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MINTH GROUP LIMITED

敏實集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 425)

PROPOSED ISSUE OF RMB SHARES

PROPOSED RMB SHARE ISSUE UNDER SPECIFIC MANDATE

The Company is pleased to announce that on 4 March 2021, the Board further approved the proposed RMB Share Issue, the Specific Mandate and related matters, conditional upon and subject to, among other things, market conditions, the approval by Shareholders at the EGM and the necessary Regulatory Approval(s).

SHAREHOLDERS' APPROVAL

The Company will convene the EGM to propose the resolutions for consideration and approval of, among other things, the RMB Share Issue, the Specific Mandate and related matters (including proposed amendments to the Memorandum and Articles of Association), by the Shareholders. A circular of the EGM containing, among other things, details on the aforesaid resolutions, together with the notice of EGM will be despatched to the Shareholders as soon as practicable in accordance with the requirements under the Listing Rules.

The RMB Share Issue and the Specific Mandate are subject to, among other things, approval by Shareholders at the EGM and the necessary Regulatory Approvals and thus may or may not proceed. Shareholders and potential investors of the Company should be aware that there is no assurance that the RMB Share Issue will materialise or as to when it may materialise. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

Further announcement(s) will be made to disclose any material updates and developments in respect of the proposed RMB Share Issue and the Specific Mandate in accordance with the Listing Rules and other applicable laws and regulations as and when appropriate. This announcement is for information only and is not intended to and does not constitute, or form part of, an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

Reference is made to the announcement of the Company dated 1 December 2020 whereby the Company announced that the Board has approved a preliminary proposal for the possible issue of RMB Shares and listing on a stock exchange in the PRC.

The Company is pleased to announce that on 4 March 2021, the Board further approved the proposed RMB Share Issue, the Specific Mandate and related matters, conditional upon and subject to, among other things, market conditions, the approval by Shareholders at the EGM and the necessary Regulatory Approval(s).

RMB Share Issue and the Specific Mandate

Details of the proposed RMB Share Issue are set out as follows:

- (a) Class of RMB Shares : Ordinary shares to be subscribed for in RMB by the target subscribers (as stated below), to be listed on the Sci-Tech Board and traded in RMB. The RMB Shares and the Hong Kong Shares are of the same class.
- (b) Status of RMB Shares : The RMB Shares will rank *pari passu* with the existing Hong Kong Shares which are listed on the Hong Kong Stock Exchange with the same par value (HK\$0.10 each) and the same rights to voting, dividend and return of assets.

- (c) Number of RMB Shares to be issued : It is proposed that the initial number of RMB Shares to be issued (including the RMB Shares to be issued pursuant to the exercise of an over-allotment option if any) will not exceed 204,670,588 RMB Shares, representing no more than 15% of the total number of issued Shares as at the date of this announcement as enlarged by the number of RMB Shares hereby proposed to be issued. The RMB Shares will all be new Shares, and there will be no conversion of the existing Shares. In terms of the number of RMB Shares to be issued under the over-allotment option, it will be up to 15% on top of the initial size of the issue of RMB Shares but subject always to the overall maximum number of RMB Shares to be issued shall not exceed 204,670,588.

For the avoidance of doubt, given the overall cap on the total number of RMB Shares to be issued pursuant to the RMB Share Issue is 204,670,588, subject to market conditions the Board may decide not to have any over-allotment option and determine all 204,670,588 RMB Shares shall be issued under the initial offer of the RMB Share Issue.

The final issue size of the RMB Shares (including the initial issue size and the size of the over-allotment option, if any) shall be negotiated and determined by the Board as authorised by the general meeting of the Company, together with the sponsor(s) and the underwriter(s) subject to communication with the relevant securities regulatory authorities and market conditions. The number of RMB Shares to be issued will be adjusted if there are any stock dividend or conversion of capital reserve into share capital of the Company prior to the proposed RMB Share Issue.

- (d) Target subscribers : Qualified off-line investors as well as natural persons, legal persons, other institutional investors (except persons prohibited by PRC laws and regulations, rules and regulatory requirements) and such other target subscribers meeting the relevant qualification requirements of the CSRC, who maintain stock accounts with the Shanghai Stock Exchange. If any of the aforesaid target subscribers of the RMB Share Issue are connected persons of the Company, the Company will take reasonable measures to comply with the requirements of relevant regulatory authorities.
- (e) Method of issuance : The Company will adopt a combination of off-line placement and on-line subscription, or such other methods of issuance as approved by the relevant securities regulatory authorities in the PRC.
- (f) Method of pricing : Upon passing the resolutions at the EGM, the Shareholders will authorise the Board to work with the underwriter(s) to (i) determine the price range through marketing and preliminary price enquiries with potential investors; and (ii) finalise the offer price in accordance with the relevant laws and regulations and the rules of relevant securities regulatory authorities in the PRC.

To ensure the offer price is in the interests of the Company and the Shareholders as a whole, the Board and the underwriter(s) will take into account (i) the operational and financial conditions of the Company; (ii) the average price-to-earning ratio of the automobile parts and related industries in the secondary market; (iii) the trading prices of the Hong Kong Shares on the Stock Exchange; (iv) the market conditions of the PRC stock markets; and (v) the applicable laws and regulations, when determining the final offer price.

In accordance with Cayman Islands laws, a share shall not be issued at a price below its par value. As the par value of the RMB Shares to be issued by the Company is HK\$0.10 each, the offer price of the RMB Shares shall not be lower than HK\$0.10 per RMB Share. Save for the above, there is no requirement on the minimum offer price of the RMB Shares.

- (g) Sponsor and underwriter : Huatai United Securities Co., Ltd.
- (h) Method of underwriting : Standby underwriting by the syndicate organised by the underwriter(s).
- (i) Use of proceeds : After deducting the issuance expenses, the proceeds of the RMB Share Issue are intended to be used for development of the Company's principal business. The Company plans to invest the funds raised from the RMB Share Issue in the following priority: including but not limited to expansion of product offering, production capacity of new products, R&D investment, acquisition projects, and replenishment of working capital. For further details, please refer to the section headed "Proposed use of proceeds from the RMB Share Issue" in this announcement.

If the actual funds raised from the RMB Share Issue exceed the actual fund required for the intended use of proceeds set out above, the Company will apply the surplus to the principal business and business development of the Company upon going through the necessary procedures in accordance with the relevant requirements. If the actual proceeds raised from the RMB Share Issue is insufficient for the above purposes, the Company will make up the shortfall with its own funds.

Prior to receiving the proceeds from the RMB Share Issue, the Company may support the relevant projects as stated in the section headed "Proposed use of proceeds from the RMB Share Issue" in this announcement with its own funds based on the actual progress of such projects. Upon receiving the proceeds, the Company will use such proceeds to reimburse the funds previously committed and then to cover for the outstanding investments needed for the above projects by the Group and to settle the remaining payment.

- (j) Distribution plan of accumulated profits before the issuance : After completion of the RMB Share Issue, the undistributed profits of the Company accumulated before the RMB Share Issue will be available for distribution to all the Shareholders, including the holders of RMB Shares and holders of Hong Kong Shares, pro-rated to their respective shareholding.

The Company expects that declared dividends will need to be converted into RMB before distribution to the holders of RMB Shares and plans to open a designated account in the PRC for the remittance, conversion and payment of dividend payable to the holders of RMB Shares. The funds will be paid into such designated account, converted to RMB and then distributed to the holders of RMB Shares.

- (k) Place of listing of RMB Shares : The Sci-Tech Board.

- (l) Share registers : The RMB Shares will be registered on a separate register of members kept in the PRC (the “**PRC Register**”) and managed by CSDC, the share registrar of the RMB Shares for the Company. The RMB Shares will not be registered on the existing register of members of the Company maintained in Hong Kong (the “**Hong Kong Register**”).

The Hong Kong Register will continue to be kept in Hong Kong and will not include the details of the holders of RMB Shares.

Computershare Hong Kong Investor Services Limited will continue to serve as the Hong Kong share registrar for the Hong Kong Shares traded on the Hong Kong Stock Exchange.

Due to current PRC legal restrictions, no movement of Shares will be allowed between the Hong Kong Register and the PRC Register.

The RMB Shares will not be able to be moved outside of the PRC for trading in Hong Kong or to the Hong Kong Register.

- (m) Share depositories : The RMB Shares will be deposited with CSDC.

The Hong Kong Securities Clearing Company Limited (or its nominee or appointee) will continue to serve as the depository of the Hong Kong Shares traded on the Hong Kong Stock Exchange.

- (n) Non-fungibility : The RMB Shares and the Hong Kong Shares will not be fungible between the RMB Shares and the Hong Kong Shares
- (o) Valid period of the resolutions : The Specific Mandate for the RMB Share Issue is proposed to be valid for 12 months from the date of approval at the EGM.

The issue of the RMB Shares pursuant to the RMB Share Issue is conditional upon: (1) the grant of the proposed Specific Mandate by the Shareholders to the Board having been obtained at the EGM; and (2) the necessary Regulatory Approval(s) for the RMB Share Issue having been obtained.

The Board may or may not proceed with the RMB Share Issue, depending on a number of factors nearer the time it is making a formal application for listing or, even after the application for listing is made. Such factors would include regulatory requirements, market conditions, the expected offer price of the RMB Shares, the fulfilment of the conditions precedent to the RMB Share Issue as set out above, the Company's actual capital needs and development strategies at the relevant time. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

After the RMB Share Issue and the listing of RMB Shares on the Sci-Tech Board, subject to the Articles of Association and exemptions from competent authorities, the Company will need to comply with laws, rules and regulations in the PRC including but not limited to Securities Law of the People's Republic of China (《中華人民共和國證券法》) (“**PRC Securities Law**”), the Sci-Tech Board Listing Rules and other applicable securities laws of the PRC, the Administrative Measures on Registration of Initial Public Offering of Shares on Sci-Tech Board (Trial Implementation) (《科創板首次公開發行股票註冊管理辦法(試行)》), the Measures on Ongoing Supervision over the Innovative Enterprises after Issuance of Shares or Depository Receipts (Trial Implementation) (《創新企業境內發行股票或存託憑證上市後持續監管實施辦法(試行)》) and Opinions on the Pilot Programs of Innovative Enterprises Issuing Stocks or Depository Receipts in China (《關於開展創新企業境內發行股票或存託憑證試點若干意見》) by the CSRC.

Proposed authorisation of the Board to exercise full powers to deal with matters relating to the RMB Share Issue

In accordance with relevant laws, regulations and regulatory requirements, as well as the Articles of Association, the proposed scope of authorisation includes without limitation:

- (1) determine and implement, through negotiation with the underwriter(s), the specific plan for the RMB Share Issue based on the terms approved at the EGM and pursuant to the relevant requirements of securities regulatory authorities as well as the actual circumstances of the Company, including but not limited to the size of the issue, specific plan for the exercise of the over-allotment option, potential strategic placement (including proportion and investors), method of pricing, method of issuance, method of underwriting, time of issuance, target subscribers and material undertakings to be made by the Company; and make corresponding adjustments (including the suspension and termination of the implementation of the plan and the change of stock exchange for listing of the RMB Shares, subject to the relevant requirements under the Listing Rules and Sci-Tech Board Listing Rules) to matters in relation to the specific plan for the RMB Share Issue, save for those matters required to be voted again at a general meeting under the requirements of the relevant laws, regulations, regulatory requirements, and the Articles of Association;
- (2) handle the matters in relation to the application for the RMB Share Issue, including but not limited to registration, filing, or obtaining approval or consent from the relevant governmental departments, domestic and overseas regulatory authorities, the Shanghai Stock Exchange and the CSDC;
- (3) draft, modify, supplement, sign, submit, publish, disclose, execute, suspend and terminate any agreements, contracts, announcement, circular or other documents related to the RMB Share Issue, including but not limited to the prospectus, sponsorship agreements, underwriting agreements, listing agreements and service contracts with intermediary organisations; engagement and changing of sponsors, underwriters, law firms, accounting firms and other intermediary organisations involved in the RMB Share Issue; and determining and paying the fees related to the RMB Share Issue;
- (4) make changes to the projects for which the proceeds are to be utilized and the use of proceeds pursuant to the opinion of the domestic and overseas regulatory authorities with respect to the application for, and approval of, the RMB Share Issue as well as the actual circumstances of the Company, including but not limited to the specific uses of (where applicable) the excess proceeds raised as a result of a higher final issue price of the RMB Share Issue and the proceeds raised from the exercise of the over-allotment option, and changes to the progress and proportion of investments of the proceeds utilized in the relevant projects, and to sign the material agreements or contracts in respect of such projects;

- (5) analyse, consider and substantiate the impacts of the RMB Share Issue on the Company's immediate financial indicators and the Shareholders' immediate return in accordance with the requirements under relevant laws and regulations and of the relevant regulatory authorities; revise, enhance and implement relevant measures and policies, and take full responsibility for handling the relevant matters;
- (6) determine the specific account for the proceeds as required prior to the RMB Share Issue; and execute relevant documents;
- (7) modify or amend the relevant terms of the Company's internal management policies (where relevant) in connection with the RMB Share Issue;
- (8) handle the matters in relation to the share registration and settlement at the CSDC upon completion of the RMB Share Issue and in accordance with the undertakings of the Shareholders, including but not limited to the registration of share custody;
- (9) make corresponding adjustments to the RMB Share Issue and related matters pursuant to any new provisions in the regulations or policies in respect of the RMB Share Issue as promulgated by relevant securities regulatory authorities; and
- (10) handle and authorise the delegation of power to the chairman of the Board or the chief executive officer to handle (individually or collectively), any other matters in relation to the RMB Share Issue.

The authorisation shall be valid for 12 months from the date of approval at the EGM.

Proposed plan for distribution of profits accumulated before the RMB Share Issue

Prior to the completion of the RMB Share Issue, the Company may distribute profits in accordance with the Articles of Association and relevant internal rules; after completion of the RMB Share Issue, the undistributed profits of the Company accumulated before the RMB Share Issue will be available for distribution to all the Shareholders, including the holders of RMB Shares and holders of Hong Kong Shares, pro-rated to their respective shareholding.

Proposed policy for stabilization of the price of the RMB Shares for the three years after the RMB Share Issue

To better protect the interests of the Shareholders, a policy for the stabilization of the price of the RMB Shares for the three years after the RMB Share Issue formulated in accordance with and subject to applicable laws and regulations in Hong Kong and the PRC, including the Opinions of the China Securities Regulatory Commission on Further Promoting the IPO System Reform (中國證監會關於進一步推進新股發行體制改革的意見) and the Securities and Futures Ordinance of Hong Kong, is proposed to be adopted by the Shareholders.

Proposed profits distribution policy and the dividend return plan for the three years after the RMB Share Issue

To further improve the profit distribution mechanism, ensure the stability of the profit distribution policy, enhance the transparency and operability of the profit distribution decisions and protect the interests of the Shareholders, a profit distribution policy and a dividend return plan for the three years after the RMB Share Issue is proposed to be adopted by the Shareholders in accordance with the relevant laws, regulations and regulatory requirements, including the PRC Securities Law (中國證券法), the Notice on Further Implementation of Cash Dividends of Listed Companies (關於進一步落實上市公司現金分紅有關事項的通知) and Guidelines No. 3 on the Supervision and Administration of Listed Companies — Distribution of Cash Dividends of Listed Companies (上市公司監管指引第3號 — 上市公司現金分紅). The Group's current general dividend policy does not cover or specify any dividend payout ratio.

The proposed profits and distribution policy and the dividend return plan is expected to work in tandem with the Group's current general dividend policy, save that all declaration of dividend will, under the new policy, be subject to shareholders approval. In case of any discrepancy between the current general dividend policy and the proposed profits and distribution policy and the dividend return plan, the new policy shall prevail after its adoption.

Proposed use of proceeds from the RMB Share Issue

Since the issue price of the RMB Shares has yet to be determined, the total amount of proceeds from the RMB Share Issue cannot be determined as at the date of this announcement.

The net proceeds of the proposed RMB Share Issue are currently intended to be used for:

- (a) approximately 40% of the proceeds will be invested in the expansion of the offering of the Company's main products, including but not limited to automobile components made of new materials, and the transformation and upgrading of the Group's digital strategy;
- (b) approximately 15% of the proceeds will be invested in the capacity expansion of battery housing products to improve the global strategic layout of battery housing products;
- (c) approximately 10% of the proceeds will be used for innovative technology development projects, including but not limited to automotive smart exterior parts and automotive battery housing related products to enhance the technical reserves in related fields;

- (d) approximately 10% of the proceeds will be used for the potential acquisition of factories, vertical supply chain integration in the main business and horizontal business expansion; and
- (e) approximately 25% of the proceeds will be used to replenish working capital and general corporate purposes.

If the actual funds raised from the RMB Share Issue exceed the actual fund required for the intended use of proceeds set out above, the Company will apply the surplus to the principal business and business development of the Company. If the proceeds raised from the RMB Share Issue is insufficient for the above purposes, the Company will make up the shortfall with its own funds.

Prior to receiving the proceeds from the RMB Share Issue, the Company may support the relevant projects as stated above with its own funds based on the actual progress of such projects. Upon receiving the proceeds, the Company will use such proceeds to reimburse the funds previously committed and then to cover for the outstanding investments needed for the above projects by the Group and to settle the remaining payment.

Proposed remedial measures for the potential dilution of immediate returns by the RMB Share Issue

To counter the potential dilution effect of the RMB Share Issue on the Shareholders' return for the current period, specific measures for such return are proposed to be approved by the Shareholders in accordance with applicable laws, regulations and regulatory requirements, including the Opinions of the General Office of the State Council on Further Strengthening the Work of Protection of the Legitimate Rights and Interests of Minority Investors in the Capital Markets (國務院辦公廳關於進一步加強資本市場中小投資者合法權益保護工作的意見) and the Announcement No. 31 [2015] of the CSRC — Guiding Opinions on Matters concerning the Dilution of Immediate Return in Initial Public Offering, Refinancing and Material Asset Restructuring (關於首發及再融資、重大資產重組攤薄即期回報有關事項的指導意見). The relevant parties shall make undertakings on the due implementation of such measures proposed to be adopted by the Company.

Undertakings and the corresponding binding measures in connection with the RMB Share Issue

To better protect the interests of the Shareholders, the Company will provide undertakings to be set out in the listing documents with respect to the RMB Share Issue and propose corresponding binding measures in the event of failure to perform the relevant undertakings in accordance with applicable laws, regulations and regulatory requirements, including the requirements of the securities regulatory authorities and other relevant authorities. Such undertakings will take effect upon the listing of the RMB Shares on the Sci-Tech Board.

Proposed amendments to the Articles of Association

A special resolution will be proposed at the EGM to approve, subject to and conditional upon the approval of the RMB Share Issue and the Specific Mandate as described in the above section headed “RMB Share Issue and the Specific Mandate” in this announcement, the amendments to the Articles of Association (the “**Proposed Amendments**”) and the adoption of the amended and restated Articles of Association incorporating the Proposed Amendments.

Based on the reasons set out below and taking into account the actual circumstances of the Company, it is proposed that amendments be made to the Articles of Association as follows:

- (1) to cater for the RMB Shares to be issued, provisions relating to the issuance, listing, deposit, transfer and other matters relating to the RMB Shares are proposed to be added;
- (2) to satisfy the relevant requirements under the Sci-Tech Board Listing Rules that the overall level of investor protection offered by the Company should not be lower than what is required under the laws and regulations of the PRC, provisions relating to the respective authorities and duties of the Board and the general meetings of the Company, Shareholders’ rights to convene general meetings and nominate candidates for election as Directors, the scope of matters to be approved by special resolutions at general meetings and other matters are proposed to be added or amended; and
- (3) to reflect the Company’s latest corporate information and provisions relating thereto are proposed to be updated.

After the approval of the Proposed Amendments, the adoption of the amended and restated Articles of Association will take effect upon the listing of the RMB Shares on the Sci-Tech Board. Prior to that, the Articles of Association currently in force shall apply. Relevant details of the Proposed Amendments will be set out in the Company’s circular to be despatched in due course.

Proposed adoption of policy governing the procedures for the holding of general meetings

To satisfy the relevant requirements of laws, regulations and regulatory requirements in respect of the RMB Share Issue, including the Sci-Tech Board Listing Rules, a policy governing the procedures for the holding of general meetings of the Company is proposed to be approved by the Shareholders. Such policy will take effect upon the listing of the RMB Shares on the Sci-Tech Board. Relevant details will be set out in the Company’s circular to be despatched in due course.

Proposed adoption of policy governing the procedures for the holding of board meetings

To satisfy the relevant requirements of laws, regulations and regulatory requirements in respect of the RMB Share Issue, including the Sci-Tech Board Listing Rules, a policy governing the procedures for the holding of Board meetings is proposed to be approved by the Shareholders. Such policy will take effect upon the listing of the RMB Shares on the Sci-Tech Board. Relevant details will be set out in the Company's circular to be despatched in due course.

OTHER INFORMATION RELATED TO THE RMB SHARE ISSUE

Impact of the RMB Share Issue on the shareholding structure of the Company

For reference and illustration purposes only, assuming that the initial issue size is 177,974,425 RMB Shares and the over-allotment option is 15% of the initial issue size (i.e. 26,696,163 RMB Shares) which in aggregate amounts to the maximum number of 204,670,588 RMB Shares which could be issued pursuant to the RMB Share Issue, and all are issued to public and there are no changes in the share capital of the Company prior to the completion of the RMB Share Issue, the shareholding structure of the Company as at the date of this announcement and immediately after the completion of the RMB Share Issue are set out as follows:

	As at the date of this announcement		Immediately after the completion of the RMB Share Issue (assuming the initial issue size is 177,974,425 RMB Shares and no over-allotment option is exercised) (Note 3)		Immediately after the completion of the RMB Share Issue (assuming the initial issue size is 177,974,425 RMB Shares and the over-allotment option of 15% of the initial issue size is exercised in full) (Note 3)	
	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's issued share capital
RMB Shares to be issued under the proposed RMB Share Issue	—	—	177,974,425	13.30%	204,670,588	15.00%
Hong Kong Shares						
Substantial Shareholder						
— Minth Holdings Limited (Note 1)	450,072,000	38.80%	450,072,000	33.64%	450,072,000	32.99%
Director						
— Yu Zheng (Note 2)	1,010,000	0.09%	1,010,000	0.08%	1,010,000	0.07%
Public	<u>708,718,000</u>	<u>61.11%</u>	<u>708,718,000</u>	<u>52.98%</u>	<u>708,718,000</u>	<u>51.94%</u>
Total:	<u>1,159,800,000</u>	<u>100.00%</u>	<u>1,337,774,425</u>	<u>100.00%</u>	<u>1,364,470,588</u>	<u>100.00%</u>

Notes:

1. As at the date of this announcement, Minth Holdings Limited (“**Minth Holdings**”) is beneficially interested in 450,072,000 Shares. Minth Holdings is wholly-owned by Mr. Chin Jong Hwa (“**Mr. Chin**”) and he is therefore deemed to be interested in the entire 450,072,000 Shares held by Minth Holdings. Since Ms. Wei Ching Lien (“**Ms. Wei**”) is the spouse of Mr. Chin, Ms. Wei is deemed to be interested in the 450,072,000 Shares in which Mr. Chin is deemed to be interested.
2. As at the date of this announcement, Mr. Wei Wei (“**Mr. Wei**”) was beneficially interested in 1,010,000 Shares. Since Ms. Yu Zheng (“**Ms. Zheng**”) is the spouse of Mr. Wei, Ms. Zheng is deemed to be interested in the 1,010,000 Shares in which Mr. Wei is interested.
3. Regardless of whether the over-allotment option is exercised in full, partially or not being exercised at all, the maximum number of RMB Shares to be issued under the RMB Share Issue (including the RMB Shares to be issued pursuant to the exercise of an over-allotment option, if any) will still be 204,670,588 RMB Shares. For the avoidance of doubt, given the overall cap on the total number of RMB Shares to be issued pursuant to the RMB Share Issue is 204,670,588, subject to market conditions the Board may decide not to have any over-allotment option and determine all 204,670,588 RMB Shares shall be issued under the initial offer of the RMB Share Issue.

As at the date of this announcement, according to the information publicly available to the Company, the public held no less than approximately 61.11% of the Shares issued by the Company. Assuming that the issue of all the 204,670,588 RMB Shares under the RMB Share Issue is approved and all are issued to persons who are not connected persons of the Company, the percentage of RMB Shares held by the public with respect to the total number of Shares after the issuance is expected to be approximately 15.00%, the percentage of Hong Kong Shares held by the public with respect to the total number of Shares after the issuance is expected to be approximately 51.94% and the percentage of Shares (both RMB Shares and Hong Kong Shares in aggregate) held by the public with respect to the total number of Shares after the issuance is expected to be approximately 66.94%.

As at the date of this announcement, the Company has not entered or proposed to enter into any agreement in relation to subscription of RMB Shares with any connected persons of the Company.

Fund raising activities in the past twelve months

The Company has not conducted any other fund raising activities involving issue of equity securities in the past twelve months prior to the date of this announcement.

Application for Listing

An application for the RMB Share Issue will be made to the Shanghai Stock Exchange. The Shanghai Stock Exchange, after approving the application, will apply to the CSRC for the registration of RMB Share Issue. The Company will make another application to the Shanghai Stock Exchange for the listing of, and permission to deal in, the RMB

Shares on the Sci-Tech Board after the CSRC agrees with the registration and the public offering of the RMB Shares in the PRC has been completed. The RMB Shares will not be listed on the Hong Kong Stock Exchange.

Reasons for the RMB Share Issue

The Board considers that the RMB Share Issue will enable the Company to access the PRC capital market by way of equity financing and improve its capital structure while maintaining its international development strategy. The Board considers that the proposed RMB Share Issue will enhance the corporate image of the Company, broaden the Company's fund raising channels, improve the Company's capital structure, and further strengthen the financial position of the Group and provide working capital to the Group.

The Board considers that the RMB Share Issue is in line with the interests of the Company and the Shareholders as a whole, and is beneficial to strengthen the sustainable development of the Company.

Grant of waivers from strict compliance with certain provisions of the Listing Rules

For the purpose of the RMB Share Issue, the Company has applied for, and the Hong Kong Stock Exchange has granted, the following waivers from strict compliance with the relevant provisions of the Listing Rules:

(1) One-off waiver relating to no listing of the RMB Shares on the Hong Kong Stock Exchange

As the RMB Shares will be of the same class as the Hong Kong Shares but will not be listed on the Hong Kong Stock Exchange, the Company has applied for a one-off waiver so that there is no need to seek listing of the RMB Shares to be issued under the proposed RMB Share Issue on the Hong Kong Stock Exchange under Rules 8.20 and 13.26 of the Listing Rules, on the following conditions:

- (a) Rules 6.12 and 6.15 of the Listing Rules is modified such that the references to shareholders in these Rules shall be construed to mean holders of the Hong Kong Shares. The process for voluntary withdrawal of listing on the Hong Kong Stock Exchange should only involve and require approvals from the holders of the Hong Kong Shares;
- (b) Rule 13.36(2)(b) of the Listing Rules is modified such that the size limit on general mandate is modified to 20% for each of the Hong Kong Shares and the RMB Shares (instead of 20% of the total issued shares); and

- (c) Rule 13.36(2)(b) of the Listing Rules is further modified such that size limit on repurchase mandate is modified to 10% of the Hong Kong Shares (instead of the total issued shares). The 10% repurchase mandate will be used for purchasing the Hong Kong Shares only.

Given this is a one-off waiver for the RMB Share Issue only, the Company would need to apply for waiver from Rules 8.20 and 13.26 of the Listing Rules for any further issue of new RMB Shares.

(2) *Waiver relating to corporate communications*

As the Company is not required to (i) seek an express and positive written confirmation from each holder of the RMB Shares that corporate communications may be made available using electronic means; and (ii) physically send a circular to the holders of the RMB Shares (as the publication of corporate communications, including circulars, on the websites of the Shanghai Stock Exchange and the Company and through other prescribed communication channels such as specified PRC newspapers would constitute effective delivery to the holders of the RMB Shares), the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver so that the requirements for (i) an express, positive confirmation in writing from each shareholder that corporate communications may be made available using electronic means; and (ii) all corporate communications be sent to shareholders under Rule 2.07A of the Listing Rules will apply only to the holders of Hong Kong Shares.

(3) *Waiver relating to requirements for certification of transfers*

The transfers of RMB Shares on the Sci-Tech Board can be divided into trading transfers (meaning transfers pursuant to transactions conducted between two parties holding Shanghai Stock Exchange stock accounts through the paperless trading platform of the Shanghai Stock Exchange, which does not involve any certificate, temporary documents or split renounceable documents) and non-trading transfers (including share transfers due to inheritance, gift and property division, for which the relevant applicant must submit materials required by the CSDC to complete the transfer, and the CSDC, which will be the Company's share registrar of the RMB Shares and the keeper of the register of holders of the RMB Shares, will provide services of certifying transfers against certificates or temporary documents and splitting renounceable documents with respect to such non-trading transfers of the RMB Shares).

As such, the Company has applied for a waiver so that the requirements relating to certification of transfers to be completed within certain time frame under Rule 13.58 of the Listing Rules will apply only to the Hong Kong Shares and the non-trading transfers of the RMB Shares.

(4) Waiver relating to requirements for securities registration services

As the CSDC will provide securities registration services to holders of the RMB Shares, and there is no need for certificate replacement service given that the RMB Shares can be traded electronically on the Sci-Tech Board and will not require a share certificate to evidence title, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver so that the requirements relating to securities registration services under Rules 13.59 and 13.60 of the Listing Rules will apply only to the Hong Kong Shares.

To the best knowledge of the Company, the grant of the waivers would not impose undue risk to the Shareholders given the proposed RMB Share Issue is subject to Shareholders' approval at the EGM.

SHAREHOLDERS' APPROVAL AND GENERAL INFORMATION

The Company will convene the EGM to propose for consideration by the Shareholders and seek their approval for the matters relating to the RMB Share Issue, the Specific Mandate, the proposed amendments to the Memorandum and Articles of Associations and the other matters as set out above. A circular of the EGM containing, among other things, details of the proposals, together with the notice of EGM will be despatched to the Shareholders as soon as practicable in accordance with the requirements under the Listing Rules and the Memorandum and Articles of Associations currently in force. Please note that in addition to the approval by the Shareholders, the RMB Share Issue is also subject to the necessary Regulatory Approvals.

The RMB Share Issue and the Specific Mandate are subject to, among other things, approval by Shareholders at the EGM and the necessary Regulatory Approvals and thus may or may not proceed. Shareholders and potential investors of the Company should be aware that there is no assurance that the RMB Share Issue will materialise or as to when it may materialise. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

Further announcement(s) will be made to disclose any material updates and developments in respect of the RMB Share Issue and the Specific Mandate in accordance with the Listing Rules and other applicable laws and regulations as and when appropriate. This announcement is for information only and is not intended to and does not constitute, or form part of, an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context otherwise requires:

“Articles of Association”	the articles of association of the Company (as amended from time to time)
“Board”	the board of Directors of the Company
“Company”	Minth Group Limited (敏實集團有限公司), a limited liability company incorporated in the Cayman Islands
“CSDC”	China Securities Depository and Clearing Corporation Limited
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the proposed RMB Share Issue, Specific Mandate and related matters (including proposed amendments to the Articles of Association)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Shares”	the existing ordinary Shares which are listed on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (as amended from time to time)
“PRC”	the People’s Republic of China, for the purpose of this announcement and for geographical reference only, excludes Hong Kong, Macau Special Administrative Region of the PRC, and Taiwan

“Regulatory Approvals”	the approvals or decisions from the relevant regulatory authorities and governmental departments in the PRC and Hong Kong (including but not limited to the CSRC, the Hong Kong Stock Exchange, the Shanghai Stock Exchange and the CSDC)
“RMB”	Renminbi, the lawful currency of the PRC
“RMB Shares”	the ordinary Shares to be subscribed for in RMB by target subscribers in the PRC, to be listed on the Sci-Tech Board and traded in RMB
“RMB Share Issue”	the Company’s proposed issue of no more than 204,670,588 Shares, which will be listed on the Sci-Tech Board
“Sci-Tech Board”	the Science and Technology Innovation Board of the Shanghai Stock Exchange
“Sci-Tech Board Listing Rules”	the Rules Governing the Listing of Securities at the Science and Technology Innovation Board of the Shanghai Stock Exchange (《上海證券交易所科創板股票上市規則》)
“Shanghai Stock Exchange”	the Shanghai Stock Exchange
“Shareholders”	the holders of the Shares of the Company
“Shares”	the ordinary shares in the share capital of the Company with par value of HK\$0.10 each
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the EGM to allot and issue RMB Shares pursuant to the RMB Share Issue
“%”	per cent

By Order of the Board
Mint Group Limited
Wei Ching Lien
Chairperson

Hong Kong, 4 March 2021

As at the date of this announcement, the Board comprises Ms. Wei Ching Lien, Mr. Chen Bin Bo and Ms. Chin Chien Ya, being executive Directors; and Dr. Wang Ching, Ms. Yu Zheng and Mr. Wu Tak Lung being independent non-executive Directors.