12(b)	19,700	–
Minimum lease payments under operating leases for land and buildings*	<u>6,253</u>	<u>7,451</u>

* Included in the amount for the year ended 31 March 2013 was approximately HK\$615,000 in respect of rental expenses incurred for a director's quarter. No rental expense has been incurred for director's quarter during the year ended 31 March 2014.

5. INCOME TAX CREDIT/EXPENSE

The amount of income tax (credit)/expense in the consolidated income statement represents:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Continuing operations:		
Hong Kong		
Current tax charge for the year	924	752
Under-provision in respect of prior years	10	–
Deferred tax credit	(1,838)	–
PRC		
Current tax charge for the year	–	12
	<u>(904)</u>	<u>764</u>

Provision for Hong Kong Profits Tax is calculated at 16.5% (2013: 16.5%) on the estimated assessable profits for the year. 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 (2013: 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, as adjusted to reflect the rights 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 had an anti-dilutive effect to the basic loss per share calculation for the prior year, the conversion of the above potential dilutive shares is not assumed in the computation of diluted loss per share for that year. During the current year, there is no instrument with potential dilutive shares issued by the Group. 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:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Loss		
Loss attributable to the owners of the Company, used in the basic and diluted loss per share calculations	<u>(61,057)</u>	<u>(25,654)</u>
	Number of shares	
	2014 '000	2013 '000 (Restated)
Shares		
Weighted average number of ordinary shares for basic and diluted loss per share calculations	<u>636,431</u>	<u>417,584</u>

(b) **From continuing operations**

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

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Loss		
Loss attributable to the owners of the Company, used in the basic and diluted loss per share calculations	<u>(61,057)</u>	<u>(25,590)</u>
	Number of shares	
	2014 '000	2013 '000 (Restated)
Shares		
Weighted average number of ordinary shares for basic and diluted loss per share calculations	<u>636,431</u>	<u>417,584</u>

8. INVESTMENT PROPERTY

	The Group	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Fair value:		
At beginning of year	101,000	–
Addition to investment property	–	101,000
	<hr/>	<hr/>
At end of year	101,000	101,000
	<hr/>	<hr/>

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

The investment property of the Group was revalued on 31 March 2014 by B.I. Appraisals Limited, an independent firm of professionally qualified valuers, on an open market, existing use basis.

The fair value measurement of the Group's investment property has been categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair Value Measurement. The fair value of the investment property as at 31 March 2014 is a level 3 recurring fair value measurement, which uses significant unobservable inputs in arriving at fair value. During the year ended 31 March 2014, there were no transfers between level 1 and level 2, or transfers into or out of level 3.

Fair value as at 31 March 2014 is determined using investment method by taking into account the current passing rent and the reversionary income potential of the investment property if applicable.

9. INTANGIBLE ASSETS

	The LOIs
	<i>HK\$'000</i>
The Group	
Costs:	
At 1 April 2012, 31 March 2013 and 31 March 2014	60,000
	<hr/>
Accumulated impairment losses:	
At 1 April 2012 and 31 March 2013	12,575
Impairment loss	11,138
	<hr/>
At 31 March 2014	23,713
	<hr/>
Carrying amount:	
At 31 March 2014	36,287
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At 31 March 2013	47,425
	<hr/>

Master framework purchase agreements (the “LOIs”) relate to the coal trading cash generating unit (the “Coal Trading CGU”) and represented two separate legally binding master framework purchase agreements entered into between the China Indonesia Friendship Coal Trading Company Limited (“CIFC”, together with its 90%-owned subsidiary, China Energy Trading Company Limited, are collectively referred to as the “CIFC Group”) and a customer and a supplier, which were acquired as part of the Group’s acquisition of the CIFC Group in previous years. The useful lives of the LOIs were estimated by the Group to be indefinite as the LOIs are renewed automatically and unconditionally at no additional cost and the directors consider that there is no foreseeable limit on the period of time over which the LOIs are expected to generate economic benefits to the Group.

Impairment testing of the Coal Trading CGU

The LOIs are tested for impairment at least annually and are allocated to the Coal Trading CGU for impairment assessment purpose. The recoverable amount of the Coal Trading CGU as at 31 March 2013 and 2014 was assessed by the directors by reference to the professional valuations performed by Greater China Appraisal Limited.

The recoverable amount of the Coal Trading CGU as at 31 March 2014 is determined based on a value-in-use (2013: fair-value-less-costs-of-disposal) calculation using a cash flow projection according to the financial budgets approved by management for the next 3 (2013: 5) years and extrapolates cash flows beyond such projected period with the key assumptions stated below:

Key assumptions used in the cash flow projection are as follows:

	2014	2013
– Growth in revenue year-on-year during the projection period	No growth	No growth
– Pre-tax discount rate per annum	14.79%	N/A
– Post-tax discount rate per annum	N/A	12.31%
– Budgeted gross margins	4.7%	5.1%
– Perpetual growth rate per annum	2.8%	3.0%

The basis used to determine the value assigned to the growth in revenue and the budgeted gross margins is the management’s expectation of market development and future performance of the Coal Trading CGU. The discount rate used reflects specific risks relating to the coal trading industry.

The recoverable amount of the Coal Trading CGU determined using the above basis fell below its carrying amount as at 31 March 2014 by HK\$9,300,000, resulting in impairment on the intangible assets representing the LOIs by the amount of HK\$11,138,000 (2013: HK\$Nil) which has been charged to profit or loss for the year, and the corresponding decrease in related deferred tax liabilities in the amount of HK\$1,838,000. The above impairment losses are mainly attributable to the decrease in the estimated future profitability of the Coal Trading CGU as a result of a decrease in the expected gross profit on the trading of coal and increasing risk associated with the business and operations of the Coal Trading CGU, and decrease of growth rate in line with the business environment of the industry.

10. 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	
	2014	2013
	HK\$'000	HK\$'000
Within 90 days	20,106	32,279
91 to 180 days	20,023	15,511
181 to 365 days	3,650	16,981
	43,779	64,771

- (b) The Group normally allows an average credit term of 60 to 90 days (2013: 60 to 90 days) to its trade customers. For certain well-established customer with good repayment history and creditworthiness, the Group allows an average credit period beyond 90 days.

11. 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	
	2014	2013
	HK\$'000	HK\$'000
Within 90 days	18,849	23,266
91 to 180 days	14,930	22,009
181 to 365 days	–	12,124
	33,779	57,399

12. SIGNIFICANT EVENTS AFTER THE YEAR

(a) Proposed share placing

On 8 May 2014, the Group entered into a placing agreement in relation to the proposed share placing (the "Share Placing") to allot and issue under the Share Placing 44,500,000 new shares at the placing price of HK\$0.45 per Place Share. The Share Placing was completed on 22 May 2014. Details of this transaction are set out in the announcements of the Company dated 8 May 2014 and 22 May 2014.

(b) Proposed acquisition

On 23 December 2013, the Group entered into a conditional sale and purchase agreement (the "Conditional Agreement") with independent third party vendors in relation to acquisition of (i) entire equity interest in Prima Finance Holdings Limited ("Prima") and (ii) the shareholder's loan to Prima, at a maximum aggregation nominal consideration of HK\$900,000,000. Prima and its subsidiaries are principally engaged in pawnshop, micro credit business and related financial services through granting collateral-backed and guaranteed loans to customers in the PRC.

Further details of the proposed acquisition are set out in the Company's announcement dated 23 December 2013 and circular dated 30 May 2014. 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 People's Republic of China (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 subject to the bargaining power of the Group against the customer and the supplier in each transaction. The price negotiation will continue until each of the parties is satisfied and the Group is able to obtain a positive price gap. Given the letter of intents (the "LOIs") separately 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 trading terms and conditions, the coal trading business will continue and provide a stable and regular source of income to the Group. The Group recorded total turnover of approximately Hong Kong dollar (the "HK\$") 90,159,000 (2013: approximately HK\$95,447,000) for the Year representing a decrease by approximately HK\$5,288,000 over the corresponding prior year. The decrement of turnover of coal trading business by approximately HK\$6,999,000 to approximately HK\$86,619,000 (2013: approximately HK\$93,618,000) for the coal trading business was due to the reduction in selling price per metric tonne of coal sold. The property investment segment continued to generate steady rental income of approximately HK\$3,540,000 (2013: approximately HK\$1,829,000) since the completion of the acquisition (the "Property Acquisition") of the entire share capital of Foremost Star Investments Limited and its subsidiary. Details are set out in the announcement and circular of the Company dated 24 October 2012 and 26 September 2012 respectively. The gross profit margin has been improved to approximately HK\$7,854,000 for the Year (2013: approximately HK\$6,828,000) by approximately HK\$1,026,000 since the Property Acquisition.

Due to the non-cash impairment adjustment loss on intangible assets of approximately HK\$11,138,000, the Group reported significant decrease in other income and other gains and (losses), net for the Year to approximately HK\$(9,431,000) (2013: approximately HK\$3,678,000) and we recognise that the magnitude of that adjustment is disappointing. In light of the decrease in the estimated future profitability of the coal trading cash generating unit as a result of a decrease in the expected sales price of the coal traded, we have taken a decision to recognize the above non-cash accounting impairment.

The selling and distribution costs for the Year maintained at a similar level as last year of approximately HK\$684,000 (2013: approximately HK\$686,000), which were arising from the coal trading business.

The administrative and other expenses for the Year increased by approximately HK\$26,026,000 to approximately HK\$60,289,000 (2013: approximately HK\$34,263,000) was mainly due to the (i) one-off acquisition-related costs, including legal and professional fee and transaction costs of approximately HK\$19,700,000 (2013: Nil) paid/payable for the proposed acquisition (the “Acquisition-Prima Finance”) of the entire equity interests in Prima Finance Holdings Limited (the “Target”, together with its subsidiaries the “Target Group”), the service provider of short-to-medium-term financing and financing-related solutions in Beijing, the PRC; and (ii) increase in staff costs (including directors’ remuneration) by approximately HK\$10,163,000 to approximately HK\$18,676,000 (2013: approximately HK\$8,513,000).

Loss for the Year was approximately HK\$61,646,000 (2013: approximately HK\$25,271,000).

Coal Trading

Pursuant to the Indonesia Circular, given the LOIs, existing coal trading business will continue and provide a steady source of income and positive impact on the earnings to the Group. Both trade receivables and payables have improved and decreased to approximately HK\$43,779,000 (2013: approximately HK\$64,771,000) and approximately HK\$33,779,000 (2013: approximately HK\$57,399,000) respectively and the Board expected both balances would be settled 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.

Property Investment

Following the completion of Property Acquisition, the Group resumed the business in the property investment and the Group has been beneficially interested in the investment property located in Tuen Mun, which was valued at HK\$101,000,000 on 31 March 2014 (2013: HK\$101,000,000) in accordance with the valuation performed by an independent valuer.

Given the annual gross rental income from the Tuen Mun Property of approximately HK\$3,540,000 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.

Prospects

As part of the business plan of the Company, the Board continued 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 the Acquisition-Prima Finance and constantly keep reviewing the Group's strategies and operations with a view to improve its business performance and Company's shareholders' returns. As the Directors have experienced in receiving proposals from potential vendors in respect of potential investment projects from time to time, the Board considers there are possibilities that the Group would identify suitable investment opportunities having greater potential returns which may broaden the Group's business scope, provide additional income sources, and may enhance the earnings per share of the Group, have arisen and will arise from time to time by taking advantage of the good market sentiments in future.

The Group has recorded losses for the last five consecutive financial years. For the two years ended 31 March 2012 and 2013, the Group recorded the consolidated loss for the year from the continuing operations of approximately HK\$35.6 million and HK\$25.2 million respectively. In view of the unsatisfactory performance of the Group and as part of the business plan as stated in the annual report of the Company for the year ended 31 March 2013, the Group has been exploring and evaluating new businesses and investment opportunities which could be of good potential and/or long-term benefits to the Group and the Shareholders.

To this end, the Company has identified the Target Group as an appropriate acquisition target to the Group and the Directors are of the view that the Acquisition-Prima Finance would allow the Group to diversify into a new line of business with significant growth potential in operating earnings. According to the audited consolidated financial results of the Target Group, for the year ended 31 December 2013, the Target Group recorded a net profit of approximately RMB43.1 million (equivalent to approximately HK\$53.9 million). The Target Group has been profit making over the past three financial years. Taking into account the established scale of the operation of the Target Group and its continuous growth potential, the Company considers that the Acquisition-Prima Finance provides an excellent investment opportunity for the Group

to enhance its revenue sources, improve its financial results and provide better return to the Shareholders in the long run. Details are set out in the announcement (the “Announcement-Prima Finance”) and circular (the “Circular-Prima Finance”) of the Company dated 23 December 2013 and 30 May 2014 respectively.

Having considered the above factors, the Board considers that the terms of the Acquisition-Prima Finance are fair and reasonable and the Acquisition-Prima Finance is in the interests of the Company and the Shareholders as a whole.

APPRECIATION

The Board has performed business review to streamline the current business operations and improve the financial position of the Group. New investment opportunities in any other business section including the Acquisition-Prima Finance been constantly submitted for review. We believe that the Acquisition-Prima Finance would not only enhance the overall profitability but also improve the business scopes of the Group.

Lastly, on behalf of the Board of Directors, I would like to take this opportunity to express my gratitude to all employees, Shareholders, partners and customers for their continued support and dedication. We should persist with the best efforts in striving for optimal development for the Group and returns for our Shareholders in the times to come.

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.

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 were not appointed for a fixed term. The bye-laws (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 the Shareholders.

Deviation

Mr. Wong and Mr. Tsang, Mr. Kwok, Mr. Ho Chi Wai and Ms. Cui Ying (“Ms. Cui”), were unable to attend the special general meeting of the Company held on 3 June 2013 as they had other important business engagement.

Mr. Tsang, Mr. Ho Chi Wai, Mr. Chen and Ms. Cui were unable to attend the annual general meeting (the “AGM 2013”) of the Company held on 2 August 2013 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 annual general meeting.

Deviation

The chairman of the Board, Mr. Wong, was unable to attend the AGM 2013 as he had other important business engagement. However, Mr. Chow Pak Wah, Oliver (“Mr. Chow”), had chaired the AGM 2013 in accordance with Bye-laws.

The Company has adopted the code of conduct for securities transactions by Directors on terms no less exacting than the Rules 5.48 to 5.67 (the “Model Code”) of the GEM Listing Rules. The Company had made specific enquiries with written guidelines in relation to the Model Code to all Directors and all Directors have confirmed that they complied with the required standards set out in the Model Code throughout the Year.

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 Wednesday, 30 July 2014 to Thursday, 31 July 2014, 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 Thursday, 31 July 2014 at 11:30 a.m., 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 Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 29 July 2014.

By Order of the Board of
Ming Kei Holdings Limited
Wong Wai Sing
Chairman and Executive Director

Hong Kong, 6 June 2014

As at the date of this announcement, the executive Directors are Mr. Wong Wai Sing (Chairman), Mr. Ho Pui Tin, Terence and Mr. Han Jianli, the non-executive Director is Mr. Tsang Ho Ka, Eugene, and the independent non-executive Directors are Mr. Chen Yihua, Mr. Du Hui and Mr. Kwok Kam Tim.

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 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.

For ease of reference and unless otherwise specified in this announcement, sums in HK\$ and RMB in this announcement is translated at the rate RMB1.0 = HK\$1.25. This does not mean that HK\$ could be converted into RMB, or vice versa, based on such exchange rate.