MINTH GROUP LIMITED
敏實集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 425)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2012

FINANCIAL HIGHLIGHTS

- Turnover increased by approximately 17.1% to approximately RMB2,120 million (the same period in 2011: approximately RMB1,811 million).
- Gross profit margin was approximately 34.8% (the same period in 2011: approximately 35.8%).
- Profit attributable to owners of the Company increased by approximately 12.4% to approximately RMB436 million (the same period in 2011: approximately RMB388 million).
- Basic earnings per share increased to approximately RMB0.405 (the same period in 2011: approximately RMB0.361).

INTERIM RESULTS

The board (the "Board") of directors (the "Directors") of Minth Group Limited (the "Company") is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2012 (the "Review Period") and the comparative figures for the six months ended 30 June 2011 (the "same period last year"). The interim results and the condensed financial reports are unaudited but have been reviewed by the audit committee (the "Audit Committee") of the Company.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

	Notes	Six months ended 30 June 2012 (unaudited) RMB'000	2011 (unaudited) RMB'000
Turnover	*3*	**2,119,870**	1,810,590
Cost of sales		**(1,381,540)**	(1,161,587)
Gross profit		**738,330**	649,003
Investment income		**38,398**	32,043
Other income		**33,581**	60,318
Other gains and losses		**35,350**	(5,279)
Distribution and selling expenses		**(56,370)**	(67,669)
Administrative expenses		**(158,774)**	(140,583)
Research expenditures		**(102,610)**	(83,344)
Interest on bank borrowings wholly repayable within five years		**(10,590)**	(4,291)
Share of profits of jointly controlled entities		**13,765**	14,751
Share of profits of associates		**15,621**	15,489
Profit before tax		**546,701**	470,438
Income tax expense	*4*	**(80,357)**	(63,352)
Profit for the period	*5*	**466,344**	407,086
Other comprehensive income			
Exchange differences arising on translation of foreign operations		**1,502**	(5,556)
Fair value (loss) gain on available-for-sale financial assets		**(4,932)**	15,646
Income tax relating to fair value change of available-for-sale financial assets		**616**	(1,957)
Other comprehensive (expense) income for the period (net of tax)		**(2,814)**	8,133
Total comprehensive income for the period		**463,530**	415,219

	Notes	Six months ended 30 June **2012** **(unaudited)** ***RMB'000***	 2011 (unaudited) *RMB'000*
Profit for the period attributable to:			
Owners of the Company		**436,373**	388,226
Non-controlling interests		**29,971**	18,860
		466,344	407,086
Total comprehensive income for the period attributable to:			
Owners of the Company		**433,657**	397,045
Non-controlling interests		**29,873**	18,174
		463,530	415,219
Earnings per share	*7*		
Basic		**RMB0.405**	RMB0.361
Diluted		**RMB0.403**	RMB0.359

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2012

	Notes	At 30 June 2012 (unaudited) RMB'000	At 31 December 2011 (audited) RMB'000
Non-current assets			
Property, plant and equipment		**1,592,056**	1,440,536
Prepaid lease payments		**431,836**	405,935
Goodwill		**15,276**	15,276
Other intangible assets		**29,075**	32,527
Interests in jointly controlled entities		**90,860**	76,919
Interests in associates		**133,982**	107,958
Available-for-sale investments		**152,550**	157,481
Loans receivables		**–**	15,520
Deferred tax assets		**38,731**	39,225
		2,484,366	2,291,377
Current assets			
Prepaid lease payments		**8,842**	8,253
Inventories		**575,550**	515,353
Loans receivables		**35,017**	38,873
Trade and other receivables	*8*	**1,362,507**	1,134,866
Derivative financial assets		**11,163**	14,993
Pledged bank deposits		**38,535**	37,477
Bank balances and cash		**3,980,996**	3,791,701
		6,012,610	5,541,516
Current liabilities			
Trade and other payables	*9*	**774,710**	656,695
Tax liabilities		**57,593**	75,832
Borrowings		**1,147,076**	825,824
Derivative financial liabilities		**8,678**	1,103
		1,988,057	1,559,454
Net current assets		**4,024,553**	3,982,062
Total assets less current liabilities		**6,508,919**	6,273,439

	At 30 June 2012 (unaudited) *RMB'000*	At 31 December 2011 (audited) *RMB'000*
Capital and reserves		
Share capital	**109,177**	109,139
Share premium and reserves	**6,202,394**	5,978,086
Equity attributable to owners of the Company	**6,311,571**	6,087,225
Non-controlling interests	**170,858**	155,248
Total equity	**6,482,429**	6,242,473
Non-current liabilities		
Deferred tax liabilities	**26,490**	30,966
Total equity and liabilities	**6,508,919**	6,273,439

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 34) Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the functional currency of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at revalued amounts or fair values, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2012 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA:

- Amendments to HKFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets

- Amendments to HKAS 12 Deferred Tax: Recovery of Underlying Assets

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

The following is an analysis of the Group's turnover and results by reportable and operating segments for the Review Period:

For the six months ended 30 June 2012 (unaudited)

	PRC ***RMB'000***	**Asia Pacific** ***RMB'000***	**North America** ***RMB'000***	**Europe** ***RMB'000***	**Consolidated** ***RMB'000***
Turnover					
External sales	**1,522,160**	**178,324**	**319,023**	**100,363**	**2,119,870**
Segment profit	**514,673**	**56,328**	**129,408**	**30,723**	**731,132**
Investment income					**38,398**
Other unallocated income					**76,129**
Unallocated expenses					**(317,754)**
Interest on bank borrowings wholly repayable within five years					**(10,590)**
Share of profits of jointly controlled entities					**13,765**
Share of profits of associates					**15,621**
Profit before tax					**546,701**
Income tax expense					**(80,357)**
Profit for the period					**466,344**

For the six months ended 30 June 2011 (unaudited)

	PRC *RMB'000*	Asia Pacific *RMB'000*	North America *RMB'000*	Europe *RMB'000*	Consolidated *RMB'000*
Turnover					
External sales	1,305,926	155,293	256,171	93,200	1,810,590
Segment profit	471,273	54,560	83,059	41,313	650,205
Investment income					32,043
Other unallocated income					53,837
Unallocated expenses					(291,596)
Interest on bank borrowings wholly repayable within five years					(4,291)
Share of profits of jointly controlled entities					14,751
Share of profits of associates					15,489
Profit before tax					470,438
Income tax expense					(63,352)
Profit for the period					407,086

Segment profit represents the gross profit earned by each segment after adjusting impairment of trade receivables and inventories relating to its sales. This is the measure reported to board of directors for the purposes of resource allocation and performance assessment.

4. INCOME TAX EXPENSE

	Six months ended 30 June	
	2012 ***RMB'000***	2011 *RMB'000*
Current tax:		
PRC Enterprise Income Tax	**77,953**	55,274
Other jurisdictions	**–**	255
Withholding income tax paid	**7,130**	–
	85,083	55,529
Over-provision in prior years:		
PRC Enterprise Income Tax	**(1,362)**	(110)
Deferred tax		
Current period	**(3,364)**	7,933
	80,357	63,352

5. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging the following items:

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
Depreciation of property, plant and equipment	**74,079**	60,925
Amortisation of other intangible assets (included in cost of sales, administrative expenses and research expenditures)	**3,417**	5,194
Total depreciation and amortisation	**77,496**	66,119
Cost of inventories recognised	**1,381,540**	1,161,587
Write-down of inventories	**2,502**	249

6. DIVIDENDS

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
Dividends recognised as distribution during the period:		
2011 Final – HK$0.271 (2010: final dividend HK$0.266) per share	**238,027**	238,583

On 12 June 2012, a dividend of HK$0.271 per share (2011: HK$0.266 per share) was paid to shareholders as the final dividend for 2011.

The directors do not recommend the payment of an interim dividend.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
Earnings		
Earnings for the purposes of basic and diluted earnings per share (profit for the period attributable to owners of the Company)	**436,373**	388,226
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,076,896**	1,075,001
Effect of dilutive share options	**4,603**	7,447
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,081,499**	1,082,448

Certain outstanding share options of the Company have not been included in the computation of diluted earnings per share as they did not have a dilutive effect to the Company's earnings per share during the six months ended 30 June 2012 and 30 June 2011 because the exercise prices of these Company's share options were higher than the average market prices of the Company's shares during both periods.

8. TRADE AND OTHER RECEIVABLES

	At 30 June 2012 *RMB'000*	At 31 December 2011 *RMB'000*
Trade receivables		
– associates	**17,877**	9,985
– jointly controlled entities	**43,789**	28,844
– non-controlling interests of subsidiaries	**26,475**	35,365
– third parties	**941,073**	806,929
Less: allowance for doubtful debts	**(13,063)**	(6,142)
	1,016,151	874,981
Bill receivables	**63,948**	30,801
	1,080,099	905,782
Other receivables	**35,614**	41,491
Less: allowance for doubtful debts	**(293)**	(289)
	1,115,420	946,984
Prepayments	**201,706**	103,527
Value-added tax recoverable	**20,147**	19,789
Refundable guarantee deposit for acquisition of land use rights	**20,000**	40,000
Dividend receivable from an associate	**–**	19,332
Dividend receivable from a jointly controlled entity	**5,234**	5,234
Total trade and other receivables	**1,362,507**	1,134,866

The Group normally grants a credit period of 60 days to 90 days to customers effective from the date when the goods are delivered and accepted by customers. The following is an aged analysis of trade receivables and bill receivables net of allowance for doubtful debts at the end of the reporting period:

	At 30 June 2012 *RMB'000*	At 31 December 2011 *RMB'000*
Age		
0 – 90 days	**1,030,411**	875,705
91 – 180 days	**37,022**	22,979
181 – 365 days	**12,008**	6,635
Over 1 year	**658**	463
	1,080,099	905,782

9. TRADE AND OTHER PAYABLES

	At 30 June 2012 *RMB'000*	At 31 December 2011 *RMB'000*
Trade payables		
– associates	**37,400**	3,925
– jointly controlled entities	**27,281**	11,961
– non-controlling interests of subsidiaries	**14,045**	25,298
– third parties	**428,986**	342,070
	507,712	383,254
Bill payables	**1,436**	–
	509,148	383,254
Payroll and welfare payables	**67,064**	70,182
Advance from customers	**29,358**	19,906
Consideration payable for acquisition of property, plant and equipment	**36,149**	42,002
Technology support service fees payable	**17,945**	34,157
Freight and utilities payable	**30,283**	26,491
Marketing and administration services fees payable to a jointly controlled entity	**15,770**	14,000
Others	**68,993**	66,703
	774,710	656,695

The following is an aged analysis of trade payables presented based on the date when the goods are received and accepted by the Group, at the reporting date:

	At 30 June 2012 *RMB'000*	At 31 December 2011 *RMB'000*
Age		
0 – 90 days	**478,970**	373,568
91 – 180 days	**24,548**	5,623
181 – 365 days	**2,513**	1,942
1 – 2 years	**1,218**	563
Over 2 years	**1,899**	1,558
	509,148	383,254

DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2012 (the same period in 2011:Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

During the Review Period, the China passenger vehicle market recorded a moderate growth, the production and sales of which were approximately 7,599,300 units and approximately 7,613,500 respectively, representing a year-on-year increase of approximately 7.87% and approximately 7.08% respectively. Under the pressure of the slow-down of China's overall economy, the OEMs' capacity expansion, and the adoption of restriction policies on vehicle purchases by several cities, the domestic passenger vehicle market is now facing an increasingly fierce competition.

Globally, the United States (the "US") market outperformed what was expected during the Review Period, while the Japanese market saw significant increase for months with the motivation of the government's subsidies for energy-efficient vehicles, which means it is gradually recovering from the impact of the earthquake. The European vehicle market was profoundly affected by the European sovereign debt crisis where its sales remained weak. Among the emerging markets, Russia and India experienced a slower growth as compared to the previous rapid development, while the Brazilian vehicle market saw a steady demand.

COMPANY OVERVIEW

The Group is primarily engaged in the design, manufacture and sale of trims, decorative parts, body structural parts and other related auto parts. As the Group has established manufacturing bases in China, North America, Mexico and Thailand, with the support of the technical centres in Japan, North America and the sales network in Germany spanning across Europe, the Group is consolidating its presence in existing markets, proactively exploring and entering other emerging markets step by step, and serving the global market.

During the Review Period, the Group continued to improve the customer service and strengthen its customer relations management, securing more orders including those for global car models from customers. Thanks to the increase in the production of the major customers, the Group's overall turnover recorded a decent results, among which its domestic turnover recorded an increase higher than that of the market. The turnover from overseas market and exports remained a healthy growth. Through centralized procurement, strengthened supplier management and optimized supply system, the cost of raw materials has been effectively reduced, hence the Group has maintained a decent gross profit margin.

Externally, the Group strengthened the cooperation within the industry as well as expanded and developed the domestic and overseas production bases, so as to meet the demand of worldwide delivery by the customers. Internally, the Group has optimized the organizational structure, enhanced the operating efficiency, strengthened the training and communication among its staff, as well as facilitated and improved the research and development ("R&D") capabilities to address the globalization requirement of the Group.

Business and Operation Layout

During the Review Period, the domestic turnover of the Group was approximately RMB1,522,160,000, representing an increase of approximately 16.6% compared with approximately RMB1,305,926,000 in the same period last year. With the gradual increase of production capacity of the plants located in Thailand and Mexico as well as the export kept benefiting from the recovery of major overseas markets, the Group's overseas turnover maintained a sustainable growth, with approximately RMB597,710,000, representing an increase of approximately RMB93,046,000 or approximately 18.4% as compared with approximately RMB504,664,000 in the same period last year.

During the Review Period, Japanese OEMs launched more new models to strengthen their competitiveness in the market. Benefiting from the good relationship with Japanese OEMs, sales to those customers have increased accordingly. The Group has continued to enhance its customer diversification strategy, improved its service to customers, strengthened the customer relations management, and appointed account directors for each of the major customers so as to address their requests promptly and effectively. The Group enlarged its overseas sale volume and influence during the Review Period and secured the new orders for BMW global platform vehicles, maintaining a healthy growing trend for the export business.

During the Review Period, the commencement of the Group's new seat components production base and the ramp-up of its production capacity has ensured an ample supply of such products in the future. Meanwhile, the Group's seat components business has penetrated into a non-Japanese OEM for the first time.

During the Review Period, the Group established a new production base in Thailand, further optimizing the layout of global production and expanding the competence on the product global delivery. The establishment and development of the production bases in the Northern China regions such as Zhengzhou and Beijing helped the Group provide just-in-time service to the customers and explore the potential customers and orders.

The Group's investment strategy was based on both its internal development target and the market situation and for the purpose of exploring and identifying the new business opportunities. As the changes in the market condition affected the Group's consideration on the long term commercial interests, the Group ceased to acquire 45% of the equity interest in KFTC (Beijing) Co., Ltd. (可附特(北京)有限公司). Please refer to the Company's announcement dated 3 February 2012 for details.

Research and Development

During the Review Period, the Group enriched and improved the technological reserve of new businesses including the parts of welfare vehicle, new energy vehicle and parts and explored and promoted the application of the new materials and skills. With the continuous investment in R&D, the Group further improved its capability of global concurrent design, while the research results in the electronic products and system integration products have gradually been adopted in manufacture. R&D is expected to be an advantage of competition which the Group could rely on.

The Group attached emphasis to its R&D team building, the strengthening of its human capital management model with dual career paths as well as the enhancement of its management and R&D and technical team, lifting up and creating a core competitiveness for the R&D level. During the Review Period, the Group filed 103 patent applications for approval and 50 patent applications were authorized by the competent institutions.

FINANCIAL REVIEW

RESULTS

During the Review Period, the Group's turnover was approximately RMB2,119,870,000, representing an increase of approximately 17.1% from approximately RMB1,810,590,000 in the same period last year. It was mainly attributable to a benign growth in turnover both in the domestic and overseas markets achieved by the Group resulting from the Group's insightful layout for the domestic and overseas markets along with the timing that the Japanese vehicle market was restoring from the effect of the earthquake last year while the US vehicle market experienced recovery.

During the Review Period, the profit attributable to owners of the Company was approximately RMB436,373,000, representing an increase of approximately 12.4% from approximately RMB388,226,000 in the same period last year. It was mainly attributable to an increase in turnover and stringent cost control continuously adopted by the Group, resulting in an overall positive profitability for the Group.

GROSS PROFIT

During the Review Period, the Group's overall gross profit margin was approximately 34.8%, representing a decrease of approximately 1.0% from approximately 35.8% in the same period last year. It was mainly attributable to the fact that under the continuous pressure from the decline in product price, the prevailing rise in labor costs and the appreciation of Renminbi, the Group offset the unfavorable impact of market forces by persistently undertaking measures, including continuous improvement in the manufacturing processes and technologies, a greater utilization rate of materials and implementation of a centralized procurement policy. In addition, the Group continued to enhance the efficiency of production and management, to maintain the overall gross profit margin at a relatively higher level.

INVESTMENT INCOME

During the Review Period, the investment income of the Group was approximately RMB38,398,000, representing an increase of approximately RMB6,355,000 from approximately RMB32,043,000 in the same period in 2011. It was mainly due to an increase in the interest income from bank deposits, following an increase in the interest rate of bank deposits during the Review Period.

OTHER INCOME

During the Review Period, other income of the Group amounted to approximately RMB33,581,000, representing a decrease of approximately RMB26,737,000 as compared to approximately RMB60,318,000 in the same period in 2011. It was mainly attributable to a decrease in government subsidies.

OTHER GAINS AND LOSSES

During the Review Period, the Group's other gains and losses amounted to a profit of approximately RMB35,350,000, representing an increase of approximately RMB40,629,000 as compared to the loss of RMB5,279,000 in the same period in 2011. It was mainly attributable to an increase in the gain from forward exchange contracts entered into by the Group in order to mitigate against the foreign currency risk, as well as an increase in the gain from financial products.

DISTRIBUTION AND SELLING EXPENSES

During the Review Period, the Group's overall distribution and selling expenses amounted to approximately RMB56,370,000, representing a decrease of approximately RMB11,299,000 from approximately RMB67,669,000 in the same period in 2011, accounting for approximately 2.7% of the turnover of the Group. It was mainly attributable to the logistic integration policies actively adopted by the Group, which enhanced the logistic efficiency and further reduced the logistic expenses.

ADMINISTRATIVE EXPENSES

During the Review Period, the administrative expenses of the Group amounted to approximately RMB158,774,000, representing an increase of approximately RMB18,191,000 from approximately RMB140,583,000 in the same period last year, accounting for approximately 7.5% of the Group's turnover, representing a decrease of approximately 0.3% as compared to approximately 7.8% in the same period in 2011. It was mainly due to the Group exercising stringent control over the administrative expenses against the backdrop of a growth of the Group's turnover, leading to the decrease of its proportion to the turnover.

RESEARCH EXPENDITURES

During the Review Period, the research expenditures of the Group amounted to approximately RMB102,610,000, representing an increase of approximately RMB19,266,000 from approximately RMB83,344,000 in the same period last year, accounting for 4.8% of the Group's turnover, representing an increase of approximately 0.2% from approximately 4.6% in the same period in 2011. It was mainly attributable to the Group's continuous increase in R&D expenditures in order to maintain its competitiveness in the market and sustainability through the promotion of technological innovations and the enhancement of R&D capabilities.

SHARE OF PROFITS OF JOINTLY CONTROLLED ENTITIES

During the Review Period, the Group's share of profits of jointly controlled entities was approximately RMB13,765,000, remained at a similar level as approximately RMB14,751,000 in the same period in 2011.

SHARE OF PROFITS OF ASSOCIATES

During the Review Period, the Group's share of profits of associates was approximately RMB15,621,000, remained at a similar level as approximately RMB15,489,000 in the same period in 2011.

INCOME TAX EXPENSE

During the Review Period, the Group's income tax expense was approximately RMB80,357,000, representing an increase of approximately RMB17,005,000 from approximately RMB63,352,000 in the same period in 2011.

During the Review Period, the effective tax rate was approximately 14.7%, representing an increase of approximately 1.2% from approximately 13.5% in the same period in 2011. It was mainly due to the fact that the statutory tax rate for certain subsidiaries increased gradually during the transition period, resulting in an increase of the effective tax rate.

NON-CONTROLLING INTERESTS

During the Review Period, the Group's profit attributable to non-controlling interests was approximately RMB29,971,000, representing an increase of approximately RMB11,111,000 compared to approximately RMB18,860,000 in the same period in 2011. It was mainly attributable to the increase in profit from the original joint venture and the preliminary profit phase of the two joint ventures newly incorporated last year.

LIQUIDITY AND FINANCIAL RESOURCES

As of 30 June 2012, the Group's total cash and bank balances amounted to approximately RMB3,980,996,000, representing an increase of approximately RMB189,295,000 compared to approximately RMB3,791,701,000 as of 31 December 2011. As of 30 June 2012, the Group's low-cost borrowings amounted to approximately United States Dollars ("USD")103,000,000, approximately Japanese Yen ("JPY") 2,211,911,000, approximately Hong Kong dollars ("HKD") 391,879,000, equivalent to approximately RMB651,442,000, approximately RMB176,174,000, approximately RMB319,460,000, which was approximately RMB1,147,076,000 in total, representing an increase of loans of approximately RMB321,252,000 compared to approximately RMB825,824,000 as of 31 December 2011. The increase was mainly due to the borrowings the Group brought in, considering the exchange rate fluctuation, favorable interest rate and capital structure optimization.

During the Review Period, the net cash flow from the Group's operating activities was approximately RMB249,111,000, indicating a sound cash flow.

Receivables turnover days were approximately 73 days, remained at a similar level as approximately 73 days in the same period in 2011.

Payables turnover days were approximately 50 days, extending approximately 6 days from approximately 44 days in the same period in 2011. It was mainly due to the optimization to the procurement and supply channels, and that the payment term from suppliers has been extended as appropriate.

Inventories turnover days were approximately 55 days, representing a decrease of 4 days as compared with approximately 59 days in the same period in 2011. It was mainly due to the strengthened inventories control by the Group which effectively enhanced the inventory control level so as to shorten the inventories turnover days.

During the Review Period, the Group's current ratio decreased to 3.0 from 4.1 in the same period in 2011. As at 30 June 2012, the Group's gearing ratio increased to 13.5% from 8.4% in the same period in 2011.

Note: The calculation methods for the above indicators are the same as those set out in the prospectus dated 22 November 2005.

The Group's borrowing requirements have no particular seasonality features.

The Group believes that during the Review Period, the favorable performance in sales, production and R&D activities, as well as the healthy cash reserves have provided a strong protection for the Group's future sustainable growth.

COMMITMENTS

	At 30 June 2012 *RMB'000*	At 31 December 2011 *RMB'000*
Capital expenditure contracted for but not provided in the financial statements in respect of: acquisition of property, plant and equipment	**249,980**	107,488

INTEREST RATE AND FOREIGN EXCHANGE RISKS

As of 30 June 2012, the Group's bank borrowing balance was approximately RMB1,147,076,000, of which approximately RMB651,442,000 was denominated in USD, approximately RMB176,174,000 was denominated in JPY and approximately RMB319,460,000 was denominated in HKD, which were at floating interest rates. These borrowings had no seasonality and would become due within one year.

Most of the Group's sales and procurements are denominated in RMB. For sales in foreign currencies, they are denominated primarily in USD. In order to offset the impact that foreign exchange fluctuation would otherwise have on the operating profit, the Group has arranged to enter into forward exchange contract of USD against RMB for sales in USD.

The Group's cash and cash equivalents are mainly denominated in RMB, HKD, USD, Euro ("EUR"), Thai Baht ("THB"), JPY and Mexican Peso ("MXN"). Remittance of funds out of the PRC is subject to the foreign exchange control restrictions imposed by the PRC government.

As of 30 June 2012, the Company and certain subsidiaries had bank balance of approximately RMB314,106,000 which was denominated in currencies other than the functional currencies, of which approximately RMB250,864,000 was denominated in USD, approximately RMB8,899,000 was denominated in HKD, approximately RMB7,090,000 was denominated in JPY, approximately RMB26,249,000 was denominated in EUR, approximately RMB20,924,000 was denominated in THB and remaining approximately RMB80,000 was denominated in other foreign currencies.

CONTINGENT LIABILITIES

As of 30 June 2012, the Group had no contingent liabilities (2011: Nil).

MORTGAGED ASSETS

As of 30 June 2012, the Group had borrowings of approximately JPY442,829,000 (equivalent to approximately RMB35,270,000) by mortgaging bank deposits of approximately USD5,574,000 (2011: the Group had borrowings of approximately JPY439,421,000 by mortgaging bank deposits of approximately USD5,663,000). The currency for repayment of these borrowings is JPY.

CAPITAL EXPENDITURE

Capital expenditure includes the acquisition of properties, plant and equipment, the increase in construction in progress and the new addition of land use rights. During the Review Period, the Group's capital expenditure amounted to approximately RMB275,447,000 (the same period in 2011: approximately RMB215,540,000). The increase in capital expenditure was attributable to the Group's expansion of the production capacity and the expansion of production facilities and land bank.

PLACING AND SUBSCRIPTION

The Group had no placing nor subscription of shares during the Review Period.

SUBSTANTIAL ACQUISITIONS AND DISPOSALS

The Group made no substantial acquisitions or disposals during the Review Period.

EMPLOYEES

As of 30 June 2012, the Group had a total of 6,747 employees. The total number of employees increased by 276 compared to that as at 31 December 2011. The employees' skills were enhanced through training and communication, and the employees' efficiency was enhanced with the help of automation and optimized equipment, alleviating the pressure from increasing the wages and salaries.

During the Review Period, the Group adopted competitive remuneration packages to raise the competitiveness of its human capital, in particular of the overseas employees, further accelerating the progress of globalization. Meanwhile, the introduction of leadership and team cooperation training further built up an globalized management team of high capacity and coordination. The Group continued to deepen the humanitarian work and promote the valuation and corporate cultural management work on an ongoing basis, to raise the sense of belongings and loyalty of the employees and to build up a sustainable human resources platform for the Group.

SHARE OPTION SCHEME

The adoption of a conditional new share option scheme (the "New Share Option Scheme") and the termination of the existing share option scheme was approved by the Company in the annual general meeting held on 22 May 2012. Please refer to the announcements of the Company dated 20 April 2012 and 22 May 2012 for details of such scheme. The New Share Option Scheme aimed at granting share options to those qualified persons who have contributed or will contribute to the Group as a reward or incentive. As at 31 May 2012, a group of grantees (the "Grantees") as defined in the New Share Option Scheme, were granted a total of 2,690,000 Share Options as approved by the Board, allowing the Grantees to exercise those Share Options from the period between 30 May 2013 and 30 May 2017. The price per share paid by the Grantees upon the Share Option was exercised complied the Listing Rules and was determined in accordance with the average closing price of the share of the Company quoted on the daily quotation sheet published by the Stock Exchange for the five last trading days immediately before the date the Share Options were granted. The Directors of the Company considered that the grant of such Share Options has no material and adverse effect to the financial condition of the Group.

OUTLOOK AND STRATEGIES

Given China's macroeconomic environment, the growth rate of China's vehicle market has declined where it sees a structural adjustment for both the industry and products. However, the vehicle sales and vehicle population remained a steady upward trend. Although the policy of restrictions imposed on the purchase of vehicles in some cities have brought certain negative effects, larger rooms still exist regarding the nation-wide market in a long-term and the market will also see an increasing demand for vehicle upgrade.

With the sluggish market affected by the European sovereign debt crisis, the European vehicle market still has a long way to go before its full recovery, while the demand in the US vehicle market is rising gradually. Although there is a lag for the emerging markets, they are expected to continue to grow.

The Group captures the market development trend, actively promotes the application of new materials and new technologies and the development of new products, enhancing the R&D capacities to increase the supply of systematic and modularized products, devotes in the R&D and production of rubber and aluminum products, explores more product areas. Meanwhile, the Group also strives for more orders in the global platform and develops and broadens overseas production bases, strengthens the global supplying competence, as well as steadily increases the Group's global market shares and influence.

The Group will establish its presence in the sales market of the existing products, progressively promote the business of welfare vehicle and relevant parts, keep track on the preliminary stage and reserve of R&D of the new energy vehicle and relevant parts as well as pay close attention to the aftermarket development. Capitalizing on the opportunity of adjustments of both consumption and industry structure, the Group aggressively seeks yet prudently assesses suitable investment opportunities to consolidate and enhance the market share and influence of the Group.

The Group will, through enhancing its R&D capacities and build up an internationalized team providing products and services that are beyond the expectation of the customers, to satisfy the increasing growth and sophisticated demand of Chinese and global consumers. The Group will grow into an industry leader of global vehicle parts to achieve greater value for the Shareholders and the society.

PURCHASE, SALE, OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the Review Period, the grantees of Share Option Scheme of the Company have exercised 474,000 Share Options in accordance with the rules and terms of the Share Option Scheme, and 2,770,000 Share Options lapsed due to the resignations of the grantees.

Save as disclosed above, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities during the six months ended 30 June 2012.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE AND THE MODEL CODE

None of the Directors is aware of any information that would reasonably indicate that the Company did not comply with the Code on Corporate Governance Practices (the "CG Code") set out in the former Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") effective prior to 1 April 2012, and the new Corporate Governance Code set out in the revised Appendix 14 of the Listing Rules, effective since 1 April 2012 throughout the corresponding effective periods during the Review Period.

The Company has adopted the Model Code for securities transactions by Directors of Listed Companies (the "Model Code") set out in Appendix 10 of the Listing Rules as the code for securities transactions by all Directors. Having made specific enquiry to all Directors, the Company confirmed that all Directors have complied with the Model Code and the standards stipulated under such code during the Review Period.

AUDIT COMMITTEE

The Company has an Audit Committee consisting three independent non-executive Directors, namely Mr. Wu Fred Fong (chairman of the Audit Committee), Dr. Wang Ching and Mr. Zhang Liren. The Audit Committee reviews the Group's systems of internal control, the completeness and accuracy of the Group's financial statements and liaises on behalf of the Directors with external auditor. The Audit Committee members meet regularly with the management and external auditor to review the audit reports as well as the interim and annual financial statements of the Group. The Audit Committee has reviewed the unaudited condensed consolidated financial statements and this interim results announcement for the six months ended 30 June 2012, and recommended their adoption by the Board.

By Order of the Board
MINTH GROUP LIMITED
Chin Jong Hwa
Chairman

Hong Kong, 21 August 2012

As of the date of this announcement, the Board comprises Mr. Chin Jong Hwa, Mr. Shi Jian Hui, Mr. Zhao Feng and Mr. Kawaguchi Kiyoshi, being executive Directors; Ms. Yu Zheng, Mr. He Dong Han and Mr. Mu Wei Zhong, being non-executive Directors; and Mr. Wu Fred Fong, Dr. Wang Ching and Mr. Zhang Liren, being independent non-executive Directors.