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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)

**CONNECTED TRANSACTION
EQUIPMENT PURCHASE AGREEMENT**

THE EQUIPMENT PURCHASE AGREEMENT

The Board is pleased to announce that on 28 January 2019 (after trading hours), Jiangsu Hexing, a wholly-owned subsidiary of the Company, entered into the Equipment Purchase Agreement with Shun On Electronic, pursuant to which Shun On Electronic agreed to sell and Jiangsu Hexing agreed to purchase the Products at the consideration of RMB15,769,009 (equivalent to approximately HK\$18,339,357.47).

LISTING RULES IMPLICATIONS

As Mr. Chin (an executive Director and a controlling shareholder of the Company) and his associates are together indirectly beneficially interested in 38.81% of Shun On Electronic, Shun On Electronic is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction contemplated under the Equipment Purchase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios for the Equipment Purchase Agreement is more than 0.1% but less than 5%, the transaction under the Equipment Purchase Agreement is subject to the reporting and announcement requirements, but is exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

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THE EQUIPMENT PURCHASE AGREEMENT

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

Date

28 January 2019

Parties

- (1) Shun On Electronic (as seller)
- (2) Jiangsu Hexing (as purchaser)

Subject matter

Pursuant to the Equipment Purchase Agreement, Shun On Electronic agreed to sell the Products to the Group. The Products include but are not limited to luggage rack bending machines, luggage rack bending mold, assembling machine, milling machines, milling fixtures, logistics system and software, product inspection equipment and luggage frame metal tubes, which are required by the Group in its production of the roof rack of a new vehicle model.

Consideration

The consideration for the acquisition of the Products is RMB15,769,009 (equivalent to approximately HK\$18,339,357.47) and shall be settled as follows:

- (a) 30% of the Consideration (i.e. approximately RMB4,730,702.7) shall be payable within ten (10) days from the date of signing of the Equipment Purchase Agreement;
- (b) 30% of the Consideration (i.e. approximately RMB4,730,702.7) shall be payable within five (5) days upon the Group receiving a written notice from Shun On Electronic informing the Group of the expected shipment date of the Products. Such written notice shall be provided by Shun On Electronic fifteen (15) days before the expected shipment date of the Products and Shun On Electronic shall then arrange for shipment of the Products upon receipt of such payment;
- (c) 30% of the Consideration (i.e. approximately RMB4,730,702.7) shall be payable within thirty (30) days after Jiangsu Hexing accepted to its satisfaction the Products after delivery, installation and inspection of the Products; and

- (d) 10% of the Consideration (i.e. approximately RMB1,576,900.9) shall be payable within three (3) months after Jiangsu Hexing has accepted the Products to its satisfaction.

The Consideration was determined after arm's length negotiation between the parties with reference to similar products provided by Shun On Electronic to its other customers and pricing obtained for similar products from other independent third party suppliers.

REASONS FOR AND BENEFITS OF THE EQUIPMENT PURCHASE AGREEMENT

The purchase of the Products could enhance the Group's integrated automatic production capabilities including its bending, sawing and milling production processes. Hence the Group's production lines as enhanced by the new Products will have automatic monitoring systems and will optimize control over more comprehensive and accurate production data.

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 Equipment Purchase 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 Equipment Purchase 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 Equipment Purchase Agreement and the transaction contemplated thereunder. Accordingly, save for Mr. Chin and Ms. Chin Chien Ya who abstained, no other Director is required to abstain from voting on the relevant Board resolutions to approve the Equipment Purchase Agreement and the transaction contemplated thereunder.

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 SHUN ON ELECTRONIC

Shun On Electronic is a company established in Taiwan with limited liability and is principally engaged in the business of automotive electronics and engineering, and is a manufacturer of computer components and membrane.

LISTING RULES IMPLICATIONS

As Mr. Chin (an executive Director and a controlling shareholder of the Company) and his associates are together indirectly beneficially interested in 38.81% beneficial interests in Shun On Electronic, Shun On Electronic is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction between the Group and Shun On Electronic contemplated under the Equipment Purchase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios for the Equipment Purchase Agreement is more than 0.1% but less than 5%, the transaction under the Equipment Purchase Agreement is subject to the reporting and announcement requirements, but is 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:

“associate(s)”	has the meaning given to it under the Listing Rules;
“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;
“Consideration”	approximately RMB15,769,009 (equivalent to approximately HK\$18,339,357.47) in total;
“controlling shareholder”	has the meaning given to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Equipment Purchase Agreement”	the agreement entered into between Jiangsu Hexing and Shun On Electronic on 28 January 2019, pursuant to which Shun On Electronic agreed to sell the Products to Jiangsu Hexing at the Consideration;

“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;
“Jiangsu Hexing”	Jiangsu Hexing Automotive Technology Co., Ltd.* (江蘇和興汽車科技有限公司), a wholly owned foreign investment enterprise established in the PRC which is a wholly owned subsidiary of the Company;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Chin”	Mr. Chin Jong Hwa, the Chairman, executive Director and ultimate controlling shareholder of the Company which as at the date of this announcement is indirectly interested in approximately 39.26% of the total issued shares 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”	luggage rack bending machines, luggage rack bending mold, assembling machine, milling machines, milling fixtures, logistics system and software, product inspection equipment and luggage frame metal tubes;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shun On Electronic”	Shun On Electronic Co., Ltd.* (淳安電子股份有限公司), a company established in Taiwan with limited liability;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	percentage.

In this announcement, amounts in RMB are converted into HK\$ on the basis of RMB1 = HK\$1.163. 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 January 2019

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*