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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)**

### **LEGAL PROCEEDINGS**

This announcement is made pursuant to the Inside Information Provisions under Part XIVA of the SFO and Rule 13.09 of the Listing Rules.

On 29 April 2008, the Group completed the 2008 Talentlink HK and Magic Figure Acquisition for approximately RMB88,593,000 (equivalent to approximately HK\$110,576,909). The 2008 Talentlink HK and Magic Figure Acquisition was ratified, confirmed and approved by 98.75% of Independent Shareholders at the relevant general meeting on 27 July 2009.

On 11 April 2014, the Company was served with a petition by the SFC alleging, among other things, that the 2008 Talentlink HK and Magic Figure Acquisition was not genuine and is void or voidable. In connection with this, the SFC seeks the following orders from the High Court:

- Mr Chin pay US\$12,669,039 (equivalent to approximately HK\$99,052,504) and related interest to the Company's subsidiary, Decade on the basis that the 2008 Talentlink HK and Magic Figure Acquisition should be set aside or, as damages for loss suffered by Decade as a result of the alleged breach by Mr Chin of his fiduciary duties;
- as an alternative to the above, that the Company or Decade, bring action against Mr Chin and other relevant parties to recover US\$12,669,039 (equivalent to approximately HK\$99,052,504) or such losses suffered by Decade as or might have been caused by the alleged breach by Mr Chin of his fiduciary duties; and
- for such period as the High Court decides, each of Mr. Chin (the Chairman), Mr. Shi Jian Hui (executive Director), Mr. Zhao Feng (executive Director) and Mr. Mu Wei Zhong (an executive Director at the time of the 2008 Talentlink HK and Magic Figure Acquisition but who is no longer with the Group) shall not be or continue to be a director, liquidator, receiver or manager of property or business of any listed or unlisted company in Hong Kong nor otherwise be involved in the management of any listed or unlisted company in Hong Kong.

An initial hearing has been set for 9 July 2014 at the High Court. The Company is seeking legal advice and, as a preliminary matter, has been advised that it is not possible to say with certainty how long it would take for such proceedings to conclude. These legal proceedings could take months and possibly even some years to resolve.

Until such time as the High Court orders otherwise, Mr Chin will remain as an executive Director and chairman of the Company, and each of Mr Shi Jian Hui and Mr Zhao Feng will remain as executive Directors and carry on with their duties. The Company does not expect its daily operations and business to be disrupted or otherwise materially and adversely affected.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

This announcement is made pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (“SFO”) and Rule 13.09 of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

## **BACKGROUND**

Reference is made to Minth Group Limited’s (the “Company” and, together with its subsidiaries, the “Group”) announcement dated 12 June 2009 (the “Announcement”) and its circular dated 10 July 2009 (the “Circular”) in relation to the acquisition (“2008 Talentlink HK and Magic Figure Acquisition”) of Talentlink Development Limited (“Talentlink HK”) and Magic Figure Investments Limited (“Magic Figure”) from the nephew and niece (the “Vendors”) of Mr. Chin Jong Hwa (“Mr. Chin”), the chairman, executive director and controlling shareholder of the Company.

As disclosed in the Announcement and Circular, independent shareholders (that is, shareholders other than the Vendors, Mr. Chin and their respective associates, the “Independent Shareholders”) of the Company were asked to ratify, confirm and approve the 2008 Talentlink HK and Magic Figure Acquisition. At a general meeting held on 27 July 2009, 98.75% of Independent Shareholders voted in favour of ratifying, confirming and approving the 2008 Talentlink HK and Magic Figure Acquisition.

## **ALLEGATIONS**

On 11 April 2014, the Company was served with a petition by the Securities and Futures Commission (“SFC”). Other respondents who are also named in the petition are Decade (HK) Limited (“Decade”, a wholly-owned subsidiary of the Company which acquired Talentlink HK and Magic Figure from the Vendors), the following executive directors of the Company (“executive Directors”), namely, Mr. Chin, Mr. Shi Jian Hui (executive Director) and Mr. Zhao Feng (executive Director) and another person, Mr. Mu Wei Zhong (an executive Director at the time of the 2008 Talentlink HK and Magic Figure Acquisition but who has now left the Group).

The allegations in the petition can generally be summarised as incorrect or misleading disclosure or a failure to disclose information relating to the 2008 Talentlink HK and Magic Figure Acquisition and as a result, there has been misfeasance or other misconduct towards the Company, some or all of its shareholders, some or all of its shareholders not having been given information that they might reasonably expect or that there has been unfair prejudice to some or all of its shareholders.

The SFC seeks the following orders from the High Court of Hong Kong (“**High Court**”):

- Mr Chin pay US\$12,669,039 (equivalent to approximately HK\$99,052,504) and related interest to the Company’s subsidiary, Decade on the basis that the 2008 Talentlink HK and Magic Figure Acquisition should be set aside or, as damages for loss suffered by Decade as a result of the alleged breach by Mr Chin of his fiduciary duties;
- as an alternative to the above, that the Company or Decade, bring action against Mr Chin and other relevant parties to recover US\$12,669,039 (equivalent to approximately HK\$99,052,504) or such losses suffered by Decade as or might have been caused by the alleged breach by Mr Chin of his fiduciary duties; and
- for such period as the High Court decides, each of Mr. Chin (the Chairman), Mr. Shi Jian Hui (executive Director), Mr. Zhao Feng (executive Director) and Mr. Mu Wei Zhong (an executive Director at the time of the 2008 Talentlink HK and Magic Figure Acquisition but who is no longer with the Group) shall not be or continue to be a director, liquidator, receiver or manager of property or business of any listed or unlisted company in Hong Kong nor otherwise be involved in the management of any listed or unlisted company in Hong Kong.

An initial hearing has been set for 9 July 2014 at the High Court. The Company is seeking legal advice and, as a preliminary matter, has been advised that it is not possible to say with certainty how long it would take for such proceedings to conclude. These legal proceedings could take months and possibly even some years to resolve.

Until such time as the High Court orders otherwise, Mr Chin will remain as an executive Director and chairman of the Company, and each of Mr Shi Jian Hui and Mr Zhao Feng will remain as executive Directors and carry on with their duties. The Company does not expect its daily operations and business to be disrupted or otherwise materially and adversely affected. Save as disclosed above, there is no other information relating to the executive Directors named in the petition which is required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in connection with the petition. The Company will update shareholders and investors on any further developments in compliance with Part XIVA of the SFO and Rule 13.09 of the Listing Rules.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**MINTH GROUP LIMITED**  
**Loke Yu**  
Company Secretary

Hong Kong, 14 April 2014

*Unless otherwise specified and for illustration purpose only, the conversion of USD into HK\$ is based on the exchange rate of USD1.00 = HK\$7.818 and the conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 = HK\$1.248. 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.*

*As of 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.*