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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

CAMERA PURCHASE AGREEMENTS

On 23 February 2022, the Group as purchaser entered into the Wuhan Camera Purchase Agreement, the Jiaxing Camera Purchase Agreement and the Guangzhou Camera Purchase Agreement with Jiaxing Shun Min as supplier to purchase automobile camera devices, parts and accessories for the period from 23 February 2022 to 22 February 2025.

PCBA PURCHASE AGREEMENT

On 23 February 2022, the Company (through its indirect wholly-owned subsidiary Jiaxing Minsheng) as purchaser entered into the PCBA Purchase Agreement with Jiaxing Shun Min as supplier to purchase printed circuit boards assembly for the period from 23 February 2022 to 22 February 2025.

SUPPLIERS AGREEMENT

On 23 February 2022, the Company (through its indirect wholly-owned subsidiary, Jiaxing Minhui) as purchaser entered into the Suppliers Agreement with Zhejiang Tianchong as the assembly supplier and Jiaxing Shun Min as the tier 2 supplier for the assembly of printed circuit board parts for the period from 23 February 2022 to 22 February 2025.

LISTING RULES IMPLICATIONS

As Jiaxing Shun Min (the counterparty to the Agreements) is indirectly wholly-owned by Shun On Electronic, and in turn Mr. Chin (the controlling shareholder of the Company) and his associates are together indirectly beneficially interested in 35.12% of Shun On Electronic, Jiaxing Shun Min is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules for the Agreements are in aggregate more than 0.1% but less than 5%, the transactions under the Agreements are only subject to the reporting, announcement and annual review requirements but are exempted from circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE AGREEMENTS

Set out below is a summary of the principal terms of the Agreements.

1. Wuhan Camera Purchase Agreement

| | |
|------------------------|--|
| Date: | 23 February 2022 |
| Parties: | (i) Wuhan Hesheng (as purchaser) (ii) Jiaxing Shun Min (as supplier) |
| Term: | For three years commencing from 23 February 2022 to 22 February 2025. |
| Nature of transaction: | Jiaxing Shun Min agrees to supply and Wuhan Hesheng agrees to purchase automobile camera devices, parts and accessories. |

For each purchase of the automobile camera devices, parts and accessories, Wuhan Hesheng shall provide Jiaxing Shun Min with a purchase order including but not limited to the product name, product specifications, quantity of each product, proposed price of each product and delivery requirements. Such purchase order shall be confirmed and accepted or deemed accepted by Jiaxing Shun Min within 48 hours (of business days only) from the time the purchase order was issued. Jiaxing Shun Min shall then deliver the products according to the purchase order to Wuhan Hesheng.

Price: The proposed price of the products are based on the unit price of each automobile camera device, part and/or accessory (before tax). Please refer to the section headed “Pricing Policy and Internal Control” below.

The total consideration for each purchase order shall be determined by the agreed unit price of each relevant product and the actual number of the products delivered to Wuhan Hesheng.

Payment: Before the 5th day of every calendar month, Wuhan Hesheng shall provide a sales summary for the previous month to Jiaxing Shun Min. Upon confirmation of such sales summary, Jiaxing Shun Min will issue an official invoice to Wuhan Hesheng before the 20th day of the same calendar month. Wuhan Hesheng shall make payment to Jiaxing Shun Min on the first 5th day of the calendar month after 60 days from the date of the official invoice.

2. Jiaxing Camera Purchase Agreement

Date: 23 February 2022

Parties: (i) Jiaxing Minhui (as purchaser)
(ii) Jiaxing Shun Min (as supplier)

Term: For three years commencing from 23 February 2022 to 22 February 2025.

Nature of transaction: Jiaxing Shun Min agrees to supply and Jiaxing Minhui agrees to purchase automobile camera devices, parts and accessories.

For each purchase of the automobile camera devices, parts and accessories, Jiaxing Minhui shall provide Jiaxing Shun Min with a purchase order including but not limited to the product name, product specifications, quantity of each product, proposed price of each product and delivery requirements. Such purchase order shall be confirmed and accepted or deemed accepted by Jiaxing Shun Min within 48 hours (of business days only) from the time the purchase order was issued. Jiaxing Shun Min shall then deliver the products according to the purchase order to Jiaxing Minhui.

Price: The proposed prices of the products are based on the unit price of each automobile camera device, part and/or accessory (before tax). Please refer to the section headed “Pricing Policy and Internal Control” below.

The total consideration for each transaction shall be determined by the agreed unit price of each relevant product and the actual number of the products delivered to Jiaxing Minhui.

Payment: Before the 15th day of every calendar month, Jiaxing Shun Min shall provide a sales summary to Jiaxing Minhui. Upon confirmation of such sales summary, Jiaxing Minhui shall notify Jiaxing Shun Min to issue and deliver an official invoice to Jiaxing Minhui before the 20th day of the same calendar month. Upon receipt of the official invoice, Jiaxing Minhui shall make payment to Jiaxing Shun Min on the first 5th day of the calendar month after 60 days from the date of the official invoice.

3. Guangzhou Camera Purchase Agreement

Date: 23 February 2022

Parties: (i) Guangzhou Minhui (as purchaser)
(ii) Jiaxing Shun Min (as supplier)

Term: For three years commencing from 23 February 2022 to 22 February 2025.

Nature of transaction: Jiaxing Shun Min agrees to supply and Guangzhou Minhui agrees to purchase automobile camera devices.

For each purchase of the automobile camera devices, Guangzhou Minhui shall provide Jiaxing Shun Min with a purchase order including but not limited to the product name, product specifications, quantity of each product, proposed price of each product and delivery requirements. Such purchase order shall be confirmed and accepted or deemed accepted by Jiaxing Shun Min within 48 hours (of business days only) from the time the purchase order was issued. Jiaxing Shun Min shall then deliver the products according to the purchase order to Guangzhou Minhui.

Price: The proposed prices of the products are based on the unit price of each automobile camera device (before tax). Please refer to the section headed “Pricing Policy and Internal Control” below.

The total consideration for each purchase order shall be determined by the agreed unit price of each relevant product and the actual number of the products delivered to Guangzhou Minhui.

Payment: Before the 5th day of every calendar month, Jiaxing Shun Min shall provide a sales summary to Guangzhou Minhui. Upon confirmation of such sales summary, Guangzhou Minhui shall notify Jiaxing Shun Min to issue and deliver an official invoice to Guangzhou Minhui before the 20th day of the same calendar month. Upon receipt of the official invoice, Guangzhou Minhui shall make payment to Jiaxing Shun Min on the first 5th day of the calendar month after 60 days from the date of the official invoice.

4. PCBA Purchase Agreement

Date: 23 February 2022

Parties: (i) Jiaxing Minsheng (as purchaser)
(ii) Jiaxing Shun Min (as supplier)

Term: For three years commencing from 23 February 2022 to 22 February 2025.

Nature of transaction: Jiaxing Shun Min agrees to supply and Jiaxing Minsheng agrees to purchase printed circuit boards assembly.

For each purchase of the printed circuit board assembly, Jiaxing Minsheng shall provide Jiaxing Shun Min with a purchase order including but not limited to the product name, product specifications, quantity of each product, proposed price of each product and delivery requirements. Such purchase order shall be confirmed and accepted or deemed accepted by Jiaxing Shun Min within 48 hours (of business days) from the time the purchase order was issued. Jiaxing Shun Min shall then deliver the products according to the purchase order to Jiaxing Minsheng.

Price: The proposed prices of the products are based on the unit price of each printed circuit board assembly (before tax). Please refer to the section headed “Pricing Policy and Internal Control” below.

The total consideration for each purchase order shall be determined by the agreed unit price of each relevant product and the actual number of the products delivered to Jiaxing Minsheng.

Payment: Before the 15th day of every calendar month, Jiaxing Shun Min shall provide a sales summary to Jiaxing Minsheng. Upon confirmation of such sales summary, Jiaxing Minsheng shall notify Jiaxing Shun Min to issue and deliver an official invoice to Jiaxing Minsheng before the 20th day of the same calendar month. Upon receipt of the official invoice, Jiaxing Minsheng shall make payment to Jiaxing Shun Min on the first 5th day of the calendar month after 60 days from the date of the official invoice.

5. Suppliers Agreement

Date: 23 February 2022

Parties: (i) Jiaxing Minhui (as purchaser)
(ii) Zhejiang Tianchong (as assembly supplier)
(iii) Jiaxing Shun Min (as the tier 2 supplier)

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Zhejiang Tianchong and its ultimate beneficial owner are third parties independent of the Company and its connected parties (as defined in the Listing Rules).

Term: For three years commencing from 23 February 2022 to 22 February 2025.

Nature of transaction: Jiaxing Shun Min agrees to provide the printed circuit board parts whilst Zhejiang Tianchong shall assemble such parts into illuminated trimming parts for Jiaxing Minhui to purchase (the “**Assembled Parts**”).

A supply plan shall be provided by Jiaxing Minhui to Zhejiang Tianchong on a weekly basis and Zhejiang Tianchong shall send its own supply plan of supply list to Jiaxing Shun Min within 2 business days after receiving Jiaxing Minhui's supply plan. Jiaxing Shun Min shall then deliver the required printed circuit board parts to Zhejiang Tianchong, and Zhejiang Tianchong shall assemble such parts and deliver the Assembled Parts to Jiaxing Minhui according to the supply plan.

Price:

The proposed prices of the products are based on the unit price of each of the Assembled Parts (before tax), taking into account the cost of the printed circuit board parts and/or relevant components from Jiaxing Shun Min and the fees in connection with Zhejiang Tianchong's assembly service. Please refer to the section headed "Pricing Policy and Internal Control" below.

The total consideration for each purchase order shall be determined by the agreed unit price of each of the Assembled Parts and the actual number of the Assembled Parts delivered to Jiaxing Minhui.

Payment:

Jiaxing Shun Min shall issue VAT invoices to Zhejiang Tianchong 15 business days before the end of every calendar month, based on the quantity of products it delivered to Zhejiang Tianchong in the previous calendar month.

Zhejiang Tianchong shall issue VAT invoices before the 5th day of every calendar month based on the quantity of the Assembled Parts provided to Jiaxing Minhui in the previous calendar month and Zhejiang Tianchong shall deliver the same invoice to Jiaxing Minhui 10 business days before the end of each calendar month.

Jiaxing Minhui shall make direct payment, within 60 days, to Zhejiang Tianchong and Zhejiang Tianchong shall in turn pay Jiaxing Shun Min.

PRICING POLICY AND INTERNAL CONTROL

The proposed prices of the relevant products in each Agreement were based on the fixed unit price of each relevant product and such unit prices were set by reference to the relevant prevailing market prices of each product. The basis of determining such prices will in any event be no less favourable to the Company than those available from independent third parties in similar transactions. To ensure that the prices are not less favourable than those available from independent third parties, the Company has adopted the following measures:

- (1) the Company sets the price of each Product with reference to the prevailing market prices of the same or similar goods and/or services, which will be determined through periodic price researches conducted by the Company. In these price researches, the Company will obtain fee quotes from at least two other independent suppliers in the market and/or industry research institute(s) such as Qianzhan Industrial Research Institute (前瞻產業研究院) (<https://bg.qianzhan.com>) for goods comparable to the Products and for similar services to determine whether the unit price of each relevant product is fair and reasonable;
- (2) the Company will supervise the continuing connected transactions in accordance with the procedures set forth in the Company's internal control manual on continuing connected transactions. The relevant personnel of the business department of the Company will conduct regular checks to review and will closely monitor such continuing connected transactions contemplated under the Agreements to ensure that these transactions are conducted in accordance with the terms of the Agreements and will also regularly update the market prices for the purpose of considering if the prices charged for the transactions are fair and reasonable and in accordance with the aforesaid pricing policy;
- (3) the Company will in particular regularly review and monitor the annual caps and whether the transactions are done at fair and reasonable prices to ensure that they meet the management and regulatory requirements; and
- (4) the independent non-executive Directors will conduct an annual review of the implementation and enforcement of the continuing connected transactions, including but not limited to the assessment of the annual caps.

ANNUAL CAPS

The aggregate annual caps in respect of the transactions under the Agreements are as follows:

| Annual year ending 22 February | | |
|---|--|--|
| 2023 | 2024 | 2025 |
| RMB65,097,600.00 (equivalent to approximately HK\$80,000,000.00) | RMB81,372,000.00 (equivalent to approximately HK\$100,000,000.00) | RMB97,646,400.00 (equivalent to approximately HK\$120,000,000.00) |

The above annual caps are determined by reference to (i) the value of the Group's historical transaction amounts for the automobile camera devices, parts and accessories for the financial years ended 31 December 2019, 2020 and 2021 (being, RMB23,173,996, RMB42,828,906 and RMB106,250,471, respectively); (ii) the expected sales demand of the Group for the printed circuit boards assembly and Assembled Parts; (iii) the average market prices of the relevant products and/or services; and (iv) the anticipated growth in the market demand for such products and/or services taking into account the typical life cycle of automobile production and sales.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENTS

The Group believes that by entering into the Agreements, it will not only help the Group to ensure a stable supply of the Products, but also secure additional business opportunities by working in closer cooperation with Jiaying Shun Min.

The Directors have confirmed that the terms and conditions under the Agreements were negotiated on an arm's length basis between the parties involved. Having taken into account the above reasons and benefits, the Directors (including the independent non-executive Directors and excluding the Directors who are required to abstain from voting) consider that the Agreements and the transactions contemplated thereunder are entered into on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole, and the terms of the Agreements are fair and reasonable.

Save for Ms. Wei Ching Lien (who is an executive Director and the wife of Mr. Chin, the controlling shareholder of the Company) and Ms. Chin Chien Ya (who is an executive Director and the daughter of Mr. Chin), none of the Directors has a material interest in the Agreements and the transactions contemplated thereunder. Accordingly, save for Ms. Wei Ching Lien and Ms. Chin Chien Ya who abstained from voting, no other Director was required to abstain from voting on the relevant Board resolutions to approve the Agreements and the transactions contemplated thereunder.

INFORMATION OF THE GROUP

The Group

The Group is principally engaged in the design, manufacture and sale of automobile parts including metal and trim products, plastic products, aluminium products and battery housings and toolings and moulds.

The Group is headquartered in China and has established worldwide presence through building R&D, design and production bases in China, the US, Mexico, Germany, the United Kingdom, Serbia, the Czech Republic, Thailand, Japan, etc. For more information of the Group, please visit its official website at <http://www.minthgroup.com> (information that appears in that website does not form part of this announcement).

Wuhan Hesheng

Wuhan Hesheng is a wholly foreign-owned enterprise established in the PRC which is indirectly wholly-owned by the Company. Wuhan Hesheng is principally engaged in the design, manufacture, development and sales of automobile body parts.

Jiaxing Minhui

Jiaxing Minhui is a wholly foreign-owned investment enterprise established in the PRC which is an indirectly wholly-owned subsidiary of the Company. Jiaxing Minhui is principally engaged in the manufacture and sales of automobile parts, including but not limited to automobile lights, rearview mirrors, sealing materials, automobile accessories; the design and development of automobile parts; research and development of the manufacturing and production methods of automobile parts; and consultation and technical support services.

Guangzhou Minhui

Guangzhou Minhui is a foreign equity joint venture enterprise established in the PRC as which is indirectly majority-owned as to 70% by the Company. The remaining 30% of Guangzhou Minhui is indirectly owned by Sankei Giken Holdings Co., Ltd., which in turn is ultimately beneficially owned by Akihiro Hasegawa. Guangzhou Minhui is principally engaged in the manufacture and sales of automobile body parts.

Jiaxing Minsheng

Jiaxing Minsheng is a wholly foreign-owned enterprise established in the PRC which is indirectly wholly-owned by the Company. Jiaxing Minsheng is principally engaged in the manufacture and sales of automobile body parts.

INFORMATION OF THE OTHER PARTIES

Jiaxing Shun Min

Jiaxing Shun Min is a limited company established in the PRC which is indirectly wholly-owned by Shun On Electronic. Jiaxing Shun Min is principally engaged in the manufacturing of cameras, video recording devices and related products, and the design, production, research and development of automobile related electronic products.

Shun On Electronic

Shun On Electronic is the parent company of Jiaxing Shun Min. Shun On Electronic is a company established in Taiwan with limited liability, the shares of which are listed on the Taiwan Stock Exchange (stock code: 6283). Shun On Electronic is principally engaged in the business of automotive electronics and engineering, and is a manufacturer of computer components and membrane. Mr. Chin (the controlling shareholder of the Company) and his associates are together indirectly beneficially interested in 35.12% of Shun On Electronic and is the single largest shareholder of Shun On Electronic.

Zhejiang Tianchong

Zhejiang Tianchong is a company established in the PRC with limited liability and is principally engaged in the business of development, research, manufacture, and marketing of automotive lamps, automotive electronic parts, automotive interior decoration parts, and plastic moulds. As at the date of this announcement, Zhejiang Tianchong is wholly-owned by Fan Jia Qiu (范家秋), a third party independent of the Company and its connected persons (as defined in the Listing Rules).

LISTING RULES IMPLICATIONS

As Jiaxing Shun Min (the counterparty to the Agreements) is wholly-owned by Shun On Electronic, and in turn Mr. Chin (the controlling shareholder of the Company) and his associates are together indirectly beneficially interested in 35.12% of Shun On Electronic, Jiaxing Shun Min is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules for the Agreements are in aggregate more than 0.1% but less than 5%, the transactions under the Agreements are only subject to the reporting, announcement and annual review requirements but are exempted from circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

| | |
|---------------------------------------|---|
| “Agreements” | the Wuhan Camera Purchase Agreement, the Jiaxing Camera Purchase Agreement, the Guangzhou Camera Purchase Agreement, the PCBA Purchase Agreement and the Suppliers Agreement; |
| “associate(s)” | has the meaning given to it under the Listing Rules; |
| “Board” | the board of Directors; |
| “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; |
| “controlling shareholder” | has the meaning given to it under the Listing Rules; |
| “Director(s)” | the director(s) of the Company; |
| “Group” | the Company and its subsidiaries; |
| “Guangzhou Camera Purchase Agreement” | the agreement dated 23 February 2022 entered into between Guangzhou Minhui and Jiaxing Shun Min, pursuant to which Jiaxing Shun Min is to supply and Guangzhou Minhui is to purchase automobile camera devices, details of which are set out in this announcement; |
| “Guangzhou Minhui” | Guangzhou Minhui Automobile Parts Co., Ltd.* (廣州敏惠汽車零部件有限公司), a company incorporated in the PRC as a foreign equity joint venture enterprise which is indirectly majority-owned as to 70% by the Company; |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong; |
| “Hong Kong” | means the Hong Kong Special Administrative Region of the PRC; |
| “Jiaxing Camera Purchase Agreement” | the agreement dated 23 February 2022 entered into between Jiaxing Minhui and Jiaxing Shun Min, pursuant to which Jiaxing Shun Min is to supply and Jiaxing Minhui is to purchase automobile camera devices, parts and accessories, details of which are set out in this announcement; |

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|---------------------------|--|
| “Jiaxing Minhui” | Jiaxing Minhui Automotive Parts Co., Ltd.* (嘉興敏惠汽車零部件有限公司), a wholly foreign-owned enterprise established in the PRC which is a wholly-owned subsidiary of the Company; |
| “Jiaxing Minsheng” | Jiaxing Minsheng Automotive Parts Co., Ltd.* (嘉興敏勝汽車零部件有限公司), a wholly foreign-owned enterprise established in the PRC which is a wholly-owned subsidiary of the Company; |
| “Jiaxing Shun Min” | Jiaxing Shun Min Electronic Co., Ltd.* (嘉興淳敏電子有限公司), a company incorporated in the PRC which is wholly-owned by Shun On Electronic; |
| “Listing Rules” | means the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Mr. Chin” | Mr. Chin Jong Hwa, the controlling shareholder of the Company which as at the date of this announcement is indirectly interested in approximately 38.74% of the total issued shares of the Company; |
| “PCBA Purchase Agreement” | the agreement dated 23 February 2022 entered into between Jiaxing Minsheng and Jiaxing Shun Min, pursuant to which Jiaxing Shun Min is to supply and Jiaxing Minsheng is to purchase printed circuit boards assembly, details of which are set out in this announcement; |
| “PRC” | the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan; |
| “Products” | the relevant automobile camera devices, parts and/or accessories and the printed circuit boards assembly; |
| “RMB” | Renminbi, the lawful currency of the PRC; |
| “Shun On Electronic” | Shun On Electronic Co., Ltd.* (淳安電子股份有限公司), a company established in Taiwan with limited liability and the shares of which are listed on the Taiwan Stock Exchange (Stock Code 6283); |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |

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|-----------------------------------|--|
| “Suppliers Agreement” | the agreement dated 23 February 2022 entered into between Jiaxing Minhui, Zhejiang Tianchong and Jiaxing Shun Min, pursuant to which Jiaxing Shun Min is to provide the printed circuit board parts whilst Zhejiang Tianchong shall assemble such parts into illuminated trimming parts for Jiaxing Minhui to purchase, details of which are set out in this announcement; |
| “Wuhan Hesheng” | Wuhan Hesheng Automotive Parts Co., Ltd.* (武漢和盛汽車零部件有限公司), a company incorporated in the PRC as a wholly foreign-owned enterprise which is indirectly wholly-owned by the Company; |
| “Wuhan Camera Purchase Agreement” | the agreement dated 23 February 2022 entered into between Wuhan Hesheng and Jiaxing Shun Min, pursuant to which Jiaxing Shun Min is to supply and Wuhan Hesheng is to purchase automobile camera devices, parts and accessories, details of which are set out in this announcement; |
| “Zhejiang Tianchong” | Zhejiang Tianchong Vehicle Lamp Co., Ltd.* (浙江天翀車燈集團有限公司), a company incorporated in the PRC with limited liability; and |
| “%” | percentage. |

In this announcement, amounts in RMB are converted into HK\$ on the basis of RMB1 = HK\$1.229. The conversion rate above is for illustration purpose only and should not be taken as a representation that the above currencies could actually be converted at such rate or at all.

By Order of the Board
Minth Group Limited
Wei Ching Lien
Chairperson

Hong Kong, 23 February 2022

As at the date of this announcement, the Board comprises Ms. Wei Ching Lien, Mr. Chen Bin Bo and Ms. Chin Chien Ya, being executive Directors; and Dr. Wang Ching, Mr. Wu Tak Lung and Professor Chen Quan Shi being independent non-executive Directors.