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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)**

**FORMATION OF A JOINT VENTURE COMPANY  
AND  
CONTINUING CONNECTED TRANSACTIONS**

**A JOINT VENTURE COMPANY**

The Company is pleased to announce that one of its subsidiaries, Cheerplan (China), has entered into a Joint Venture Agreement with Tokai Kogyo to establish the Joint Venture Company. The Joint Venture Company when established shall be owned as to 50% interest by Cheerplan (China) and 50% interest by Tokai Kogyo to engage in the research and development, manufacture, production and sale of resin products, plastic injection products, key automobile parts and components, rubber materials, rubber products and construction materials. The Joint Venture Company will also conduct itself as principal and/or as agent in the import and export of various goods and technologies. The Joint Venture Company will be accounted for as a subsidiary of the Company.

Particulars of the Joint Venture Agreement are set forth below in this announcement.

**CONTINUING CONNECTED TRANSACTIONS**

As Tokai Kogyo shall hold 50% equity interest in the Joint Venture Company (which will be accounted for as a subsidiary of the Company), Tokai Kogyo shall therefore become a connected person of the Company upon establishment of the Joint Venture Company. As such, all members of the Tokai Kogyo Group shall also become connected persons of the Company at the time. Accordingly, the pre-existing and ongoing transactions between the Tokai Kogyo Group and the Group (being sale and purchase of automobile parts and provision of technological support services under certain sale and purchase agreements) shall become continuing connected transactions for the Company under the Listing Rules.

As a result, the Company is making this announcement in compliance with Rule 14A.41 of the Listing Rules.

The material terms of the Joint Venture Agreement are set out below:-

**Date of the Agreement:** 28 September 2011

**Parties:** (a) Cheerplan (China); and  
(b) Tokai Kogyo

Tokai Kogyo is a Japanese corporation principally engaged in the design, manufacture and sale of polyurethane foam products, press processing products, thermosetting products, resin products, plastic injection products, key automobile parts and components, rubber materials, rubber products and construction materials and the importing and exporting the above-mentioned products and tools.

**Total Commitment:** The initial registered capital of the Joint Venture Company is USD5,000,000 (approximately HK\$38,980,000) and shall be contributed as follows:-

Cheerplan (China)	USD2,500,000 (approximately HK\$19,490,000)
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Tokai Kogyo	USD2,500,000 (approximately HK\$19,490,000)
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The above contribution shall be made within 2 years from the date of issuance of the business licence of the Joint Venture Company, and no less than 20% of which shall be contributed within 3 months from the date of issuance of the business licence.

The above capital commitment was determined after arm's length negotiation between the parties with reference to the expected capital requirements of the Joint Venture Company.

**Terms:** The term of the Joint Venture Company will be 30 years from the date of issuance of its business licence subject to extension to be agreed between the parties and regulatory approval.

**Board Composition and management:** The board of the Joint Venture Company shall comprise three directors, two of which shall be appointed by Cheerplan (China) and one by Tokai Kogyo. There will also be one supervisor to be appointed by Cheerplan (China) who shall be responsible for, amongst other things, handling financial related matters of the Joint Venture Company and overseeing the work of the directors and senior management of the Joint Venture Company.

**Business of the Joint  
Venture Company:**

The Joint Venture Company will be engaged in the research and development, manufacture, production and sale of resin products, plastic injection products, key automobile parts and components, rubber materials, rubber products and construction materials; the Joint Venture Company will also conduct itself as principal and/or as agent in the import and export of various goods and technologies.

The Joint Venture Company will be accounted for as a subsidiary of the Company pursuant to the terms of the Joint Venture Agreement.

**Continuing Connected Transaction with Tokai Kogyo Group**

The Tokai Kogyo Group is involved in a variety of businesses including the design, manufacture and sale of automobile parts and components.

Historically, the Group has been entering into sale and purchase agreements to purchase automobile parts and technological support services from the Tokai Kogyo Group. Upon the formation of the Joint Venture Company, all pre-existing and ongoing contracts between the Group and the Tokai Kogyo Group shall become continuing connected transactions of the Company. These sale and purchase agreements are typically for a period of three years or less with actual prices payable by the Group primarily to be determined at the time when an order is actually placed by the Group with the relevant Tokai Kogyo Group member. The price for the sale of such products and services shall 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. The price payable for technological support services may be agreed as a percentage of the total purchase price of the relevant automobile products purchased from the Tokai Kogyo member company. The transaction value of these sale and purchase agreements (which are ongoing as at the date of this announcement) for the eight months ended 31 August 2011 amounted to approximately RMB70.8 million (equivalent to approximately HK\$86.8 million).

A monthly invoice for the agreed fees shall be issued by the Group to the relevant member of Tokai Kogyo Group and payment for the fees will be settled by way of telegraphic transfer in the following month upon receipt of the invoice.

**REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTIONS**

The Group is principally engaged in the design, manufacture and sale of parts for passenger cars and considers the formation of a joint venture with Tokai Kogyo to be complimentary to its core business and may help to secure business opportunities by working in closer cooperation and resource sharing on a global scale with Tokai Kogyo and its strategic partners. The entering into of the sale and purchase agreements with Tokai Kogyo Group also gives the Group assurances as to the supply of automobile parts it may require during the relevant contractual periods, in terms of pricing, specifications as well as volume.

The Directors (including the independent non-executive Directors) have confirmed that the terms and conditions under the Joint Venture Agreement and the pre-existing and ongoing sale and purchase agreements were negotiated on an arm's length basis between the parties involved. They consider that the transactions under the Joint Venture Agreement and the pre-existing and ongoing sale and purchase agreements are on normal commercial terms, fair and reasonable and are in the interest of the Company and its shareholders taken as a whole.

None of the Directors have a material interest in the transaction contemplated under the Joint Venture Agreement or the pre-existing and ongoing sale and purchase agreements.

## **IMPLICATIONS OF THE LISTING RULES**

As Tokai Kogyo shall hold 50% interest in the Joint Venture Company (which will be accounted for as a subsidiary of the Company), Tokai Kogyo shall therefore become a connected person of the Company upon establishment of the Joint Venture Company. As such, all members of the Tokai Kogyo Group shall also become connected persons of the Company at the time. Accordingly, the pre-existing and ongoing transactions between Tokai Kogyo Group and the Group pursuant to certain sale and purchase agreements (being sale and purchase of automobile parts and provision of technological support services under certain sale and purchase agreements) shall become continuing connected transactions for the Company under the Listing Rules.

As a result, the Company is making this announcement in compliance with Rule 14A.41 of the Listing Rules. The Company will also comply in full with all applicable reporting, annual review, disclosure and independent shareholders' approval requirements under the Listing Rules upon any variation or renewal of any of the ongoing and pre-existing sale and purchase agreements.

## **DEFINITIONS**

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

“Cheerplan (China)”	展圖(中國)投資有限公司 (Cheerplan (China) Investments Co., Ltd.), a company incorporated in China with limited liability and a wholly-owned subsidiary of the Company;
“China” or “PRC”	the People's Republic of China;
“Company”	Mint 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;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;

“Joint Venture Agreement”	a joint venture agreement entered into between Cheerplan (China) and Tokai Kogyo on 28 September 2011;
“Joint Venture Company”	武漢東海敏實汽車零部件有限公司 (Wuhan Tokai Minth Automotive Parts Co., Ltd.), a company to be incorporated in China with limited liability and which shall be owned by Cheerplan (China) and Tokai Kogyo as to 50% interest each;
“RMB”	Renminbi, the lawful currency of PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tokai Kogyo”	Tokai Kogyo Co., Ltd. (東海興業製作所株式會社), a limited liability company incorporated in Japan;
“Tokai Kogyo Group”	Tokai Kogyo and its subsidiaries;
“USD”	US dollar, the lawful currency of the United States

*Unless otherwise specified and for illustration purpose only, the conversion of USD into HK\$ is based on the exchange rate US\$1.00 = HK\$7.7966 and the conversion of HK\$ into RMB is based on the exchange rate of HK\$1.00 – RMB0.8161. Such conversion should not be construed as a representation that the relevant currency could actually be converted into HK\$ at that rate or at all.*

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

Hong Kong, 28 September 2011

*As the date of this announcement, the Board of Directors comprises Mr. Chin Jong Hwa, Mr. Shi Jian Hui, Mr. Mu Wei Zhong, Mr. Zhao Feng and Mr Kawaguchi Kiyoshi, being executive Directors, Mr. Mikio Natsume, Ms. Yu Zheng and Mr. He Dong Han being non-executive Directors, Mr. Wu Fred Fong, Dr. Wang Ching and Mr. Zhang Liren being independent non-executive Directors.*