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MINTH
敏實集團

MINTH GROUP LIMITED

敏實集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 425)

**PLACING OF EXISTING SHARES AND
SUBSCRIPTION FOR NEW SHARES**

**JOINT BOOKRUNNERS
AND PLACING AGENTS**



On 5 July 2007, the Vendor and the Placing Agents entered into the Placing Agreement pursuant to which the Placing Agents have agreed to place, on a best efforts basis, 124,500,000 existing Shares at a price of HK\$12.50 per Share on behalf of the Vendor. The Placing Shares represent approximately 15.00% of the existing issued share capital of the Company and approximately 13.04% of the issued share capital of the Company as enlarged by the Subscription.

The Placing Shares will be placed by the Placing Agents to more than six independent professional, institutional and/or individual investors. The placees and their ultimate beneficial owners are or will be, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, third parties who are not connected persons (as defined under the Listing Rules) of the Company. The Placing is subject to a number of conditions which, if not fulfilled or, alternatively, waived by the Placing Agents by completion, the Placing Agreement and the obligations of the Placing Agents thereunder will terminate and the Placing and the Subscription will not proceed. Each of the Vendor and the Company has furnished lock up undertakings to the Placing Agents.

Pursuant to the Placing, the Vendor and the Company have also entered into the Subscription Agreement under which the Vendor has conditionally agreed to subscribe for 124,500,000 new Shares at the Placing Price.

The shareholding of the Vendor and its associates in the issued share capital of the Company will be reduced from approximately 50.60% to approximately 35.60% upon completion of the Placing but before completion of the Subscription and will be increased from approximately 35.60% to approximately 44.00% upon completion of the Placing and the Subscription.

The Placing is effected to enable the Company to raise funds. The Company intends to use the estimated net proceeds of the Placing of approximately HK\$1,520 million towards increasing production capacity and sales of the Group in China and abroad.

As the Placing and the Subscription are subject to the fulfillment of a number of conditions and may or may not proceed to completion, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares of the Company.

PLACING AGREEMENT

Date: 5 July 2007

Vendor: Linkfair Investments Limited, the controlling shareholder of the Company which entire share capital is held by Mr. Chin Jong Hwa, an executive Director and Chairman of the Board. As at the date of this announcement, the Vendor and its associates hold 420,000,000 Shares, representing approximately 50.60% of the existing issued share capital of the Company.

Placing agents: J.P. Morgan Securities Limited and UBS AG.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Placing Agents and its beneficial owners is a third party independent of the Company and not connected with the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates (as such term is defined in the Listing Rules).

Company: The Company is also a party to the Placing Agreement.

Number of Shares to be placed

124,500,000 existing Shares, representing approximately 15.00% of the existing issued share capital of the Company and about 13.04% of the issued share capital as enlarged by the Subscription.

Placing Price

The Placing Price of HK\$12.50 per Share represents (i) a discount of approximately 7.4% to the closing price of HK\$13.50 per Share as quoted on the Stock Exchange on 5 July 2007, the last full trading day prior to the release of this announcement, and (ii) a discount of approximately 1.4% to the average closing price of HK\$12.68 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including 5 July 2007.

The Placing Price was determined after arm's length negotiation between the Vendor and the Placing Agents and the Directors (including the independent non-executive Directors) consider that the Placing Price to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Rights

The Placing Shares will be sold free of all liens, charges and encumbrances, and together with all rights attaching thereto as at the date of the Placing Agreement, including the right to receive all dividends or other distribution declared, made or paid on or after the date of the Placing Agreement.

Independence of the Placing Agent and the Placees

The Placing Shares will be placed by the Placing Agents, on a best efforts basis, to not less than six independent professional, institutional and/or individual investors. It is not expected that any placee will become a substantial shareholder of the Company as a result of the Placing.

The Placing Agents and the placees to be procured by the Placing Agents as well as their ultimate beneficial owners are or will be, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, are or will be third parties who are not connected persons (as defined under the Listing Rules) of the Company.

Conditions

The obligation of the Placing Agents to proceed to completion of the Placing is conditional upon, amongst other conditions, the requirement that none of the following shall have occurred prior to completion:

- (a) the Subscription Agreement having been entered into by the parties thereto and not subsequently having been revoked, terminated or modified;
- (b) there not having occurred at any time prior to completion to the Placing (i) any material breach of, or any event rendering untrue, incorrect or breached in any material respect, any of the representations, warranties or undertakings referred to in the Placing Agreement or (ii) any material breach of, or material failure to perform, any of the other obligations of the Company or the Vendor which are required to be performed at or before completion of the Placing;
- (c) there not having occurred:
 - (i) any event, or series of events, beyond the reasonable control of the Placing Agent (including, without limitation, acts of government, strikes, labour disputes, lock-outs, fire, explosion, flooding, civil commotion, economic sanctions, epidemic, terrorism, outbreak or escalation of hostilities (whether local, national or international), acts of war and acts of God);
 - (ii) any change, or development (whether or not permanent) involving a prospective change, in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Group as a whole, whether or not arising in the ordinary course of business;
 - (iii) any change or any development (whether or not permanent) involving a prospective change or any crisis in local, national or international monetary, financial, economic, legal, taxation or political conditions (including, without limitation, conditions in the stock market, in the foreign exchange market, inter-bank market, money market and conditions with respect to interest rates in Hong Kong or otherwise) or foreign exchange controls in Hong Kong and overseas or any occurrence of a combination of any such changes or developments or crises or any deterioration of any such conditions;
 - (iv) the commencement by any regulatory or political body or organisation of any action against any director of the Company or an announcement by any regulatory or political body or organisation that it intends to take any such action; or
 - (v) the introduction of any new law or regulation or any change or development (whether or not permanent) involving a prospective change in existing laws or regulations or the interpretation or application thereof by any court or other competent authority),

which individually or together, in the sole opinion of Placing Agents, prejudices or could reasonably be expected to prejudice materially the success of the Placing or dealings in the Placing Shares in the secondary market or makes it or would make it impracticable or inadvisable to proceed with the offer, sale, distribution or delivery of the Placing Shares on the terms and in the manner contemplated herein; and

- (d) there not having occurred at any time prior to completion of the Placing (i) the imposition of any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange, or in any securities of the Company on any stock exchange or over the counter market (save for any suspension in the trading of the Shares pending this announcement) or (ii) any material disruption in securities settlement, payment or clearance services in Hong Kong or the People's Republic of China or (iii) the imposition of any moratorium on commercial banking activities by the authorities in Hong Kong or the People's Republic of China or the United States Federal or New York State authorities.

If any of the termination events as set out in the Placing Agreement shall have occurred prior to completion, the Placing Agreement and the obligations of the parties to the Placing Agreement will terminate and the Placing and the Subscription will not proceed. **Shareholders and investors are therefore advised to exercise caution when dealing in Shares.**

Completion of the Placing

The parties expect that the Placing will be completed on 10 July 2007 (or such other date as the Company and the Placing Agent may agree in writing).

Lock Up Undertakings

The Vendor has undertaken to the Placing Agents that (except for the sale of the Placing Shares pursuant to the Placing Agreement) from the date of the Placing Agreement and on or prior to the date being three months after the date of the Placing Agreement, the Vendor will not and will procure that none of the Vendor's nominees, companies controlled by the Vendor or trusts associated with the Vendor (whether individually or together and whether directly or indirectly) will (without the prior written consent of the Placing Agents (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Subscription Shares to be issued under the Subscription Agreement but excluding the Placing Shares) or any interests therein or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above.

The Company has undertaken to the Placing Agents that (except for (a) the Subscription Shares to be allotted and issued to the Vendor pursuant to the Subscription Agreement (b) any new Shares to be issued pursuant to the existing employee share options of the Company in issue as at the date hereof and (c) any Shares or other securities or rights issued or granted to shareholders by way of bonus or under any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with its articles of association or on the exercise of rights existing at the date of the Placing Agreements) from the date of the Placing Agreement and on and prior to the date being three months after the date of the Placing Agreement the Company will not (without the prior written consent of the Placing Agent)) (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transaction described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above.

The Directors (including the independent non-executive Directors) consider that the above lock-up undertaking provided by the Company was in line with general market practice and is fair and reasonable so far as the Company and the Shareholders are concerned.

SUBSCRIPTION AGREEMENT

Date: 5 July 2007

Subscriber: The Vendor

Issuer: The Company

Number of Shares to be subscribed

124,500,000 new Shares, representing approximately 15.00% of the existing issued share capital of the Company and about 13.04% of the issued share capital as enlarged by the Subscription.

Subscription Price

The subscription price per new Share is equivalent to the Placing Price of HK\$12.50 per Share. The Subscription Shares have a market value of approximately HK\$1,681 million, based on the closing price of HK\$13.5 on 5 July 2007, the last full trading day in the Shares prior to this announcement. The net price of the Subscription is approximately HK\$12.21 per Share.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription are fair and reasonable under the current market condition and in the interest of the Company and the Shareholders as a whole.

General mandate to issue the Subscription Shares

The Subscription Shares will be issued under the general mandate granted by the Shareholders to the Directors pursuant to the resolution of the Shareholders passed in the general meeting held on 8 May 2007. The Company has not issued any Shares pursuant to such general mandate.

Ranking of the Subscription Shares

The Subscription Shares, when fully paid, will rank pari passu in all respects with the Shares in issue on the completion date of the Subscription including the right to any dividends or distributions after the date of completion of the Subscription.

Conditions of the Subscription

The Subscription is conditional upon:

- (1) completion of the Placing; and
- (2) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares.

In the event that the conditions are not fulfilled on or before 14 days after the date of the Subscription Agreement (or such later date, subject to the approval of the Stock Exchange, as may be agreed between the parties) the Subscription Agreement and all rights and obligations hereunder will cease and terminate.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Completion of the Subscription

Completion of the Subscription will take place upon fulfilment of all conditions listed above, in any event on or before 14 days from the date of the Placing Agreement (or such later date, as may be agreed between the parties). If the Subscription completes later than 14 days from the date of the Placing Agreement, the Subscription will be subject to shareholders' approval applicable under the Listing Rules.

EFFECT OF THE PLACING AND THE SUBSCRIPTION ON SHAREHOLDING

The shareholding structure of the Company before and after the Placing and the Subscription will be as follows:

Shareholders	Current		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and the Subscription	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
The Vendor and its associates	420,000,000	50.60	295,500,000	35.60	420,000,000	44.00
Placees	—	—	124,500,000	15.00	124,500,000	13.04
Other Shareholders	<u>410,000,000</u>	<u>49.40</u>	<u>410,000,000</u>	<u>49.40</u>	<u>410,000,000</u>	<u>42.96</u>
Total	<u>830,000,000</u>	<u>100</u>	<u>830,000,000</u>	<u>100</u>	<u>954,500,000</u>	<u>100</u>

REASONS FOR THE PLACING AND THE SUBSCRIPTION

The Placing and the Subscription are being undertaken to supplement the Group's funding to increase production capacity and sales of the Group in China and abroad. The directors of the Company consider the Placing and the Subscription will provide an opportunity to raise further capital for the Company whilst broadening the shareholder base and the capital base of the Company.

USE OF PROCEEDS OF THE SUBSCRIPTION

The estimated net proceeds of the Placing is approximately HK\$1,520 million and will be used to increase production capacity and sales of the Group in China and abroad, whether by way of existing or newly established research and development centres and/or production facilities. The Group may also achieve this objective by mergers and acquisitions both in China and abroad.

CAPITAL-RAISING ACTIVITIES DURING PAST 12 MONTHS

The Company has not carried out other capital raising activities in the past 12 months preceding the date of this announcement.

PRINCIPAL ACTIVITIES OF THE GROUP

The Group is principally engaged in the design, manufacture and sale of body structural parts, decorative parts and trim for passenger cars.

DEFINITIONS

“Company”	Minth Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Placing”	the placement of 124,500,000 existing Shares to independent investors at the Placing Price
“Placing Agents”	J.P. Morgan Securities Limited and UBS AG acting through its business group, UBS Investment Bank
“Placing Agreement”	the placing agreement dated 5 July 2007 between the Company, the Vendor and the Placing Agents in respect of the Placing
“Placing Price”	the placing price of HK\$12.50 per Share
“Placing Shares”	124,500,000 existing Shares
“PRC”	the People’s Republic of China
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“SFC”	Securities and Futures Commission
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Vendor
“Subscription Agreement”	the subscription agreement dated 5 July 2007 between the Company and the Vendor in respect of the Subscription
“Subscription Price”	the subscription price of HK\$12.50 per Share
“Subscription Shares”	124,500,000 new Shares
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendor”	Linkfair Investments Limited, a company incorporated in the British Virgin Islands and the controlling shareholder of the Company which entire share capital is held by Mr. Chin Jong-Hwa, an executive Director and Chairman of the Board

By order of the Board
Mint Group Limited
Chin Jong Hwa
Chairman

As the date of this announcement, the board of directors comprises Mr. Chin Jong Hwa, Mr. Shi Jian Hui, Mr. Mu Wei Zhong, Dr. Chin Jung Huang and Mr. Zhao Feng, being executive Directors, Mr. Shaw Sun Kan, Gordon, being a non-executive Director, Mr. Heng Kwoo Seng, Dr. Wang Ching and Mr. Zhang Liren being independent non-executive Directors.

Hong Kong, 5 July 2007