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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)**

## **CONTINUING CONNECTED TRANSACTIONS**

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On 28 December 2017, the Company entered into the Framework Agreement with Jiaxing Futing, pursuant to which Jiaxing Futing agrees to sell the Products to the Group for a term of three years commencing from 28 December 2017 to 27 December 2020.

### **LISTING RULES IMPLICATIONS**

As Jiaxing Futing is a company indirectly wholly-owned by Mr. Chin, a substantial shareholder and executive Director of the Company, Jiaxing Futing is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions between the Group and Jiaxing Futing contemplated under the Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated based on the annual caps under the Framework Agreement is more than 0.1% but less than 5%, the transactions under the Framework Agreement are subject to the reporting, announcement and annual review requirements, but are exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## **FRAMEWORK AGREEMENT**

Set out below is a summary of the principal terms of the Framework Agreement:

### **Date**

28 December 2017

### **Parties**

- (1) the Company
- (2) Jiaxing Futing

### **Term**

The term of the Framework Agreement is three years commencing from 28 December 2017 to 27 December 2020.

### **Subject matter**

Pursuant to the Framework Agreement, Jiaxing Futing agrees to sell the Products to the Group for a term of three years. The Products include finished or semi-finished moulds and related equipment and auxiliary materials, which are required by the Group to facilitate its daily operation and production.

As and when the Group confirms its orders for the products, individual agreements will be entered into in the ordinary and usual course of business and on normal commercial terms. Specific payment arrangements will also be provided in the individual agreements, with usual practice of 30% payable as prepayment after signing the individual agreements, a further 60% payable in stages after delivery, inspection and acceptance of the Products, and the remaining 10% payable after quality guarantee period.

### **Pricing**

The prices to be charged by Jiaxing Futing for the Products under the individual agreements will be determined taking into account all relevant commercial factors and with reference to the condition of the same or similar markets at the time of signing the individual agreements (including the price charged by independent third party suppliers selling similar products in their ordinary course of business and subject to normal commercial terms).

In respect of the sale and purchase transaction of the Products under each individual agreement, the Company will also consider the proposals from Jiaxing Futing and at least two other independent third party suppliers and will assess their respective sales

terms including the technical solutions involved, corresponding fee quotations and manufacturing duration. The price shall be determined in accordance with the principle of fairness and reasonableness.

### **Proposed Annual Caps**

The proposed annual caps under the Framework Agreement for each of the three years ending 31 December 2018, 2019 and 2020 are RMB200,000,000 (equivalent to approximately HK\$238,860,000), RMB200,000,000 (equivalent to approximately HK\$238,860,000) and RMB200,000,000 (equivalent to approximately HK\$238,860,000), respectively.

The Board determined the above annual caps after taking into account of (i) the Group's historical purchase volume of similar products from other suppliers for the purpose of producing corresponding products for its customers; (ii) the estimated number of sales projects of the Group in the coming three years; and (iii) the prevailing market price of the Products as quoted from independent third parties.

### **REASONS FOR AND BENEFITS OF THE FRAMEWORK AGREEMENT**

The Company entered into the Framework Agreement in consideration of the expected demand of the Group for the Products in the coming three years. The entering into of the Framework Agreement ensures that there will be a stable supply of quality moulds and related equipment and auxiliary materials to facilitate the daily operation and production of the Group.

Having taken into account the above reasons and benefits, the Directors (including the independent non-executive Directors and excluding the Directors who are required to abstain from voting) consider that the Framework Agreement is entered into on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole, and the terms of the Framework Agreement are fair and reasonable.

Save for Mr. Chin (who is an executive Director and controlling shareholder of the Company) and Ms. Chin Chien Ya (who is the daughter of Mr. Chin and also an executive Director), none of the Directors has a material interest in the Framework Agreement and the transactions contemplated thereunder. Accordingly, none of the other Directors is required to abstain from voting on the relevant Board resolutions to approve the Framework Agreement and the transactions contemplated thereunder (including the proposed annual caps as set out in the paragraph headed "Proposed Annual Caps" above).

## **INFORMATION OF THE GROUP**

Headquartered in the PRC, the Group is principally engaged in the design, manufacture and sale of trims, body structural parts, decorative parts, roof racks and other related parts of passenger cars and supplies to many world-renowned international automakers. The Group has established over 30 production facilities in China and the Group also established production facilities in the US, Thailand, Mexico and Germany. For more information of the Group, please visit its official website at <http://www.minthgroup.com> (information that appears in that website does not form part of this announcement).

## **INFORMATION OF JIAXING FUTING**

Jiaxing Futing is a company established in the PRC with limited liability and is principally engaged in research and development, manufacture and processing of moulds and related technical advisory services.

## **LISTING RULES IMPLICATIONS**

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As one or more of the applicable percentage ratios calculated based on the annual caps under the Framework Agreement is more than 0.1% but less than 5%, the transactions under the Framework Agreement are subject to the reporting, announcement and annual review requirements, but are exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

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

“Board”	the board of Directors;
“Company”	Minth Group Limited, a company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange;
“controlling shareholder”	has the meaning given to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;

“Framework Agreement”	the framework agreement entered into between the Company and Jiaxing Futing on 28 December 2017, pursuant to which Jiaxing Futing agrees to sell the Products to the Group for a term of three years;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Jiaxing Futing”	Jiaxing Futing Mechanical Co., Ltd.* (嘉興富廷機械有限公司), a company established in the PRC with limited liability;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Chin”	Mr. Chin Jong Hwa, the ultimate controlling shareholder of the Company which currently indirectly holds approximately 39.37% of the total issued shares of the Company and also an executive Director of the Company;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan;
“Products”	finished or semi-finished moulds and related equipment and auxiliary materials, which are required by the Group to facilitate its daily operation and production;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	percentage.

*In this announcement, amounts in RMB are converted into HK\$ on the basis of RMB1 = HK\$1.1943. The conversion rate above is for illustration purpose only and should not be taken as a representation that the above currencies could actually be converted at such rate or at all.*

By Order of the Board  
**Minth Group Limited**  
**Chin Jong Hwa**  
*Chairman*

Hong Kong, 28 December 2017

*As at the date of this announcement, the Board comprises Mr. Chin Jong Hwa, Mr. Zhao Feng, Ms. Chin Chien Ya and Ms. Huang Chiung Hui, being executive Directors; and Mr. Wu Fred Fong, Dr. Wang Ching and Ms. Yu Zheng being independent non-executive Directors.*

\* *For identification purposes only*