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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)**

## **NEW PLANS FOR ELECTRIC VEHICLES AND RELATED BUSINESSES**

The Company is pleased to announce that, the Company and the Nanhu Government in Jiaxing City, Zhejiang Province, entered into the Investment Agreement in respect of a state-owned land use rights transfer and preliminary investment on 10 September 2010. Pursuant to the Investment Agreement, so long as the final market price of the relevant land does not exceed RMB220,000 per mu, the Company shall, through legitimate procedures, be granted state-owned land use rights to an area of approximately 350 mu (approximately 233,333 square meters) to be used for its existing projects on products, parts and components of electric vehicles or possibly low-speed electric vehicle projects in the future.

The Company makes this voluntary announcement as such real estate acquisition possibly relates to future new business plans which have a strategic significance to its development.

Particulars of the Investment Agreement and the new business plans are set forth below.

### **INVESTMENT AGREEMENT**

The principal terms of the Investment Agreement are as follows:

Date: 10 September 2010

Parties: (a) Nanhu Government; and  
(b) the Company.

- Land Acquisition
- (a) the Company agreed, in accordance with the required legitimate procedures stipulated by the PRC laws, to purchase state-owned land use rights with an area of approximately 350 mu (approximately 233,333 square meters) located in Nanhu District and to be granted a larger area in due course;
  - (b) the price for the land use rights shall be determined in accordance with market price. However, if the consideration exceeds RMB 220,000 per mu, the Company shall be entitled to reject or reduce the land use rights to be purchased;
  - (c) Nanhu Government agreed, upon execution of the land use rights transfer agreement by the Company through legitimate procedures, to assist the Company in promptly obtaining various licenses and approvals on such land use, offer various incentive policies including taxation and government subsidies and, to the extent permitted by law, assist the Company in going through the various formalities to apply for licenses in relation to the investment as soon as possible so as to allow the Company to promptly commence production.

## **NEW BUSINESS PLANS**

Following the rapid development in the automobile market in the PRC, energy problems, energy conservation and emission reduction issues in the PRC will intensify. Hence, the Chinese authorities are expected to introduce vigorous electric vehicle policies to facilitate continuous development of the Chinese automobile industry. Meanwhile, with the gradual maturity of the industry for relevant electric vehicle production chain, it is anticipated that the electric vehicle industry will move on from its scientific research stage towards industrialization in the next few years. Such critical period offers opportunities for development of the electric vehicle industry.

The Group has been engaged in the Chinese automobile industry for approximately 17 years, coupled with a wide range of worldwide client base and have established a complete R&D and production network. In addition, the Group has completed its preliminary research and development for components and parts relating to automobile body weight reduction and electronics. The Group considers that by taking advantage of business opportunities through independent research and development and joint venture, to engage in and promote industrialization of parts and components for electric vehicles and further increase product value of the Group. Moreover, the Group pays close attention to the market potential for the development of low-speed electric vehicles in the PRC, and is of the view that it is now a good opportunity to commence the necessary preparations.

The Directors are of the view that the Nanhu District of Jiading City, situated in the southern part of Shanghai City and the north shore of the Yangtze River Delta, has an excellent geographical location with complete ancillary facilities and has a good investment environment. The Company has established a sizeable production, research and development base and intends to utilize its competitive advantages to seek a better prospects of the future development of the Group.

The Company makes this voluntary announcement as such real estate acquisition possibly relates to future new business plans which have a strategic significance to its development.

## DEFINITIONS

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

“Company”	Minth Group Limited;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Investment Agreement”	A state-owned land use rights transfer and preliminary investment agreement entered into between the Company and the Nanhu Government on 10 September 2010;
“Nanhu Government”	the People’s Government of Nanhu District, Jiaxing City, Zhejiang Province, the PRC;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC

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

Hong Kong, 10 September 2010

*As of the date of this notice, 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 and Ms. Yu Zheng, being non-executive Directors, Dr. Wang Ching, Mr. Zhang Liren and Mr. Wu Fred Fong, being independent non-executive Directors.*