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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

The Board is pleased to announce that the Company has entered into a strategic collaboration agreement with AAPICO on 13 August 2009 to govern the transactions between the Group and AAPICO generally in relation to the sale and purchase of automobile parts and provision of technical services. By way of its 40% interest in Minth AAPICO, AAPICO is a substantial shareholder of a subsidiary of the Company and is therefore a connected person under the Listing Rules. Hence the transactions contemplated under the AAPICO Agreement constitute continuing connected transactions of the Company.

The Board is pleased to announce that the Group has also entered into two agreements with Newman both dated 13 August 2009 to govern the transactions between the Group and Newman generally in relation to the sale and purchase of raw materials, work in progress or component parts as well as the Group's utilization of production equipment provided by Newman. Newman is a wholly-owned subsidiary of Sankei Giken Holding (a connected person of the Company since February 2001 under the Listing Rules by way of its 30% shareholding in one of the Company's subsidiaries, Guangzhou Minhui) and the Newman Agreements therefore constitute continuing connected transactions of the Company pursuant to the Listing Rules.

As the applicable percentage ratios for each of the AAPICO Agreement and the Newman Agreements are respectively more than 0.1% but less than 2.5%, the transactions under each of the AAPICO Agreement and the Newman Agreements are only subject to the reporting and announcement requirements under Rule 14A.45 to 14A.47 of the Listing Rules but does not require the approval by independent shareholders of the Company. Particulars of the AAPICO Agreement and Newman Agreements are set forth below.

CONTINUING CONNECTED TRANSACTIONS WITH AAPICO

Connected Person relationship

On 13 August 2009, the Company entered into the AAPICO Agreement with AAPICO, a connected person of the Company by way of its 40% interest in Minth AAPICO, a subsidiary of the Company.

AAPICO Agreement

AAPICO is a company mainly engaged in the design, manufacture and sale of automobile parts in Thailand. The AAPICO Agreement was entered into to govern the transactions between the Group and AAPICO generally whereby the term of the AAPICO Agreement is fixed for three years and may be automatically renewed for one year upon expiry subject to the Company's compliance with the Listing Rules.

The AAPICO Agreement is entered into to facilitate further collaboration between the Group and AAPICO whereby parties may transact to sell or purchase automobile parts, provide technical services or such other transactions relating to the design, manufacturing, sales, import, export and after-sales services of automobile components in Thailand or elsewhere pursuant to the AAPICO Agreement. In particular, the Group may purchase from or sell to AAPICO moulds, semi-finished or finished products, and other relevant service of automobile components. In respect of technical services contemplated under the AAPICO Agreement, it is expected AAPICO or its affiliates will provide such services to Minth AAPICO to facilitate its production process with regards to the design and manufacture of automobile parts with specifications which meet the requirement of AAPICO and its customers.

The price and terms of payment for such sale and purchase of products as well as provision of technical services under the AAPICO Agreement will be agreed at the time when such transactions are individually entered into but such prices shall either be set by reference to the prevailing market prices, or should there be no market price available for reference, based on cost plus a reasonable profit. It is a specific term of the AAPICO Agreement that such price and terms of payment shall not be less favourable than that provided to any independent third parties.

The structure of payment of such prices to be agreed under the AAPICO Agreement are also expected to be agreed at the time when such orders are individually placed by the Group or AAPICO (as the case may be) and formalised from time to time. The transaction amounts under the AAPICO Agreement for the three years ending December 2011 are not expected to exceed:

	Financial year ending 31 December		
	2009	2010	2011
Purchases by the Group from AAPICO	RMB30,000,000	RMB22,500,000	RMB22,500,000
Sales by the Group to AAPICO	RMB9,700,000	RMB22,000,000	RMB22,000,000
Provision of technical services by AAPICO to the Group	RMB300,000	RMB500,000	RMB500,000

There is no historical transaction record for the sale and purchase of moulds, semi-finished or finished products, and other relevant service of automobile components between the Group and AAPICO, nor provision of technical services by AAPICO to the Group. The Group intended to expand into the automobile parts market in Thailand and the directors believe that the Company may be able to take advantage of its relationship with its joint-venture partner AAPICO, a company based in Thailand, to efficiently reaching out to the Thai automobile parts market. The above caps are determined by reference to (i) the historical value of transactions between the Group and other customers or suppliers in relation to similar product types and services, (ii) average market prices of the relevant products and services and (iii) anticipated growth in the market demand for such products and services taking into account of the typical life cycle of automobile production and sales.

The Directors have advised that the terms and conditions under these agreements with AAPICO were negotiated on an arm's length basis between the parties involved. The Directors (including the independent non-executive Directors) consider that the transactions under these agreements are on normal commercial terms and the transactions contemplated thereby are fair and reasonable and in the interest of the Company and its shareholders as a whole.

As the applicable percentage ratios in respect of the transactions pursuant to the AAPICO Agreement is more than 0.1% but less than 2.5%, the transactions under the AAPICO Agreement are subject only to the reporting and announcement requirements under rule 14A.45 to 14A.47 of the Listing Rules but does not require the approval by independent shareholders of the Company. Further, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, AAPICO does not have any relationship with Sankei Giken Holding apart from both companies being a connected persons of the Company through their shareholding interests in different subsidiaries of the Company. The transactions under the AAPICO Agreement and the Newman Agreements are therefore not subject to aggregation for the purpose of determining the applicable ratios under the Listing Rules. Should the actual payments required to be made to AAPICO or vice-versa for these three upcoming years exceed the above annual amounts, the Company will comply with the Listing Rules prior to such annual amounts being exceeded.

Reasons and Benefits for entering into the AAPICO Agreement

The Group believes that by entering into the AAPICO Agreement, it will not only help the Group to secure supply of certain products and services for automobile parts from AAPICO and to secure additional business opportunities, but the Group will also benefit from the market exploration in Thailand in the course of strategic collaboration with AAPICO. The Directors have advised that the terms and conditions under the AAPICO Agreement were negotiated on an arm's length basis between the parties involved. They consider that the transactions under the AAPICO Agreement are on normal commercial terms and the transactions contemplated thereby are in the interest of the Company and its shareholders taken as a whole.

CONTINUING CONNECTED TRANSACTIONS WITH NEWMAN

Connected Person relationship

On 13 August 2009, the Group entered into the Newman Agreements with Newman, a wholly-owned subsidiary of Sankei Giken Holding (a connected person of the Company since February 2001 by way of its 30% shareholding in one of the Company's subsidiaries, Guangzhou Minhui).

Newman Agreements

Sankei Giken Holding and its group companies are mainly involved in the business of automobile and motorcycle parts and accessory production and development. The Newman Agreements were entered into to govern the transactions between the Group and Newman generally whereby the term of the Newman Agreement is fixed for three years. It is expected that there will be sales of automobile parts by the Group to Newman and purchase by the Group from Newman of raw materials, work in progress or component parts for the sole purpose of production of such automobile parts to satisfy Newman's orders from time to time. In addition, certain production equipment owned by Newman shall be kept at the Group's premises for production use by the Group solely for the purpose of satisfying Newman's orders from time to time under the Newman Agreements.

The price and terms of payment for such sale and purchase of products under the Newman Agreements will be agreed at the time when such transactions are entered into but such prices shall either be set by reference to the prevailing market prices, or should there be no market price available for reference, based on cost plus a reasonable profit. Such price and terms of payment are therefore expected to be not less favourable than that provided to any independent third parties. In relation to the production equipment kept at the Group's premises the Group shall take out relevant insurance and be responsible for the maintenance costs and expenses.

The structure of payment of such prices to be agreed under the Newman Agreements are also expected to be agreed at the time when such orders from Newman are formalised from time to time. The transaction amounts under the Newman Agreements for the three years ending December 2011 are not expected to exceed:

	Financial year ending 31 December		
	2009	2010	2011
Sales by the Group to Newman	US\$2,000,000	US\$5,750,000	US\$5,750,000
Purchase of supplies by the Group from Newman	US\$250,000	US\$250,000	US\$250,000

There is no historical transaction record for the sale and purchase of automobile parts by the Group to Newman and purchase by the Group from Newman of raw materials, work in progress or component parts. There is also no historical transaction record for utilizing production equipment owned by Newman. The Group intended to expand into the automobile parts market in North America and the

directors believe that the Company may be able to take advantage of its relationship with its joint-venture partner Sankei Giken Holding, a company which have good contacts with Japanese automobile companies based in North America, to efficiently reaching out to the North American automobile parts market. The above caps are determined by reference to (i) the historical value of transactions between the Group and other customers or suppliers in relation to similar product types and services, (ii) average market prices of the relevant products and services and (iii) anticipated growth in the market demand for such products and services taking into account of the typical life cycle of automobile production and sales.

The Directors have advised that the terms and conditions under these agreements with Newman were negotiated on an arm's length basis between the parties involved. The Directors (including the independent non-executive Directors) consider that the transactions under these agreements are on normal commercial terms and the transactions contemplated thereby are fair and reasonable and in the interest of the Company and its shareholders as a whole.

As the applicable percentage ratios in respect of the transactions pursuant to the Newman Agreements is more than 0.1% but less than 2.5%, the transactions under the Newman Agreements are subject only to the reporting and announcement requirements under rule 14A.45 to 14A.47 of the Listing Rules but does not require the approval by independent shareholders of the Company. Should the actual payments required to be made to or from Newman for these three upcoming years exceed the above annual amounts, the Company will comply with the Listing Rules prior to such annual amounts being exceeded.

Reasons for and Benefits in entering into the Newman Agreements

The Group believes that by entering into the Newman Agreements, it will not only help the Group to secure orders for automobile parts from Newman, but also secure additional business opportunities by working in closer cooperation and resource sharing on a global scale with Sankei Giken Holding and its related companies. The Directors have advised that the terms and conditions under the Newman Agreements were negotiated on an arm's length basis between the parties involved. They consider that the transactions under the Newman Agreements are on normal commercial terms and the transactions contemplated thereby are in the interest of the Company and its shareholders taken as a whole.

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

“AAPICO”	AAPICO Hitech Public Company Limited, a limited corporation organised and established under the laws of Thailand
“AAPICO Agreement”	a strategic collaboration agreement dated 13 August 2009 entered into between AAPICO and the Company for the purpose of selling and purchasing semi-finished and finished products relating to automobile parts
“Board”	the board of Directors
“Company”	Minth Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning as defined in the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Guangzhou Minhui”	Guangzhou Minhui Automobile Parts Co., Ltd., an FIE established under the laws of China on 21 February 2001 and an indirect subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Minth AAPICO”	Minth AAPICO (Thailand) Co. Ltd., a limited liability company organised under the laws of Thailand and an indirectly non-wholly owned subsidiary of the Company
“Newman”	Newman Technology, Inc., a Delaware corporation
“Newman Agreements”	the agreements entered into between a member of the Group and Newman in relation to the production of automobile parts by the Group and the provision of production know-how and equipment by Newman to the Group
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

“Sankei Giken Holding” Sankei Giken Holdings Co., Ltd., a 30% shareholder in Guangzhou Minhui

“Stock Exchange” The Stock Exchange of Hong Kong Limited

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

Hong Kong, 13 August 2009

As the date of this announcement, the board of directors comprises Mr. Chin Jong Hwa, Mr. Shi Jian Hui, Mr. Mu Wei Zhong, and Mr. Zhao Feng, being executive Directors, Mr. Mikio Natsume, Mr. Tokio Kurita, and Ms. Yu Zheng being non-executive Directors, Dr. Wang Ching, Mr. Zhang Liren and Mr. Wu Fred Fong, being independent non-executive Directors.