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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  
WITH TOKAI KOGYO GROUP**

On 31 March 2014, the Group renewed the Tokai Agreement for a period of three years with Guangzhou Tokai Minth in connection with the purchase of semi-finished automobile materials from, and the sale of finished automobile parts to, Guangzhou Tokai Minth and/or its affiliates. As Wuhan Tokai Minth is accounted for as a subsidiary of the Company, Tokai Kogyo Group and Guangzhou Tokai Minth are connected persons of the Company by virtue of Tokai Kogyo being a substantial shareholder of Wuhan Tokai Minth. Accordingly, the transactions constitute continuing connected transactions of the Company.

As the applicable percentage ratios for the Tokai Agreement are more than 0.1% but less than 5%, the transactions pursuant to the Tokai Agreement are only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules and do not require approval by the independent shareholders of the Company.

**CONTINUING CONNECTED TRANSACTIONS WITH TOKAI KOGYO GROUP**

Reference is made to the announcement of the Company dated 28 September 2011 in relation to, amongst other things, the Tokai Agreement.

On 31 March 2014, the Group renewed the Tokai Agreement for a period of three years with Guangzhou Tokai Minth in connection with the purchase of semi-finished automobile materials from, and sale of finished automobile parts to, Guangzhou Tokai Minth and/or its affiliates from 31 March 2014 to 30 March 2017 (both days inclusive).

## Connected person relationship

As Wuhan Tokai Minth is accounted for as a subsidiary of the Company, Tokai Kogyo Group and Guangzhou Tokai Minth are connected persons of the Company by virtue of Tokai Kogyo being a substantial shareholder of Wuhan Tokai Minth.

Pursuant to the Tokai Agreement, the Group agreed to purchase semi-finished automobile materials from, and sell finished automobile parts to, Guangzhou Tokai Minth and/or its affiliates during the term of the Tokai Agreement. The Tokai Agreement is for a period of three years from 31 March 2014 to 30 March 2017 (both days inclusive) with actual prices payable, or receivable (as the case may be) 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 (or vice versa).

## Historical transaction values under the Tokai Agreement

For the two financial years ended 31 December 2013 and the two months ended 28 February 2014, the actual historical transaction values under the Previous Tokai Agreement are set out as follows:

	For the year ended 31 December		For the two months
	2012	2013	ended 28 February 2014
Purchase of semi-finished automobile materials from Tokai Kogyo Group pursuant to the Previous Tokai Agreement	RMB93,739,000	RMB52,632,980	RMB6,587,400
Sale of finished automobile parts to Tokai Kogyo Group pursuant to the Previous Tokai Agreement	RMB78,627,000	RMB75,274,290	RMB8,561,580

## Proposal to new annual caps

The annual cap for the three years ended 31 December 2016 for the purchases from and sales to Tokai Kogyo Group pursuant to the Tokai Agreement are set out as follows:

	For the year ended 31 December		
	2014	2015	2016
Annual cap for purchase of semi-finished automobile materials from Tokai Kogyo Group pursuant to the Tokai Agreement	RMB170,000,000	RMB170,000,000	RMB170,000,000
Annual cap for sale of finished automobile parts to Tokai Kogyo Group pursuant to the Tokai Agreement	RMB150,000,000	RMB150,000,000	RMB150,000,000

The price for the (i) semi-finished automobile materials supplied by Guangzhou Tokai Minth and/or its affiliates to Guangzhou Minhui and/or its affiliates, and (ii) finished parts supplied by Guangzhou Minhui and/or its affiliates to Guangzhou Tokai Minth and/or its affiliates under the Tokai Agreement shall be negotiated by the parties on an arm's length basis. In determining the price of the said products, the Company shall regularly collect pricing information from the market including but not limited to obtaining product quotations from independent third party suppliers of similar products. The Group's personnel responsible for pricing management would then compare such prices against that which the Group purchases from or sells to Independent Third Parties and analyse accordingly. After internal reviews conducted by the Group's personnel who are responsible for pricing management, the Group will then negotiate and determine the price with Guangzhou Tokai Minth (or its affiliates as the case may be) taking into account the market price and relevant product cost. The Group's pricing management team will also consider the reasonableness of the sale price of the said products on a regular basis and make adjustments where necessary to ensure that such prices are no less favourable to the Group than those offered to or by other Independent Third Parties. In addition to the aforesaid, 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 a member of the Tokai Kogyo Group.

The Directors (including the independent non-executive Directors) have confirmed that the terms of the Tokai Agreement have been agreed on an arm's length basis and the continuing connected transactions contemplated thereunder have been and will be conducted in the ordinary and usual course of business of the Group and on normal commercial terms. The Directors are of the view that such transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

No Directors have any material interest in the Tokai Agreement and no Director has abstained from voting on the relevant Board resolution.

## Reasons for and benefits of entering into the Tokai Agreement

Tokai Kogyo Group is involved in a variety of businesses including the design, manufacture and sale of automobile parts and components. The Group is principally engaged in the design, manufacture and sale of parts for passenger cars and considers the renewal of the Tokai Agreement would give the Group assurances as to the supply of automobile parts it may require in terms of pricing, specifications as well as volume.

## IMPLICATIONS OF THE LISTING RULES

As the applicable percentage ratios for the Tokai Agreement are more than 0.1% but less than 5%, the transactions pursuant to the Tokai Agreement are only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules and do not require the approval by independent shareholders of the Company.

## DEFINITIONS

In this announcement, the following terms have the following meanings:

“Board”	the board of Directors
“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
“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
“connected person”	has the meaning as defined in the Listing Rules
“Decade (HK)”	時銘(香港)有限公司 (Decade (HK) Limited), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Guangzhou Minhui”	廣州敏惠汽車零部件有限公司 (Guangzhou Minhui Automobile Parts Co., Ltd.), a company incorporated in China with limited liability and owned as to 70% by Decade (HK) and owned as to 30% by Sankei Giken Holdings Co., Ltd.
“Guangzhou Tokai Minth”	廣州東海敏孚汽車部件有限公司 (Guangzhou Tokai Minth Automotive Parts Co., Ltd.), a company incorporated in China with limited liability and which owned as to 49% by Mindway (HK) and owned as to 50% by Tokai Kogyo Group and as to 1% by Mitsui & Co., Ltd

“Independent Third Parties”	independent third parties which are not connected with the Company of any of its subsidiaries or the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mindway (HK)”	睿途(香港)有限公司 (Mindway (HK) Limited), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“PRC” or “China”	the People’s Republic of China
“Previous Tokai Agreement”	previous sale and purchase agreements for automotive parts, further details of which are set out in the Company’s announcement dated 28 September 2011
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tokai Agreement”	the sale and purchase agreement dated 31 March 2014 entered into between Guangzhou Tokai Minth and Guangzhou Minhui for the purpose of purchasing semi-finished automobile materials from, and selling finished automobile parts to, Guangzhou Tokai Minth and/or its affiliates for a period of three years
“Tokai Kogyo”	東海興業株式會社 (Tokai Kogyo Co., Ltd.), a limited liability company incorporated in Japan
“Tokai Kogyo Group”	Tokai Kogyo and its subsidiaries
“Wuhan Tokai Minth”	武漢東海敏實汽車零部件有限公司 (Wuhan Tokai Minth Automotive Parts Co., Ltd.), a company incorporated in China with limited liability and which is owned by Cheerplan (China) and Tokai Kogyo as to 50% each

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

Hong Kong, 31 March 2014

*As the date of this announcement, the Board of Directors comprises Mr. Chin Jong Hwa, Mr. Shi Jian Hui, Mr. Zhao Feng and Mr. Kawaguchi Kiyoshi, being executive Directors, 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.*