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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)

**ACQUISITION OF 45% EQUITY INTEREST IN
BEIJING KFTC CO., LTD.**

The Board is pleased to announce that on 7 March 2011, Cheerplan (China), a wholly-owned subsidiary of the Company and as the purchaser, entered into the conditional Share Purchase Agreement with KFTC and Mr. Lee, together as vendors, pursuant to which Cheerplan (China) agreed to acquire, and KFTC and Mr. Lee agreed to sell, a total of 45% equity interests in Beijing KFTC for a total consideration of RMB130,050,000 (equivalent to approximately HK\$150,858,000), payable in cash in RMB or the USD equivalent.

The Share Purchase Agreement is conditional upon, among other things, the approval by the applicable government authorities and the execution of a Shareholders' Agreement by Cheerplan (China), KFTC and Mr. Lee. The Shareholders' Agreement was executed on 7 March 2011.

SHARE PURCHASE AGREEMENT

The Board is pleased to announce that on 7 March 2011, Cheerplan (China), a wholly-owned subsidiary of the Company and as the purchaser, entered into the conditional Share Purchase Agreement with KFTC and Mr. Lee, together as vendors, pursuant to which Cheerplan (China) agreed to acquire, and KFTC and Mr. Lee agreed to sell, a total of 45% equity interests in Beijing KFTC for a total consideration of RMB130,050,000 (equivalent to approximately HK\$150,858,000), payable in cash in RMB or the USD equivalent on the date on which the Acquisition has been approved by the applicable government authorities. The Share Purchase Agreement is conditional upon, among other things, the approval by the applicable government authorities and the execution of a Shareholders' Agreement by Cheerplan (China), KFTC and Mr. Lee.

Upon completion of the Share Purchase Agreement, each of Cheerplan (China), KFTC and Mr. Lee shall own Beijing KFTC as to 45%, 47.5% and 7.5% respectively.

SHAREHOLDERS' AGREEMENT

The Shareholders' Agreement, executed on 7 March 2011, provides details of, among other things, board representation, shareholders' right of first refusal, in particular, a call option, restrictive covenant and assured earnings, details of which are set out below.

Call Option

KFTC and Mr. Lee will grant Cheerplan (China) a one time option to purchase an aggregate of 20% of the ownership interest in Beijing KFTC held by them for an aggregate amount of RMB 57,800,000 (equivalent to approximately HK\$67,048,000) subject to the conditions pursuant to the Shareholders' Agreement. The Option shall be exercised only between 1 January 2012 and 31 December 2015.

Restrictive Covenant

For a period of 10 years from the date on which the Acquisition has been approved by all applicable government authorities, Cheerplan (China) shall not enter, directly or indirectly through its equity ownership in another entity, the Japanese, Korean, Indian or European market to compete with KFTC's core products (i.e. carbon canister and plastic filler neck). Whilst KFTC shall not (i) enter, directly or indirectly through its equity ownership in another entity, the Chinese market (which shall include Taiwan) to manufacture, distribute or otherwise sell or import the core products of Beijing KFTC (including, without limitation, carbon canister, plastic filler neck, reservoir, and interior parts), or (ii) license any of its intellectual property to any third party in China (which shall include Taiwan).

Assured Earnings

KFTC shall ensure that the net income allocated to Cheerplan (China) during each year from 1 January 2011 to 31 December 2015 shall be no less than RMB28,000,000 (equivalent to approximately HK\$32,480,000).

BASIS OF THE CONSIDERATION

The consideration of the Acquisition was determined after arm's length negotiations between the Company, KFTC and Mr. Lee.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the design, manufacture and sale of parts for passenger cars. The Board considers this Acquisition beneficial to the Group's global strategy to expand into the Korean market, strengthen the strategic partnership with Hyundai, and secure business opportunities through the synergy of both parties' technology skills and customer network. The Group will also have the opportunity to enhance the Group's ability to manage transnational merger and acquisitions, and to accumulate experience in investment projects.

INFORMATION OF BEIJING KFTC

Beijing KFTC is a limited company established in the PRC which is owned as to 87.5% by KFTC and as to 12.5% by Mr. Lee prior to the Acquisition. It is principally engaged in the manufacture, distribution, or sale of automobile parts including but not limited to carbon canister, plastic filler neck, reservoir and interior parts of automobiles in the PRC.

DEFINITIONS

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

“Acquisition”	the acquisition of 45% equity interests in Beijing KFTC pursuant to the Share Purchase Agreement;
“Beijing KFTC”	可附特（北京）有限責任公司 (Beijing KFTC Co., Ltd.*), a limited company established in the PRC, which is owned as to 87.5% by KFTC and as to 12.5% by Mr. Lee prior to the Acquisition;
“Board”	the board of Directors;
“Cheerplan (China)”	展圖（中國）投資有限公司 (Cheerplan (China) Investments Company Limited*), a limited liability company established in PRC and a wholly-owned subsidiary of the Company;
“Company”	Minth Group Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency the Hong Kong Special Administrative Region of the PRC;
“KFTC”	Korea Fuel-Tech Corporation, a company incorporated in the Republic of Korea;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Mr. Lee”	Mr. Chung Koo Lee;
“PRC”	The People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;

“Share Purchase Agreement”	the sale and purchase agreement dated 7 March 2011 entered into between Cheerplan (China) as purchaser, and KFTC and Mr. Lee together as vendors, in relation to the acquisition of 45% equity interests in Beijing KFTC;
“Shareholders’ Agreement”	shareholders’ agreement of Beijing KFTC dated 7 March 2011 signed by Cheerplan (China), KFTC, Mr. Lee and Beijing KFTC; and
“USD”	US dollars, the lawful currency of the United States of America.

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

Hong Kong, 7 March, 2011

In this announcement, all amounts in RMB are converted into HK\$ at the exchange rate of RMB1.00:HK\$1.16. The conversion rate is for the purpose of illustration only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at the aforementioned or any other rates.

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, and Ms. Yu Zheng being non-executive Directors, Mr. Wu Fred Fong, Dr. Wang Ching and Mr. Zhang Liren being independent non-executive Directors.

* *For identification purpose only*