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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)

**CHANGES IN EXECUTIVE DIRECTORS, CHAIRMAN AND
AUTHORISED REPRESENTATIVE**

The Board has been notified by Mr. Chin and Mr. Zhao that they would like to, and have, resigned as executive Directors and from all directorships in the subsidiaries of the Company with effect from 25 October 2019.

In light of Mr. Chin's resignation, there will also be a change in the Company's chairman and authorised representative. The Board has resolved to appoint Ms. Huang Chiung Hui, an executive Director, as the new Chairperson of the Board and the authorised representative of the Company pursuant to Rule 3.05 of the Listing Rules with effect from 25 October 2019.

Mr. Chin continues to be the ultimate beneficial shareholder holding approximately 39.16% of the total issued share capital of the Company.

This announcement is made by the board (the "**Board**") of directors (the "**Directors**") of MintH Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

BACKGROUND

Reference is made to the announcements issued by the Company dated 14 April 2014 and 9 July 2014. On 11 April 2014, the Company was served with a petition by the Securities and Futures Commission (“SFC”) alleging, among other things, that 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 and executive director of the Company, was not genuine and is void or voidable. In connection with this, the SFC sought the following orders from the High Court of Hong Kong (“**High Court**”):

- Mr. Chin pay US\$12,669,039 (equivalent to approximately HK\$99,338,000) and related interest to Decade (HK) Limited (“**Decade**”, a wholly-owned subsidiary of the Company which acquired Talentlink HK and Magic Figure from the Vendors) 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\$99,338,000) 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 (an executive Director at the time of the 2008 Talentlink HK and Magic Figure Acquisition but who is no longer with the Group), Mr. Zhao Feng (“**Mr. Zhao**”, 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 without leave of the court (a) be or, continue to be a director, liquidator, receiver or manager of the property or business of any listed or unlisted company in Hong Kong and (b) in any way directly or indirectly be concerned, or take part, in the management of any listed or unlisted company in Hong Kong.

UPDATE TO LEGAL PROCEEDINGS

A court hearing was held on 23 October 2019 at which a set of settlement proposals agreed between the SFC and the other defendants to the legal proceedings was put before the High Court for its approval. The Company is informed by Mr. Chin that he is agreeable to settlement in the interest of saving time and costs. The High Court is considering the matter and will deliver its decision in due course. Mr. Chin and Mr. Zhao have decided to resign as executive Directors and from all directorships in the subsidiaries of the Company with effect from 25 October 2019. The Board notes the above and has accepted their resignations.

The agreed terms proposed to the High Court at the court hearing on 23 October 2019 included the following in respect of Mr. Chin and Mr. Zhao:

- (1) RMB12,000,000 (equivalent to approximately HK\$13,308,000) together with interest thereon be paid by Mr. Chin to Decade. The original claim by the SFC was for US\$12,669,039 (equivalent to approximately HK\$99,338,000). The amount of RMB12,000,000 has been agreed on the basis that Mr. Chin failed to use his best endeavours to procure Decade to negotiate for the lowest possible price for the relevant land acquired;
- (2) a disqualification order be made against Mr. Chin for a period of six years, such that Mr. Chin shall not, without the leave of the court, (a) be or continue to be a director, liquidator, receiver or manager of the property or business of any listed or unlisted company in Hong Kong including the Company, its subsidiaries and affiliates; and (b) in any way, whether directly or indirectly, be concerned, or take part, in the management of any listed or unlisted company in Hong Kong including the Company, its subsidiaries and affiliates; and
- (3) a disqualification order be made against Mr. Zhao for a period of three years, such that Mr. Zhao shall not, without the leave of the court, (a) be or continue to be a director, liquidator, receiver or manager of the property or business of any listed or unlisted company in Hong Kong including the Company, its subsidiaries and affiliates; and (b) in any way, whether directly or indirectly, be concerned, or take part, in the management of any listed or unlisted company in Hong Kong including the Company, its subsidiaries and affiliates.

Should the terms be approved by the High Court, this will mean an end to the legal proceedings involving the Company. The Board would like to emphasize that even though the Company and Decade were joined by the SFC as respondents to the proceedings, the joinder was primarily for the purpose of allowing the Company and Decade to take up the benefit of any order obtained by the SFC against Mr. Chin, and no adverse order is expected to be made by the court against the Company and Decade.

Whilst Mr. Chin has ceased to be a Director and Chairman of the Board, Mr. Chin continues to be the ultimate beneficial shareholder holding approximately 39.16% of the total issued share capital of the Company. The agreed terms proposed to the High Court would not affect Mr. Chin's ability to continue to be a shareholder of the Company or vote at general meetings of the Company.

The Company will make an announcement as soon as practicable once the High Court has made its decision and issued its order.

RESIGNATION OF EXECUTIVE DIRECTORS, CHAIRMAN AND AUTHORISED REPRESENTATIVE

The Board has been notified by Mr. Chin and Mr. Zhao that they would like to, and have, resigned as executive Directors and from all directorships in the subsidiaries of the Company with effect from 25 October 2019.

In light of Mr. Chin's resignation, there will also be a change in the Company's chairman and authorised representative. The Board has resolved to appoint Ms. Huang Chiung Hui, an executive Director, as the new Chairperson of the Board and the authorised representative of the Company pursuant to Rule 3.05 of the Listing Rules with effect from 25 October 2019.

Each of Mr. Chin and Mr. Zhao has confirmed that he has no disagreement with the Board and save for the status of legal proceedings as set out above, he is not aware of any other matter in relation to his resignation that needs to be brought to the attention of the shareholders of the Company.

APPOINTMENT OF NEW CHAIRPERSON AND AUTHORISED REPRESENTATIVE

The Board is pleased to announce that Ms. Huang Chiung Hui ("**Ms. Huang**"), an executive Director, has been appointed as the new Chairperson of the Board and authorised representative of the Company pursuant to Rule 3.05 of the Listing Rules to take the place of Mr. Chin. All of the above appointments will take effect from the date of this announcement (i.e. 25 October 2019).

After the resignation of Mr. Chin and Mr. Zhao, the Board now comprises two executive Directors, namely Ms. Huang and Ms. Chin Chien Ya ("**Ms. Chin**"), and three independent non-executive Directors, namely Mr. Wu Fred Fong, Dr. Wang Ching and Ms. Yu Zheng.

Due to the Group's solid and stable business foundation as well as the Board and the Group's senior management having been well prepared for the resolution of the SFC Proceedings, the Board confirms that neither the functions of the Board nor the Company's normal operations have been adversely affected by the resignations of Mr. Chin and Mr. Zhao as the executive Directors. Furthermore, given the Board's ongoing efforts in respect of succession planning, the role and responsibility of Mr. Chin and Mr. Zhao will be assumed by Ms. Huang, Ms. Chin, together with other senior management of the Group. The Board is confident that such changes would not have any adverse effect on the Group's customer relationships, ongoing business as well as its growth. The Group's senior management and operations team will continue to benefit from the leadership of its chief executive officer Mr. Chen Bin Bo (陳斌波) who possesses in-depth experience in marketing and management. The Company therefore expects to continue to perform under the leadership of the existing management of the Company. The Board

also believes that the new Board will collectively have sufficient competence, qualification and experience to continue leading the Group and managing its business operations on an on-going basis.

Shareholders and potential investors should note that the terms of settlement referred to above may or may not be approved by the High Court. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Minth Group Limited
Yi Lei Li
Company Secretary

Hong Kong, 25 October 2019

Unless otherwise specified and for illustration purpose only, the conversion of USD into HK\$ is based on the exchange rate of USD1.00 = HK\$7.841 and the conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 = HK\$1.109. 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 at the date of this announcement, the Board comprises Ms. Huang Chiung Hui and Ms. Chin Chien Ya, being executive Directors; and Mr. Wu Fred Fong, Dr. Wang Ching and Ms. Yu Zheng being independent non-executive Directors.