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# **MINTH** **敏實集團**

## **MINTH GROUP LIMITED** **敏實集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 425)**

### **CONNECTED TRANSACTIONS** **ACQUISITIONS OF REMAINING EQUITY** **INTERESTS IN TWO SUBSIDIARIES**

The Board is pleased to announce that on 9 February, 2007, Sinoone and Decade, both indirect wholly owned subsidiaries of the Company, entered into the Acquisition Agreements with Praise Development, pursuant to which Sinoone and Decade agreed to purchase an equity interest of 30% in Jiaxing Minrong and an equity interest of 20% in Jiaxing EL Triumph from Praise Development for the consideration of US\$515,300 and US\$234,700 (equivalent to about HK\$4.02 million and HK\$1.83 million) respectively. The Company through Sinoone and Decade, as at the date of this announcement, held an equity interest of 70% in Jiaxing Minrong and an equity interest of 80% in Jiaxing EL Triumph. Upon completion of the Acquisitions, Jiaxing Minrong and Jiaxing EL Triumph will be indirectly wholly owned subsidiaries of the Company.

Praise Development is a connected person of the Company by virtue of it being a substantial shareholder of Jiaxing Minrong and Jiaxing EL Triumph, both being subsidiaries of the Company, and the Acquisitions therefore constitute connected transactions for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios (as defined in the Listing Rules) for the Acquisitions are more than 0.1% and less than 2.5% and the total consideration for the Acquisitions is more than HK\$1 million, the entering into of the Acquisition Agreements is subject to the reporting and announcement requirements and is exempt from independent shareholders' approval requirement under Rules 14A.45 to 14A.47 of the Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that on 9 February 2007, Sinoone and Decade, both indirect wholly owned subsidiaries of the Company, entered into the Acquisition Agreements with Praise Development pursuant to which Sinoone and Decade agreed to acquire an equity interest of 30% in Jiaxing Minrong and an equity interest of 20% in Jiaxing EL Triumph from Praise Development for the consideration of US\$515,300 and US\$234,700 (equivalent to about HK\$4.02 million and HK\$1.83 million) respectively. The Company through Sinoone and Decade, as at the date of this announcement, held an equity interest of 70% in Jiaxing Minrong and an equity interest of 80% in Jiaxing EL Triumph. Upon completion of the Acquisitions, Jiaxing Minrong and Jiaxing EL Triumph will be indirectly wholly owned subsidiaries of the Company.

## **THE ACQUISITION AGREEMENTS**

### **(I) The Acquisition Agreement I**

#### *Date*

9 February 2007

#### *Parties*

Purchaser: Sinoone, an indirect wholly owned subsidiary of the Company

Vendor: Praise Development, a connected person of the Company

#### *Subject of the Acquisition*

Pursuant to the Acquisition Agreement I, Sinoone agreed to purchase from Praise Development and Praise Development agreed to sell to Sinoone an equity interest of 30% in Jiaxing Minrong for a consideration of US\$515,300 (equivalent to about HK\$4.02 million).

#### *Consideration*

The consideration was determined after arm's length negotiations between the parties to the Acquisition Agreement I and with reference to the unaudited net asset value of Jiaxing Minrong attributable to the 30% equity interest as at 31 December 2006. The consideration represents about 20.87% discount to the net asset value as shown on the management accounts of Jiaxing Minrong as at 31 December 2006 attributable to such equity interest which amounted to about HK\$5.08 million.

As at the date of this announcement, the registered capital of Jiaxing Minrong amounted to US\$1.51 million (equivalent to about HK\$11.78 million). Based on Praise Development's 30% equity interest in Jiaxing Minrong, it is then interested in US\$453,000 (equivalent to about HK\$3.53 million) of such registered capital.

The consideration will be satisfied by internal resources of the Group within five business days after the conditions precedent to the completion of the Acquisition Agreement I are being fulfilled.

### *Conditions*

The completion of the Acquisition Agreement I is conditional, inter alia, upon the following conditions:

1. the obtaining of the necessary approval from the relevant government authorities in the PRC regarding the Acquisition; and
2. the obtaining of the renewed business license of Jiaxing Minrong.

Neither Sinoone nor Praise Development has the right to waive any of the conditions set out above. As at the date of this announcement, none of the above conditions has been fulfilled.

## **(II) The Acquisition Agreement II**

### *Date*

9 February 2007

### *Parties*

Purchaser: Decade, an indirect wholly owned subsidiary of the Company

Vendor: Praise Development, a connected person of the Company

### *Subject of the Acquisition*

Pursuant to the Acquisition Agreement II, Decade agreed to purchase from Praise Development and Praise Development agreed to sell to Decade an equity interest of 20% in Jiaxing EL Triumph for a consideration of US\$234,700 (equivalent to about HK\$1.83 million). In addition, Decade agreed to pay up the unpaid portion of the registered capital of Jiaxing EL Triumph in the amount of US\$40,000 (equivalent to about HK\$0.31 million) before 4 April 2008.

### *Consideration*

The consideration was determined after arm's length negotiations between the parties to the Acquisition Agreement II and with reference to the unaudited net asset value of Jiaxing EL Triumph attributable to the 20% equity interest as at 31 December 2006. The consideration represents about 29.07% discount to the net asset value as shown on the management accounts of Jiaxing EL Triumph as at 31 December 2006 attributable to such equity interest which amounted to about HK\$2.58 million.

As at the date of this announcement, the registered capital of Jiaxing EL Triumph amounted to US\$1.70 million (equivalent to about HK\$13.26 million). Based on Praise Development's 20% equity interest in Jiaxing EL Triumph, it is then interested in US\$340,000 (equivalent to about HK\$2.65 million) of such registered capital.

The consideration will be satisfied by internal resources of the Group within five business days after the conditions precedent to the completion of the Acquisition Agreement II are being fulfilled.

### *Conditions*

The completion of the Acquisition Agreement II is conditional, *inter alia*, upon the following conditions:

1. the obtaining of the necessary approval of the relevant government authorities in the PRC regarding the Acquisition; and
2. the obtaining of the renewed business license of Jiaxing EL Triumph.

Neither Decade nor Praise Development has the right to waive any of the conditions set out above. As at the date of this announcement, none of the above conditions has been fulfilled.

### **INFORMATION ON JIAXING MINRONG**

Jiaxing Minrong is a company established in the PRC with limited liability on 29 July 2004. Jiaxing Minrong has a registered capital of US\$1.51 million (equivalent to about HK\$11.78 million) and, as at the date of this announcement, is owned as to 70% by Sinoone and 30% by Praise Development. Jiaxing Minrong is principally engaged in the business of manufacture and sales of automobile body parts and comprehensive metal surface treatment of auto parts. The Company acquired the aforementioned 70% equity interest in Jiaxing Minrong in April 2006 at a consideration of about US\$2.62 million (equivalent to about HK\$20.44 million) by way of acquisition of shares from Praise Development. Neither the acquisition of the aforementioned 70% equity interest in Jiaxing Minrong in April 2006 alone nor the aggregation of the abovementioned acquisition with the Acquisition pursuant to the Acquisition Agreement I would constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Based on the financial statements of Jiaxing Minrong which were prepared in accordance with accounting principles generally accepted in the PRC, the audited profits before and after taxation of Jiaxing Minrong for the year ended 31 December 2005 and 2006 were both about RMB22.55 million (equivalent to about HK\$22.33 million) while the unaudited profits before and after taxation of Jiaxing Minrong for the year ended 31 December 2006 were both about and RMB4.20 million (equivalent to about HK\$4.16 million).

The unaudited net asset value of Jiaxing Minrong as at 31 December 2006 prepared in accordance with accounting principles generally accepted in the PRC amounted to about RMB17.09 million (equivalent to about HK\$16.92 million).

### **INFORMATION ON JIAXING EL TRIUMPH**

Jiaxing EL Triumph is a company established in the PRC with limited liability on 4 April 2006. Jiaxing EL Triumph has a registered capital of US\$1.70 million (equivalent to about HK\$13.26 million) and, as at the date of this announcement, is owned as to 80% by Decade and 20% by Praise Development. Jiaxing EL Triumph is principally engaged in the business of manufacture and sales of automobile body parts and comprehensive metal surface treatment of auto parts. The Company acquired the aforementioned 80% equity interest in Jiaxing EL Triumph in April 2006 at a consideration of about US\$1.36 million (equivalent to about HK\$10.61 million) by way of capital contribution into Jiaxing EL Triumph. Neither the capital contribution of the aforementioned 80% equity interest in Jiaxing EL Triumph in April 2006 alone nor the aggregation of the abovementioned capital contribution with the Acquisition pursuant to the Acquisition Agreement II would constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Based on the financial statements of Jiaxing EL Triumph which were prepared in accordance with accounting principles generally accepted in the PRC, the unaudited loss before and after taxation of Jiaxing EL Triumph for the period from 4 April 2006 (the date of establishment) to 31 December 2006 were both about RMB197,000 (equivalent to about HK\$195,000). As Jiaxing EL Triumph was established on 4 April 2006, it was in the stage of developing its business in 2006, and therefore it recorded an unaudited loss for the period from 4 April 2006 to 31 December 2006.

The unaudited net asset value of Jiaxing EL Triumph as at 31 December 2006 prepared in accordance with accounting principles generally accepted in the PRC amounted to about RMB13.05 million (equivalent to about HK\$12.92 million).

### **INFORMATION ON PRAISE DEVELOPMENT**

Praise Development is a company established in the British Virgin Islands with limited liability. The ultimate beneficial owner of Praise Development is an Independent Third Party. Praise Development is principally engaged in the business of manufacture and sales of automobile body parts and comprehensive metal surface treatment through its shareholdings in Jiaxing Minrong and Jiaxing EL Triumph. Prior to the Group's acquisition of 70% equity interest in Jiaxing Minrong and the capital contribution of the 80% equity interest in Jiaxing EL Triumph in April 2006, Praise Development was not a connected person of the Company.

Upon completion of the Acquisitions, Praise Development will cease to have any interest in Jiaxing Minrong and Jiaxing EL Triumph.

### **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Board considers the Acquisitions as a way to strengthen the business of manufacture and sales of automobile body parts and comprehensive metal surface treatment of auto parts of the Group.

Moreover, the Group will have absolute control over the operation of Jiaxing Minrong and Jiaxing EL Triumph after they become indirect wholly owned subsidiaries of the Company.

The Directors (including independent non-executive Directors) are of the view that the terms of the Acquisition Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **GENERAL**

The Group is a leading supplier of exterior automobile body parts in the PRC. It is principally engaged in the design, manufacture and sale of body structural parts, decorative parts and trims for passenger cars.

Sinoone and Decade, both being indirect wholly owned subsidiaries of the Company, are companies incorporated in the British Virgin Islands with limited liability and their principal business is investment holding.

Praise Development is a connected person of the Company by virtue of it being a substantial shareholder of Jiaxing Minrong and Jiaxing EL Triumph, both being subsidiaries of the Company, and the Acquisitions therefore constitute connected transactions for the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios (as defined in the Listing Rules) for the Acquisitions are more than 0.1% and less than 2.5% and the total consideration for the Acquisitions is more than HK\$1 million, the entering into of the Acquisition Agreements is subject to the reporting and announcement requirements and is exempt from independent shareholders' approval requirement under Rules 14A.45 to 14A.47 of the Listing Rules.

## DEFINITIONS

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

“Acquisitions”	the transactions contemplated under the Acquisition Agreement I and the Acquisition Agreement II, and each of them, an “Acquisition”
“Acquisition Agreement I”	the acquisition agreement dated 9 February 2007 entered into between Sinoone and Praise Development in relation to the acquisition of an equity interest of 30% in Jiaxing Minrong by Sinoone from Praise Development
“Acquisition Agreement II”	the acquisition agreement dated 9 February 2007 entered into between Decade and Praise Development in relation to the acquisition of an equity interest of 20% in Jiaxing EL Triumph by Decade from Praise Development
“Acquisition Agreements”	the Acquisition Agreement I and the Acquisition Agreement II
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“business day”	a day (other than Saturday) on which banks in PRC are generally open for business
“Company”	Mint Group Limited, a company incorporated in the Cayman Islands on 22 June 2005 with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Decade”	Decade Industries Limited, a company established in the British Virgin Islands with limited liability and wholly owned by the Company

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) together with its/their beneficial owner(s) who or which is/are, not connected person(s) to the Company and is/are independent of the Company and its connected persons
“Jiaxing EL Triumph”	嘉興敏勝汽車零部件有限公司 (Jiaxing EL Triumph Automotive Parts Co., Ltd.*), a company established in the PRC with limited liability and is owned as to 80% by Decade and 20% by Praise Development
“Jiaxing Minrong”	嘉興敏榮汽車零部件有限公司 (Jiaxing Minrong Automotive Parts Co., Ltd.*), a company established in the PRC with limited liability and is owned as to 70% by Sinoone and 30% by Praise Development
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Praise Development”	Praise Development Limited, a company established in the British Virgin Islands with limited liability and its sole ultimate beneficial owner is an Independent Third Party
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Sinoone”	Sinoone Holdings Limited, a company established in the British Virgin Islands with limited liability and wholly owned by the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar(s), the lawful currency of the United States
“%”	per cent.

*Note: Unless otherwise specified herein, amounts denominated in US\$ and RMB in this announcement have been translated, for the purpose of illustration only, into Hong Kong dollar amounts using the rate of HK\$7.8 = US\$1.00 and HK\$1 = RMB1.01, respectively. No representation is made that any amount in US\$ or RMB or HK\$ could have been or could be converted at the above rates or any other rates or at all.*

By Order of the Board  
**Mint Group Limited**  
**Chin Jong Hwa**  
*Chairman*

Hong Kong, 12 February 2007

*As at the date of this announcement, the executive Directors are Mr. Chin Jong Hwa, Mr. Shi Jian Hui, Mr. Mu Wei Zhong, Mr. Chin Jung Huang and Mr. Zhao Feng; the non-executive Director is Mr. Shaw Sun Kan, Gordon; and the independent non-executive Directors are Mr. Heng Kwo Seng, Dr. Wang Ching and Mr. Zhang Liren.*

\* *For identification purpose only*

Please also refer to the published version of this announcement in South China Morning Post.