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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 16.6% to approximately RMB2,473 million (the same period in 2012: approximately RMB2,120 million).
- Gross profit margin was approximately 33.3% (the same period in 2012: approximately 34.8%).
- Profit attributable to owners of the Company increased by approximately 14.4% to approximately RMB499 million (the same period in 2012: approximately RMB436 million).
- Basic earnings per share increased to approximately RMB0.462 (the same period in 2012: approximately RMB0.405).

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 2013 (the "Review Period"), together with the comparative figures for the six months ended 30 June 2012 (the "same period in 2012"). The interim results and the condensed financial report are unaudited but have been reviewed by the audit committee (the "Audit Committee") of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2013

		Six months ended 30 June	
		2013	2012
		(unaudited)	(unaudited)
	Notes	***RMB'000***	*RMB'000*
Revenue	*3*	**2,472,712**	2,119,870
Cost of sales		**(1,649,854)**	(1,381,540)
Gross profit		**822,858**	738,330
Investment income		**42,651**	38,398
Other income		**72,161**	33,581
Other gains and losses		**61,242**	35,350
Distribution and selling expenses		**(71,007)**	(56,370)
Administrative expenses		**(196,803)**	(158,774)
Research expenditures		**(116,956)**	(102,610)
Interest on bank borrowings wholly repayable within five years		**(26,700)**	(10,590)
Share of profits of joint ventures		**9,386**	13,765
Share of profits of associates		**14,756**	15,621
Profit before tax		**611,588**	546,701
Income tax expense	*4*	**(88,300)**	(80,357)
Profit for the period	*5*	**523,288**	466,344
Other comprehensive expense:			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		**(17,787)**	1,502
Fair value loss on available-for-sale investments		**(57,482)**	(4,932)
Income tax relating to items that may be reclassified to profit or loss		**8,622**	616
Other comprehensive expense for the period (net of tax)		**(66,647)**	(2,814)
Total comprehensive income for the period		**456,641**	463,530

	Note	Six months ended 30 June 2013 (unaudited) RMB'000	2012 (unaudited) RMB'000
Profit for the period attributable to:			
Owners of the Company		**499,031**	436,373
Non-controlling interests		**24,257**	29,971
		523,288	466,344
Total comprehensive income for the period attributable to:			
Owners of the Company		**434,010**	433,657
Non-controlling interests		**22,631**	29,873
		456,641	463,530
Earnings per share	*7*		
Basic		**RMB0.462**	RMB0.405
Diluted		**RMB0.459**	RMB0.403

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2013

	Notes	**At 30 June 2013 (unaudited)** *RMB'000*	At 31 December 2012 (audited) *RMB'000*
Non-current assets			
Property, plant and equipment		**2,141,099**	1,889,471
Prepaid lease payments		**482,499**	457,238
Goodwill		**15,276**	15,276
Other intangible assets		**40,872**	33,239
Interests in joint ventures		**110,128**	101,512
Interests in associates		**146,872**	132,116
Available-for-sale investments		**132,652**	190,134
Deferred tax assets		**61,398**	51,442
		3,130,796	2,870,428
Current assets			
Prepaid lease payments		**11,657**	11,046
Inventories		**728,949**	697,089
Loans receivables		**26,599**	26,697
Trade and other receivables	*8*	**1,715,419**	1,322,783
Derivative financial assets		**19,262**	31,306
Pledged bank deposits		**819,497**	285,060
Bank balances and cash		**4,248,877**	4,130,051
		7,570,260	6,504,032
Current liabilities			
Trade and other payables	*9*	**949,622**	836,729
Tax liabilities		**68,230**	53,778
Borrowings		**2,144,310**	1,271,398
Derivative financial liabilities		**7,634**	4,670
		3,169,796	2,166,575
Net current assets		**4,400,464**	4,337,457
Total assets less current liabilities		**7,531,260**	7,207,885

	At **30 June** **2013** **(unaudited)** ***RMB'000***	At 31 December 2012 (audited) *RMB'000*
Capital and reserves		
Share capital	**109,771**	109,206
Share premium and reserves	**6,809,201**	6,664,340
Equity attributable to owners of the Company	**6,918,972**	6,773,546
Non-controlling interests	**230,879**	208,248
Total equity	**7,149,851**	6,981,794
Non-current liabilities		
Deferred tax liabilities	**53,132**	39,509
Borrowings	**328,277**	186,582
	381,409	226,091
Total equity and liabilities	**7,531,260**	7,207,885

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2013

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 (the "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 fair values, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012.

In the current interim period, the Group has applied, for the first time, the following new or revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

- HKFRS 10 Consolidated Financial Statements;
- HKFRS 11 Joint Arrangements;
- HKFRS 12 Disclosure of Interests in Other Entities;
- Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance;
- HKFRS 13 Fair Value Measurement;
- HKAS 19 (as revised in 2011) Employee Benefits;
- HKAS 28 (as revised in 2011) Investments in Associates and Joint Ventures;
- Amendments to HKFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities;
- Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income;
- Amendments to HKFRSs Annual Improvements to HKFRSs 2009-2011 Cycle; and
- HK(IFRIC) – INT 20 Stripping Costs in the Production Phase of a Surface Mine.

Impact of the application of HKFRS 11

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures*, and the guidance contained in a related interpretation, HK(SIC) – Int 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*, has been incorporated in HKAS 28 (as revised in 2011), HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS

11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 had three types of joint arrangements – jointly controlled entities, jointly controlled operations and joint controlled assets. The classification of joint arrangement under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was classified as a jointly controlled entity).

The directors of the Company reviewed and assessed the classification of the Group's investments in joint arrangements in accordance with the requirements of HKFRS 11. The directors concluded that the Group's investments in Plastic Trim International, Inc. and Jiaxing Dura Minth Automotive Parts Co., Ltd., which was classified as jointly controlled entities under HKAS 31 and was accounted for using the equity method, should be classified as a joint venture under HKFRS 11 and accounted for using the equity method.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for 'fair value' and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements.

However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Amendments to HKAS 34 Interim Financial Reporting
(as part of the Annual Improvements to HKFRSs 2009-2011 Cycle)

The Group has applied the amendments to HKAS 34 Interim Financial Reporting as part of the Annual Improvements to HKFRSs 2009–2011 Cycle for the first time in the current interim period. The amendments to HKAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the interim financial statements only when the amounts are regularly provided to the chief operating decision maker (CODM) and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

Since the CODM does not review liabilities of the Group's reportable segments for performance assessment and resource allocation purposes, and there has not been a material change form the amounts of assets disclosed in the last annual financial statements for that reportable segment, the Group has not included total asset and liability information as part of segment information.

Except as described above, the application of the other new or revised HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by reportable and operating segments:

For the six months ended 30 June 2013 (unaudited)

	The People's Republic of China ("PRC") *RMB'000*	**Asia Pacific** *RMB'000*	**North America** *RMB'000*	**Europe** *RMB'000*	**Consolidated** *RMB'000*
SEGMENT REVENUE					
External sales	**1,660,159**	**196,390**	**436,928**	**179,235**	**2,472,712**
Segment profit	**532,334**	**57,304**	**161,487**	**75,184**	**826,309**
Investment income					**42,651**
Other unallocated income					**129,952**
Unallocated expenses					**(384,766)**
Interest on bank borrowings wholly repayable within five years					**(26,700)**
Share of profits of joint ventures					**9,386**
Share of profits of associates					**14,756**
Profit before tax					**611,588**
Income tax expense					**(88,300)**
Profit for the period					**523,288**

For the six months ended 30 June 2012 (unaudited)

	PRC	Asia Pacific	North America	Europe	Consolidated
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
SEGMENT REVENUE					
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 joint ventures					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

Segment profit represents the gross profit earned by each segment after adjusting impairment of trade receivables 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	
	2013	2012
	RMB'000	*RMB'000*
Current tax:		
Hong Kong	**–**	–
PRC Enterprise Income Tax	**90,872**	77,953
Withholding income tax paid	**–**	7,130
	90,872	85,083
Over provision in prior years:		
PRC Enterprise Income Tax	**(12,117)**	(1,362)
Deferred tax		
Current period charge (credit)	**9,545**	(3,364)
	88,300	80,357

5. PROFIT FOR THE PERIOD

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

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Depreciation of property, plant and equipment	**88,374**	74,079
Amortisation of other intangible assets (included in cost of sales, administrative expenses and research expenditures)	**4,896**	3,417
Total depreciation and amortisation	**93,270**	77,496
Cost of inventories recognised	**1,649,854**	1,381,540
Write-off and write-down of inventories	**6,828**	2,502

6. DIVIDENDS

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Dividends recognised as distribution during the period:		
2012 Final – HK$0.385 (2011: final dividend HK$0.271) per share	**332,404**	238,027

On 13 June 2013, a dividend of HK$0.385 per share (2011: HK$0.271 per share) was paid to shareholders as the final dividend for 2012.

The directors of the Company have determined that no dividend will be paid in respect of the interim period (the same period in 2012: nil).

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	
	2013	2012
	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)	**499,031**	436,373
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,080,086**	1,076,896
Effect of dilutive share options	**6,497**	4,603
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,086,583**	1,081,499

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 because the exercise prices of these Company's share options were higher than the average market prices of the Company's shares during the six months ended 30 June 2012.

8. TRADE AND OTHER RECEIVABLES

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Trade receivables		
– associates	**8,528**	11,129
– joint ventures	**138,396**	76,967
– non-controlling interests of subsidiaries	**11,048**	10,888
– third parties	**1,133,575**	866,434
Less: allowance for doubtful debts	**(9,319)**	(16,500)
	1,282,228	948,918
Bill receivables	**92,704**	83,679
	1,374,932	1,032,597
Other receivables	**81,698**	53,510
Less: allowance for doubtful debts	**(192)**	(3,290)
	1,456,438	1,082,817
Prepayments	**197,577**	158,518
Value-added tax recoverable	**56,170**	56,214
Refundable guarantee deposit for acquisition of land use rights	**–**	20,000
Dividend receivable from a joint venture	**5,234**	5,234
Total trade and other receivables	**1,715,419**	1,322,783

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 presented based on invoice date, which approximately the revenue recognition date, net of allowance for doubtful debts, at the end of the reporting period:

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Age		
0 – 90 days	**1,247,313**	978,429
91 – 180 days	**84,225**	42,574
181 – 365 days	**41,148**	8,951
Over 1 year	**2,246**	2,643
	1,374,932	1,032,597

9. TRADE AND OTHER PAYABLES

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Trade payables		
– associates	**17,060**	12,422
– joint ventures	**55,215**	42,590
– non-controlling interests of subsidiaries	**16,166**	12,903
– third parties	**539,745**	463,620
	628,186	531,535
Payroll and welfare payables	**103,812**	112,313
Advance from customers	**15,059**	14,456
Consideration payable for acquisition of property, plant and equipment	**45,878**	60,088
Technology support service fees payable	**9,801**	14,587
Freight and utilities payable	**49,145**	31,044
Others	**97,741**	72,706
	949,622	836,729

The following is an analysis of trade payables by age, presented based on invoice date at the end of the reporting period:

	At 30 June 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Age		
0 – 90 days	**597,748**	491,211
91 – 180 days	**17,246**	33,940
181 – 365 days	**8,668**	4,715
1 – 2 years	**3,918**	864
Over 2 years	**606**	805
	628,186	531,535

DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2013 (the same period in 2012: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

During the Review Period, the production and sales of China's passenger vehicle market were 8,664,500 units and 8,665,100 units respectively, representing a year-on-year growth of 14.02% and 13.81% respectively, which were better than market consensus. It is believed that strong mass demand will drive the growth of the vehicle market in the second half of 2013 albeit uncertainties such as transformation, upgrading and restructuring of China's economy, OEMs' capacity expansion and implementation of policies of vehicle restriction and purchase quota control.

The vehicle market condition around the world in previous years remained more or less the same. As the US economy gradually recovered, consumers' confidence was restored, sales of vehicles in the US market maintained a steady growth. However, the Japanese market was not optimistic and recorded a slump in sales. Restricted by the continuous heating up of the European sovereign debt crisis and rising unemployment rates, the European vehicle market remained gloomy. Emerging markets such as Russia and India saw decreases in the levels of sales while sales in Brazil reached a record high.

COMPANY OVERVIEW

The Group is primarily engaged in the design, manufacture and sales of trims, decorative parts, body structural parts and other related auto parts. The manufacturing bases in China, America, Mexico, Thailand and Germany spread over main markets of its customers. With the support of the technical centers in Japan and North America, the Group can provide services for the global market and meet growing demand of customers.

During the Review Period, concurrent design capability and global just-in-time delivery of the Group was recognized by its customers. The Group obtained orders of global platform vehicles and high-end car models, securing future development of the Group and setting a good example for similar high quality orders of the Group. The Group proactively carried out technical cooperation with core suppliers to facilitate early development of new products. It also drove mutually beneficial cooperation with key suppliers and improved its supplier management levels in order to lower costs in the long run. Better than expected market performance and the increase in production of major customers brought stable growth to the Group's overall revenue. The Group's overseas market share and export revenue kept a healthy upward trend.

The Group enhanced communication and coordination with existing partners and carried out various forms of cooperation. Overseas development was deepening. The Group optimized its internal corporate structure, learned from advanced research and development ("R&D") management in the industry, improved its professional R&D capability and strove for technical breakthrough. It also established a protection system for intellectual property rights locally and internationally to protect R&D results of the Group.

Business and Operation Layout

The Group continued to optimize its customer structure by responding immediately to the demand of major customers with an account director management and also improved its management of customer relations. In addition, the Group proactively developed new product lines, explored new material markets and improved global supply to meet customers' demand. The Group deepened industrial cooperation and explored overseas markets. The Group's overseas revenue and influence was increasing and its export business maintained a decent growth.

During the Review Period, the domestic revenue of the Group was approximately RMB1,660,159,000, representing an increase of approximately 9.1% compared with approximately RMB1,522,160,000 in the same period in 2012. The Group's overseas revenue maintained a sustainable growth, with approximately RMB812,553,000, representing an increase of approximately RMB214,843,000 or approximately 35.9% as compared with approximately RMB597,710,000 in the same period in 2012. This was due to a stable growth in major overseas markets, an increase in orders of global platform vehicles and capacity ramp-up of Mexico's factories.

During the Review Period, recovery of Japanese OEMs was slow in China's market due to territorial disputes over sovereignty of islands. A large number of new car models will be launched in response to market competition, which is deemed helpful to restore market shares of Japanese OEMs. Timing adjustment and consolidation of customer relations with major Japanese OEMs clients helped the Group earn trust and recognition from customers. During the Review Period, the Group entered into Honda global procurement system. It obtained full access to Honda's global platform vehicle orders and was involved in global concurrent design and development of parts for Honda's new car models.

An overwhelming launch of SUV car models pushed market demand for vehicle roof racks. The Group has been devoting much of its efforts to the roof rack market and is becoming a major roof rack supplier. OEMs will continue to launch various SUV car models, the roof rack market will be expanded. Apart from consolidating the existing Japanese and Korean OEMs markets, the Group also actively strived for European and US OEMs orders. The roof rack business had developed into a unique product line and exploring the business became an important target for future development of the Group.

The Group continued its development of its new materials market and investment in R&D and application of aluminum products so as to strengthen its level of technological applications. Application of aluminum products was increasing. Orders from various major international OEMs were successfully obtained. It is believed that rapid growth of aluminum products should spur growth of the Group's results as whole. During the Review Period, the penetration into the global aluminum business of General Motors marked significant application and development of aluminum products of the Group.

In respect of investment, the Group acquired 100% equity interest in a Germany company, CST GmbH, at a consideration of approximately EURO ("EUR") 2.84 million on 25 March 2013. The acquisition further completed the global production layout of the Group, and helped the Group meet the customers' requirement of local production and obtain core technology and key resources in Europe, so as to help the Group seize favourable development opportunities in European markets. Expansion based on CST GmbH has commenced. Meanwhile, commission and expansion of production base of North China region, such as Beijing, relieved restriction on production capacity of the Group to better serve the customers. The Group will continue to pay attention to the market changes and explore new business when appropriate in accordance with its own development target.

Research and Development

During the Review Period, the Group improved the technical reserve of parts of its welfare vehicles and new energy vehicles as well as that of its aluminum products. It also widened the application and technological horizon of new materials and workmanship. Having obtained increasing global concurrent design orders, the Group strengthened its communication and exchange with R&D organization of major customers, improved internal R&D workflow and enhanced process control in order to uplift the Group's global concurrent development capability.

The Group continued its emphasis on protecting its intellectual property rights. It obtained a certification of protection system of intellectual property rights and actively applied for international patents. During the Review Period, the Group filed an additional 87 patent applications for approval and 98 patent applications were authorized by competent institutions.

FINANCIAL REVIEW

RESULTS

During the Review Period, the Group's revenue was approximately RMB2,472,712,000, representing an increase of approximately 16.6% from approximately RMB2,119,870,000 in the same period in 2012. It was mainly attributable to growth in revenue both in the domestic and overseas markets achieved by the Group resulting from the Group's insightful layout for the domestic and overseas markets.

During the Review Period, the profit attributable to owners of the Company was approximately RMB499,031,000, representing an increase of approximately 14.4% from approximately RMB436,373,000 in the same period in 2012. It was mainly attributable to an increase in revenue and stringent cost and expense 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 33.3%, representing a decrease of approximately 1.5% from approximately 34.8% in the same period in 2012. It was mainly attributable to the continuous pressure from the decline in product price, the prevailing rise in labor costs and fluctuation of exchange rates. The Group offset the unfavorable impact of market forces by persistently undertaking measures, including continuous improvement in the manufacturing 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 decent level.

INVESTMENT INCOME

During the Review Period, the investment income of the Group was approximately RMB42,651,000, representing an increase of approximately RMB4,253,000 from approximately RMB38,398,000 in the same period in 2012. It was mainly due to an increase in the interest income from bank deposits following an increase in balance of bank deposits during the Review Period.

OTHER INCOME

During the Review Period, other income of the Group amounted to approximately RMB72,161,000, representing an increase of approximately RMB38,580,000 as compared to approximately RMB33,581,000 in the same period in 2012. It was mainly attributable to an increase in government subsidies.

OTHER GAINS AND LOSSES

During the Review Period, the Group's other gains and losses amounted to a net gain of approximately RMB61,242,000, representing an increase of approximately RMB25,892,000 as compared to the net gain of approximately RMB35,350,000 in the same period in 2012. It was mainly attributable to an increase in the gain from forward exchange contracts which was entered into by the Group in response to foreign currency risk to mitigate adverse effects of fluctuations of exchange rates on gross profit margin, as well as foreign exchange gains arising from fluctuation in exchange rates during the Review Period.

DISTRIBUTION AND SELLING EXPENSES

During the Review Period, the Group's distribution and selling expenses amounted to approximately RMB71,007,000, representing an increase of approximately RMB14,637,000 from approximately RMB56,370,000 in the same period in 2012. It accounted for approximately 2.9% of the revenue of the Group, representing an increase of approximately 0.2% from approximately 2.7% in the same period in 2012. It was mainly attributable to an increase in expenses resulting from active expansion into overseas business by the Group during the Reivew Period.

ADMINISTRATIVE EXPENSES

During the Review Period, the administrative expenses of the Group amounted to approximately RMB196,803,000, representing an increase of approximately RMB38,029,000 from approximately RMB158,774,000 in the same period in 2012, accounting for approximately 8.0% of the Group's revenue, representing an increase of approximately 0.5% as compared to approximately 7.5% in the same period in 2012. It was mainly attributable to a rise in labor costs arising from introduction of high-level personnel for maintaining competiveness under growth of the Group's revenue and an increase in expenses arising from expansion of new business.

RESEARCH EXPENDITURES

During the Review Period, the research expenditures of the Group amounted to approximately RMB116,956,000, representing an increase of approximately RMB14,346,000 from approximately RMB102,610,000 in the same period in 2012. It was mainly attributable to an increase in labor costs arising from the Group's introduction of high-level R&D personnel in order to maintain its market competitiveness, sustainability and to enhance its R&D capabilities.

SHARE OF PROFITS OF JOINT VENTURES

During the Review Period, the Group's share of profits of joint ventures was approximately RMB9,386,000, representing a decrease of approximately RMB4,379,000 from approximately RMB13,765,000 in the same period in 2012, which was mainly due to the fact that the profit of a joint venture decreased as compared to the same period in 2012.

SHARE OF PROFITS OF ASSOCIATES

During the Review Period, the Group's share of profits of associates was approximately RMB14,756,000, which remained at a similar level as approximately RMB15,621,000 in the same period in 2012.

INCOME TAX EXPENSE

During the Review Period, the Group's income tax expense was approximately RMB88,300,000, representing an increase of approximately RMB7,943,000 from approximately RMB80,357,000 in the same period in 2012.

During the Review Period, the effective tax rate was approximately 14.4%, representing a slight decrease of approximately 0.3% from approximately 14.7% in the same period in 2012.

PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

During the Review Period, the Group's profit attributable to non-controlling interests was approximately RMB24,257,000, representing a decrease of approximately RMB5,714,000 compared to approximately RMB29,971,000 in the same period in 2012. It was mainly attributable to a decrease in revenue of certain non-wholly owned subsidiaries and product restructuring.

LIQUIDITY AND FINANCIAL RESOURCES

As of 30 June 2013, the Group's total cash and bank balances amounted to approximately RMB4,248,877,000, representing an increase of approximately RMB118,826,000 compared to approximately RMB4,130,051,000 as of 31 December 2012. As of 30 June 2013, the Group's low-cost borrowings amounted to approximately RMB2,472,587,000, among which the equivalent of approximately RMB811,159,000, approximately RMB651,482,000, approximately RMB105,259,000, approximately RMB60,034,000 and approximately RMB844,653,000 were denominated in US Dollar ("USD"), Hong Kong Dollar ("HKD"), Japanese Yen ("JPY"), EUR and RMB respectively, representing an increase of borrowings of approximately RMB1,014,607,000 as compared to approximately RMB1,457,980,000 as of 31 December 2012. The increase was mainly due to the borrowings that the Group brought in after considering the consolidated gains from exchange rates, interest rates and capital.

During the Review Period, the net cash flow from the Group's operating activities was approximately RMB188,555,000, indicating a sound cash flow.

Receivables turnover days were approximately 75 days, extending 2 days from approximately 73 days for the same period in 2012. This was mainly due to the continuous growth of revenue from overseas markets, and the fact that the receivables turnover days of overseas customers were longer than the average repayment days of the Group.

Payables turnover days were approximately 54 days, extending approximately 4 days from approximately 50 days in the same period in 2012. 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.

Inventory turnover days were approximately 59 days, extending 4 days as compared to approximately 55 days in the same period in 2012. It was mainly due to the increase of projects under development as new business awards increase and the increase in the inventory of raw materials for mitigating price inflation risks.

As of 30 June 2013, the Group's current ratio decreased to approximately 2.4 from approximately 3.0 as of 31 December 2012. The gearing ratio increased to approximately 23.1% from approximately 15.6% as of 31 December 2012.

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 capital demands had 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 2013 *RMB'000*	At 31 December 2012 *RMB'000*
Capital expenditure contracted for but not provided in the financial statements in respect of:		
– acquisition of property, plant and equipment	**268,710**	203,568
– prepaid rentals for lease premium for land	**8,108**	38,894

INTEREST RATE AND FOREIGN EXCHANGE RISKS

As of 30 June 2013, the balance of the Group's bank borrowings was approximately RMB2,472,587,000, of which the equivalent of approximately RMB811,159,000, approximately RMB651,482,000, approximately RMB105,259,000, approximately RMB60,034,000 and approximately RMB844,653,000 were denominated in USD, HKD, JPY, EUR and RMB respectively, which were at floating interest rates. These borrowings had no seasonality.

Most of the Group's sales and procurements are settled in RMB. With the expansion of overseas operations, the management of the Group is closely monitoring its foreign exchange exposure and hedging against the foreign exchange risk with forward exchange contracts.

The Group's cash and cash equivalents are mainly denominated in RMB, USD, HKD, JPY and EUR. Remittance of funds out of the PRC is subject to the foreign exchange control restrictions imposed by the PRC government.

As of 30 June 2013, the Company and certain subsidiaries had an aggregate bank balance of approximately RMB457,732,000 which was denominated in currencies other than the functional currencies, of which approximately RMB388,472,000 was denominated in USD, approximately RMB40,715,000 was denominated in HKD, approximately RMB10,087,000 was denominated in JPY, approximately RMB18,414,000 was denominated in EUR and the remainder of approximately RMB44,000 was denominated in other foreign currencies. In order to mitigate the foreign exchange risk, the Group has delegated a team responsible for the planning of related work.

CONTINGENT LIABILITIES

As of 30 June 2013, the Group had no contingent liabilities (31 December 2012: Nil).

MORTGAGED ASSETS

As of 30 June 2013, the Group had borrowings of approximately JPY198,853,000 (equivalent to approximately RMB12,450,000) by mortgaging bank deposits of approximately USD2,012,000, which are to be settled in JPY, and borrowings of approximately RMB612,000,000, USD10,000,000 and HKD126,000,000 (equivalent to approximately RMB774,152,000) secured by bank deposits of approximately RMB782,000,000, the borrowings are to be settled in RMB, USD and HKD respectively (31 December 2012: the Group had borrowings of approximately JPY446,222,000 (equivalent to approximately RMB32,596,000) and approximately RMB252,000,000, secured by bank deposits of approximately USD5,180,000 and approximately RMB252,000,000). The Group has also pledged freehold lands and buildings having a net book value of approximately RMB20,146,000 (31 December 2012: approximately RMB21,269,000) to secure general banking facilities granted to the Group.

CAPITAL EXPENDITURE

Capital expenditure includes the acquisition of property, 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 RMB378,444,000 compared to approximately RMB275,447,000 for the same period in 2012. The increase in capital expenditure was attributable to the Group's enhancement of capacity, the expansion of production facilities and land reserves.

PLACING AND SUBSCRIPTION

The Group had no placing or subscription of shares during the Review Period.

MATERIAL ACQUISITIONS AND DISPOSALS

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

EMPLOYEES

As of 30 June 2013, the Group had a total of 8,015 employees, which increased by 703 compared to that as at 31 December 2012. During the Review Period, the Group established the preliminary structure and the prototype of the global management team to drive the core technology and innovation and enhance leadership to meet its continuous globalization plans. The other important reason for the increase of the employees is to sustain the growth in business and the new layout of the global business network.

During the Review Period, the Group focused on cultivating leadership for the management team with performance management and talent assessment to ensure that the Group has the talent pipeline in succession to support its future business strategy. Meanwhile, the Group has started to reform its corporate value and culture to fit its globalization efforts.

SHARE OPTION SCHEME

The Company adopted a conditional share option scheme (the "Share Option Scheme") on 22 May 2012, which aims at granting share options to those qualified persons who have contributed or will contribute to the Group as a reward or incentive.

During the Review Period, the grantees of the Share Option Scheme of the Company have exercised 7,033,000 share options in accordance with the rules and terms of the Share Option Scheme, and 1,448,000 share options lapsed due to the resignations of the grantees.

OUTLOOK AND STRATEGIES

The current Chinese government strives to adjust the economic structure and alter the mode of economic growth, which is beneficial to the Chinese economic development in the long run. The Chinese automobile industry has gradually entered into a mature and stable stage, in which structural adjustment for both the industry and products of the automobile industry and automobile consumption market will continue. It is believed that the vehicle sales and vehicle population will maintain a steady upward trend. As the progress of urbanization and the enhancement of consumption structure in China stimulate consumption, the automobile market will be broadened. Amid a strong mass demand in the automobile market, the Group is still looking forward to the potential long-term consumption in China.

The development of global platform vehicles has become a growing trend. The Group will also further improve its capability for global concurrent design and R&D, promote the application of new materials and technologies in an active manner, participate in its customers' R&D and design projects, and endeavour to capture more global platform vehicle orders so as to raise its market share. The Group will strive for technology breakthrough, explore the range of application of aluminum products and make efforts to develop markets for its new products such as roof racks. The rapid growth of new materials and products will push the Group's development, thus increasing its profitability. Meanwhile, the Group will actively seek cooperation in the industry, adjust and consolidate the relationship with its partners, develop and expand overseas production bases, and optimize global supply capability with an aim to satisfy the increasing demands of its customers.

The Group has been paying attention to the business of welfare vehicles and new energy vehicles and parts as well as the development of the aftermarket. The Group carries out a balanced development between the domestic and overseas markets through a continuous improvement in corporate governance, making the Company an international company with an objective of becoming a leading supplier in the global automotive parts industry.

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

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 2013.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE AND THE MODEL CODE

None of the Directors are aware of any information that would reasonably indicate that the Company did not, at any time during the Review Period, comply with the Corporate Governance Code set out in the Appendix 14 of the Listing Rules.

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 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 the external auditor. The members of the Committee meet regularly with the management and external auditor to review the audit reports as well as the interim and annual financial reports 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 2013, and recommended their adoption by the Board.

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

Hong Kong, 27 August 2013

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