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)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 21.3% to approximately RMB6,683.9 million (2013: approximately RMB5,510.4 million).
- Gross profit increased by approximately 14.7% to approximately RMB2,085.2 million (2013: approximately RMB1,818.6 million).
- Profit attributable to owners of the Company increased by approximately 15.1% to approximately RMB1,117.6 million (2013: approximately RMB971.3 million).
- Basic earnings per share increased to approximately RMB1.021 (2013: approximately RMB0.896).
- Proposed final dividend amounted to HKD0.516 per share (2013: HKD0.453).
- Capital expenditure increased by approximately 42.2% to approximately RMB1,331.6 million (2013: approximately RMB936.6 million).
- Consolidated net asset value increased by approximately 10.7% to approximately RMB8,545.5 million (2013: approximately RMB7,718.4 million).

The board (the "Board") of directors (the "Directors") of Minth Group Limited (the "Company") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2014 (the "Review Year"), together with the comparative figures for the year ended 31 December 2013 reviewed by the audit committee of the Company ("Audit Committee") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	NOTES	**2014** *RMB'000*	2013 *RMB'000*
Revenue	*3*	**6,683,880**	5,510,385
Cost of sales		**(4,598,673)**	(3,691,820)
Gross profit		**2,085,207**	1,818,565
Investment income		**124,041**	97,325
Other income		**172,352**	129,817
Other gains and losses	*4*	**60,460**	100,697
Distribution and selling expenses		**(202,836)**	(171,764)
Administrative expenses		**(567,445)**	(459,828)
Research expenditure		**(298,708)**	(259,782)
Interest on borrowings wholly repayable within five years		**(65,212)**	(63,172)
Share of profits of joint ventures		**6,105**	1,141
Share of profits of associates		**41,798**	32,203
Profit before tax		**1,355,762**	1,225,202
Income tax expense	*5*	**(202,834)**	(195,788)
Profit for the year	*6*	**1,152,928**	1,029,414
Other comprehensive income (expense):			
Item that will not be reclassified to profit or loss:			
Remeasurement of defined benefit obligation		**(4,950)**	–
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		**(10,886)**	(39,238)
Fair value gain (loss) on available-for-sale investments		**45,331**	(17,687)
Income tax relating to items that may be reclassified to profit or loss		**(6,800)**	2,653
Other comprehensive income (expense) for the year (net of tax)		**22,695**	(54,272)
Total comprehensive income for the year		**1,175,623**	975,142

	NOTE	2014 RMB'000	2013 RMB'000
Profit for the year attributable to:			
Owners of the Company		**1,117,605**	971,338
Non-controlling interests		**35,323**	58,076
		1,152,928	1,029,414
Total comprehensive income attributable to:			
Owners of the Company		**1,144,101**	921,709
Non-controlling interests		**31,522**	53,433
		1,175,623	975,142
Earnings per share	*8*		
Basic		**RMB1.021**	RMB0.896
Diluted		**RMB1.014**	RMB0.888

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2014

	NOTES	**2014** **RMB'000**	2013 *RMB'000*
Non-current assets			
Property, plant and equipment		**3,449,009**	2,545,896
Prepaid lease payments		**610,932**	508,356
Goodwill		**46,407**	15,276
Other intangible assets		**41,563**	40,199
Interests in joint ventures		**89,386**	79,486
Interests in associates		**123,814**	117,290
Available-for-sale investments		**154,911**	172,447
Loan receivables		**11,736**	89,615
Deferred tax assets		**100,163**	78,208
		4,627,921	3,646,773
Current assets			
Prepaid lease payments		**14,900**	11,809
Inventories	*9*	**1,129,359**	928,173
Property under development		**132,670**	–
Loan receivables		**11,685**	51,882
Trade and other receivables	*10*	**2,061,424**	1,939,352
Derivative financial assets		**1,628**	8,702
Pledged bank deposits		**1,270,742**	786,746
Bank balances and cash		**3,594,209**	4,119,191
		8,216,617	7,845,855
Assets classified as held for sale		**6,532**	–
		8,223,149	7,845,855
Current liabilities			
Trade and other payables	*11*	**1,392,080**	1,201,345
Tax liabilities		**69,690**	106,552
Borrowings		**2,708,485**	2,385,330
Derivative financial liabilities		**19,869**	4,434
		4,190,124	3,697,661
Net current assets		**4,033,025**	4,148,194
Total assets less current liabilities		**8,660,946**	7,794,967

	2014	2013
	RMB'000	*RMB'000*
Capital and reserves		
Share capital	**110,801**	110,342
Share premium and reserves	**8,177,751**	7,346,410
Equity attributable to owners of the Company	**8,288,552**	7,456,752
Non-controlling interests	**256,919**	261,694
Total equity	**8,545,471**	7,718,446
Non-current liabilities		
Deferred tax liabilities	**92,533**	51,521
Borrowings	**–**	25,000
Retirement benefit obligation	**22,942**	–
	115,475	76,521
	8,660,946	7,794,967

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1. GENERAL, CORPORATE REORGANISATION AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company was incorporated under the Company Law of the Cayman Islands on 22 June 2005 and registered as an exempted company with limited liability. Its registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 1 December 2005. The Group is engaged in the design, development, manufacture, processing and sales of automobile body parts and moulds.

In the opinion of the Directors, the immediate and ultimate holding company is Linkfair Investments Limited, a limited company incorporated in the British Virgin Islands on 7 January 2005.

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following amendments to HKFRSs and a new interpretation issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

Except as disclosed below, the application of the amendments to HKFRSs and the interpretation in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduced additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures included the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 Fair Value Measurements.

In accordance with the amendments to HKAS 36, the Group has applied the new disclosure requirements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 1	Disclosure Initiative[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[6]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[5]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[5]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.

3 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

4 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

5 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

6 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirement for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognized financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is archived both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt instruments and equity instruments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

- In relation to the implementation of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Directors of the Company anticipated that the adoption of HKFRS 9 in the future may have an impact on the amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 Revenue from Contracts with Customers

In May 2014, HKFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Specifically, the Standard introduced a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The Directors of the Company anticipate that the application of HKFRS 15 in the future may have an impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Amendments to HKAS 19 Defined Benefit Plans: Employee Contributions

The amendments to HKAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The Directors of the Company do not anticipate that the application of these amendments to HKAS 19 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 27 Equity Method in Separate Financial Statements

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements

- At cost
- In accordance with HKFRS 9 Financial Instruments (or HKAS 39 Financial Instruments: Recognition and Measurement for entities that have not yet adopted HKFRS 9)
- Using the equity method as described in HKAS 28 Investments in Associates and Joint Ventures

The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to HKAS 27, there are consequential amendments to HKAS 28 to avoid a potential conflict with HKFRS 10 *Consolidated Financial Statements* and to HKFRS 1 *First time Adoption of Hong Kong Financial Reporting Standards*.

The Directors of the Company do not anticipate that the application of these amendments to HKAS 27 will have a material impact on the Group's consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to HKAS 28:

- The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.

- A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.

- A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

Amendment to HKFRS 10:

- An exception from the general requirement of full gain or loss recognition has been introduced into HKFRS 10 for the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.

- New guidance has been introduced requiring that gains or losses resulting from those transactions are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The Directors of the Company do not anticipate that the application of these amendments to HKFRS 10 and HKAS 28 will have a material impact on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2010–2012 Cycle

The *Annual Improvements to HKFRSs 2010–2012 Cycle* include a number of amendments to various HKFRSs, which are summarised below:

The amendments to HKFRS 2 (i) change the definition of 'vesting condition' and 'market condition'; and (ii) add definition for 'performance condition' and 'service condition'. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit or loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristic'; and (ii) clarify that a reconciliation of the total of reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The Directors of the Company do not anticipate that the application of these amendments will have a material effect on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2011–2013 Cycle

The *Annual Improvements to HKFRSs 2011–2013 Cycle* include a number of amendments to various HKFRSs, which are summarised below:

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The directors of the Company do not anticipate that the application of these amendments will have a material effect on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2012–2014 Cycle

The *Annual Improvements* to *HKFRSs 2012–2014 Cycle* include a number of amendments to various HKFRSs, the one that is relevant to the Group is summarised below:

The amendments to HKAS 34 clarify the requirements relating to information required by HKAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The Directors of the Company do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

Except as disclosed above, the Directors of the Company anticipate that the application of the new and revised HKFRSs that have been issued but are not yet effective will have no material impact on the Group's consolidated financial statements.

3. SEGMENT INFORMATION

Information reported to the Board of Directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on goods or services delivered or provided to the Group's customers in different geographic locations. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Segment revenues and results

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

For the year ended 31 December 2014

	The People's Republic of China ("PRC") *RMB'000*	North America *RMB'000*	Europe *RMB'000*	Asia Pacific *RMB'000*	Consolidated *RMB'000*
Revenue					
External sales	**4,129,852**	**1,506,002**	**608,403**	**439,623**	**6,683,880**
Segment profit	**1,246,080**	**456,752**	**244,250**	**133,781**	**2,080,863**
Investment income					**124,041**
Other unallocated income, gains and losses					**232,812**
Unallocated expenses					**(1,064,645)**
Interest on borrowings wholly repayable within five years					**(65,212)**
Share of profits of joint ventures					**6,105**
Share of profits of associates					**41,798**
Profit before tax					**1,355,762**
Income tax expense					**(202,834)**
Profit for the year					**1,152,928**

For the year ended 31 December 2013

	The People's Republic of China ("PRC") *RMB'000*	North America *RMB'000*	Europe *RMB'000*	Asia Pacific *RMB'000*	Consolidated *RMB'000*
Revenue					
External sales	3,766,651	910,839	423,558	409,337	5,510,385
Segment profit	1,198,121	331,386	158,461	129,199	1,817,167
Investment income					97,325
Other unallocated income, gains and losses					230,514
Unallocated expenses					(889,976)
Interest on borrowings wholly repayable within five years					(63,172)
Share of profits of joint ventures					1,141
Share of profits of associates					32,203
Profit before tax					1,225,202
Income tax expense					(195,788)
Profit for the year					1,029,414

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 the Board of Directors for the purposes of resource allocation and performance assessment.

4. OTHER GAINS AND LOSSES

	2014 ***RMB'000***	2013 *RMB'000*
Net foreign exchange (loss) gain	**(18,710)**	25,228
Allowance for trade and other receivables	**(6,759)**	(4,845)
Reversal of allowance for trade and other receivables	**2,415**	3,396
Impairment for property, plant and equipment	**(10,062)**	(708)
Loss on disposal of property, plant and equipment	**(324)**	(5,306)
(Loss) gain on changes in fair value of derivative financial instruments	**(6,021)**	26,371
Gain on fair value changes of financial assets designated as at FVTPL	**57,845**	56,561
Cumulative gain reclassified from equity on disposal of available-for-sale investments	**33,250**	–
Gain on deemed disposal of equity interest in a former joint venture	**8,826**	–
	60,460	100,697

5. INCOME TAX EXPENSE

	2014 *RMB'000*	2013 *RMB'000*
Current tax:		
PRC Enterprise Income Tax	**209,023**	211,352
Other jurisdictions	**93**	842
Withholding tax paid	**5,254**	11,389
	214,370	223,583
Over provision in prior years:		
PRC Enterprise Income Tax	**(33,681)**	(12,841)
Other jurisdictions	**(2,853)**	(7)
	(36,534)	(12,848)
Deferred tax:		
Current year charge (credit)	**24,998**	(14,876)
Attributable to a change in tax rate	**–**	(71)
	24,998	(14,947)
	202,834	195,788

6. PROFIT FOR THE YEAR

	2014 *RMB'000*	2013 *RMB'000*
Profit for the year has been arrived at after charging:		
Depreciation for property, plant and equipment	**250,113**	180,690
Amortisation of other intangible assets (included in cost of sales, administrative expenses and research expenditure)	**12,014**	11,286
Release of prepaid lease payments	**13,177**	11,779
	275,304	203,755

7. DIVIDENDS

	2014 *RMB'000*	2013 *RMB'000*
Dividends recognised as distribution during the year: 2013 Final – HK$0.453 (2013: 2012 final dividend HK$0.385) per share	**394,019**	332,404

In the annual general meeting held on 29 May 2014, a final dividend of HK$0.453 (2013: HK$0.385) per share in respect of the year ended 31 December 2013 was approved by the shareholders and subsequently paid to the shareholders of the Company.

A final dividend of HK$0.516 per share for the year ended 31 December 2014 has been proposed by the Directors and is subject to approval by the shareholders in the annual general meeting to be held on 28 May 2015.

8. EARNINGS PER SHARE

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

	2014	2013
	RMB'000	*RMB'000*
Earnings		
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	**1,117,605**	971,338

	2014	2013
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,094,154**	1,083,996
Effect of dilutive potential ordinary shares: share options *(note)*	**8,391**	9,842
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,102,545**	1,093,838

Note: Certain outstanding share options ("Share Options") of the Company have not been included in the computation of diluted earnings per share for the year ended 31 December 2014 as they did not have dilutive effect on the Company's earnings per share because the exercise prices of these options were higher than the average market prices of the Company's shares during 2014.

9. INVENTORIES

	2014	2013
	RMB'000	*RMB'000*
Raw materials	**339,388**	281,605
Work in progress	**246,987**	176,437
Finished goods	**207,729**	167,355
Moulds	**335,255**	302,776
	1,129,359	928,173

10. TRADE AND OTHER RECEIVABLES

	2014	2013
	RMB'000	*RMB'000*
Trade receivables		
– associates	**6,294**	14,654
– joint ventures	**9,622**	54,638
– non-controlling shareholders of subsidiaries	**3,889**	18,802
– third parties	**1,586,810**	1,406,351
Less: Allowance for doubtful debts	**(11,000)**	(10,557)
	1,595,615	1,483,888
Bill receivables	**41,529**	118,655
	1,637,144	1,602,543
Other receivables	**70,099**	51,742
Less: Allowance for doubtful debts	**(1,789)**	(1,547)
	1,705,454	1,652,738
Prepayments	**207,567**	223,560
Value-added tax recoverable	**118,403**	58,054
Refundable guarantee deposits	**30,000**	5,000
Total trade and other receivables	**2,061,424**	1,939,352

The Group normally grants a credit period of 60 days to 90 days (2013: 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 net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	2014	2013
	RMB'000	*RMB'000*
Age		
0 to 90 days	**1,533,405**	1,420,096
91 to 180 days	**57,228**	40,634
181 to 365 days	**1,305**	14,401
1 to 2 years	**3,677**	8,757
	1,595,615	1,483,888

Bill receivables held by the Group as at 31 December 2014 will mature within 6 months (31 December 2013: within 6 months).

11. TRADE AND OTHER PAYABLES

	2014	2013
	RMB'000	*RMB'000*
Trade payables		
– associates	**2,560**	9,281
– joint ventures	**36,458**	32,716
– non-controlling shareholders of subsidiaries	**22,340**	12,967
– third parties	**728,691**	693,719
	790,049	748,683
Payroll and welfare payables	**195,817**	155,311
Advance from customers	**22,091**	17,916
Consideration payable of acquisition of property, plant and equipment	**98,842**	71,407
Technology support services fees payable	**18,119**	14,364
Freight and utilities payable	**57,978**	56,954
Value-added tax payable	**36,743**	–
Interest payable	**10,137**	7,435
Rental payable	**4,137**	2,553
Deposits received	**22,608**	17,571
Consideration payables of acquisition of a subsidiary	**–**	4,372
Dividend payable to minority owners of subsidiaries	**–**	900
Others	**135,559**	103,879
Total trade and other payables	**1,392,080**	1,201,345

The average credit period on purchases of goods is 30 days to 90 days (2013: 30 days to 90 days).

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

	2014	2013
	RMB'000	*RMB'000*
Age		
0 to 90 days	**742,324**	724,424
91 to 180 days	**31,074**	15,959
181 to 365 days	**9,694**	1,835
1 to 2 years	**4,293**	5,620
Over 2 years	**2,664**	845
	790,049	748,683

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

During the Review Year, China's economy continued its steady growth while the purchasing power of Chinese consumers kept rising. The overall automotive industry in China also grew steadily. The growth rate of the production and sales of automobiles in China slowed down compared to the previous year's, while the production and sales continued to rank number one in the global automotive market for the sixth consecutive year. The passenger vehicles continued to be the main force driving the overall growth of the automotive industry in China. During the Review Year, the production and sales of passenger vehicles in China were approximately 19.9198 million units and approximately 19.7006 million units, respectively, representing a year-on-year growth of approximately 10.2% and 9.9%, respectively.

During the Review Year, most countries in the developed automotive market started or continued to recover from the impact of the financial crisis with their economy resuming growth, putting an end to the depression of their automotive markets. The sales volume of automobiles in the US and Western Europe maintained a relatively stable growing trend and the sales volume of automobiles in Japan witnessed slight growth. On the other hand, the sales volume of automobiles in the emerging markets recorded varied performance. Sales continued to decline in Brazil, Russia and Thailand due to their respective economic and political issues, whereas favorable policy and falling oil prices led falling sales to rise again in India. Having benefited from the growth momentum of local sales and export, the growth in Mexico was significant.

COMPANY OVERVIEW

The Group is committed to becoming a global supplier and is primarily engaged in the design, manufacture and sales of trims, decorative parts, body structural parts and other related auto parts. The Group's manufacturing bases in China, the US, Mexico, Thailand and Germany spread across the main markets of its customers. With the support of the research and development ("R&D") centers in China, Japan, North America and Germany, the Group is able to provide services to the global market and meet the growing demand of customers.

During the Review Year, the Group fulfilled its annual business targets as scheduled, once again hit a record high with its new business intake and its order book visibility was further improved. The Group also managed to gain more customer recognition with its capability in concurrent design and just-in-time global delivery. In addition, newly awarded orders for a new series of global platform vehicles and high-end vehicles laid a solid foundation for the future development of the Group.

In order to further accommodate the demand from the global expansion of its business scale, the Group has constantly been improving its operations and management functions. During the Review Year, the Group redeveloped its quality management system and optimized its quality enhancement mechanism and high-risk quality tracking mechanism in order to facilitate the in-depth development of the fundamental work in terms of product quality. Internally, the Group integrated the management functions in procurement, while externally, it developed long-term strategic cooperation relationships with suppliers so as to continuously optimize procurement cost and enhance procurement quality. Furthermore, by intensively capitalizing on the achievements from its core products and core technologies, the Group was able to better allocate its production resources and improve the planning of its production layout. During the Review Year, in order to achieve better economies of scale in production, the Group has gradually implemented the construction and planning of the production bases in China, North America and Thailand. With an emphasis on technology as its primary development, the Group ultimately intends to enhance its capability by technological advancement, and is strengthening its competitive advantages by technological development. Relying on its professional R&D team, during the Review Year, the Group achieved a breakthrough in technologies such as anodizing through integrating overseas advanced technologies.

BUSINESS AND OPERATION LAYOUT

During the Review Year, the domestic revenue of the Group increased from approximately RMB3,766,651,000 in 2013 to approximately RMB4,129,852,000, representing a growth rate of approximately 9.6%. Owing to the steady growth of major overseas markets, growing new orders for global platform vehicles and the equity acquisition of a former joint venture, the overseas revenue of the Group increased significantly from approximately RMB1,743,734,000 in 2013 to approximately RMB2,554,028,000, representing a growth of approximately RMB810,294,000 or approximately 46.5%.

During the Review Year, the Group adjusted its efforts on customer diversification, further enhancing the strategic cooperation relationship with its core customers, which led to steady business development. The Group achieved steady development in its Japanese business, persisted with the business opportunities of global orders from Nissan, and achieved a breakthrough in securing global platform vehicle orders from Honda. During the Review Year, the Group secured global orders from Nissan Qashqai and Honda Vezel, laying a solid foundation for the global development of its Japanese business. Meanwhile, the weakening and exiting of the Group's overseas competitors provided a good opportunity for the Group to further boost its European and US businesses. During the Review Year, the Group's European and US operations continued to grow, with historical breakthrough in securing new businesses from its European customers. The Group has further increased its supply to BMW by securing orders for the new BMW 5 Series Sedan. In addition, the Group has secured the global orders of roof racks for the new Audi Q5, and made a breakthrough in its business with FAW Volkswagen. The Group increased its coverage of high-end customers, and was awarded new business orders from high-end customers including Bentley, Audi, BMW, Mercedes-Benz, Cadillac and Infiniti during the Review Year.

During the Review Year, the Group continued to focus on product mix diversification. The traditional product business of the Group has managed to maintain a solid market position with a leading market share in China. The new product offerings such as the aluminum products have grown rapidly, and are gradually heading towards becoming part of the established product strategy of the Group. The Group has completed the production layout of its chrome plating products in China. Several chrome plating production lines were launched successfully, the product quality of which were well-recognised by its customers, laying a solid foundation for the development of the Group's decorative parts business. Furthermore, the Group's concurrent design products have recorded favorable growth, which enhances its overall competitiveness.

During the Review Year, the Group continued to maintain development momentum in the new material market and increased its efforts in the R&D as well as the application of aluminum products. The Group has fully entered into the overseas procurement system of aluminum products for the Volkswagen Group, consolidated its supply of aluminum products to BMW, and made a breakthrough in the new business intake of aluminum products for Japanese customers, which products will be supplied to a model of Infiniti, the high-end brand of Nissan. In order to keep up with the development trend for aluminum products, the Group endeavored to establish a global production layout for aluminum products. During the Review Year, the Group kicked off the construction and mass production of several production lines of aluminum products in China, and its production base of aluminum products in Mexico was already initiated.

In respect of investment, during the Review Year, the Group acquired the remaining 50.18% equity interest in its US joint venture, Plastic Trim International Inc. ("PTI") at a total consideration of USD9,290,000 (including the settlement of a shareholder's loan amounting to USD3,840,000). Such acquisition would contribute positively to the Group's business development and market share in North America, and will also facilitate the growth of the Group's business in China and other overseas markets at the same time. As for the production layout, the Group was committed to the optimization of production layout and capacity equalization, in order to continue increasing the global market share of its current products. During the Review Year, the Group gradually fulfilled its strategic planning of large-scale production base through vertical integration of supply chain together with its competitive edges in cost, quality and efficiency. For example, the chrome plating production bases in China and Thailand have successfully commenced production and the trim production base in the East China Region achieved decent performance.

Research and Development

During the Review Year, the Group maximized the application of existing resources and maintained its competitive strength in R&D cost. In terms of technological breakthrough, the Group's technical level in aluminum anodizing has reached international standard and passed the examination and verification of high-end clients for mass production. The development and application of surface hard coating technology, the enhancement of roll forming line production speed and the application of the automatic punching production technology have reached leading positions in China. As a result, the competitive position of the Group for the relevant products was reinforced. The Group's global concurrent design capability has allowed it to not only remain competitive in terms of production, but also to expand into product design engineering, providing a long-term driving force for the growth of the Group.

The Group has placed emphasized on protecting its intellectual property rights. It obtained the certification of protection system of intellectual property rights and actively applied for international patents. During the Review Year, the Group filed 230 patent applications for approval, 202 of which were authorized by competent institutions.

FINANCIAL REVIEW

RESULTS

During the Review Year, the Group's revenue was approximately RMB6,683,880,000, representing an increase of approximately 21.3% from approximately RMB5,510,385,000 in 2013. It was mainly attributable to the steady growth in the major overseas markets, the increase of orders for global platform vehicles and the equity acquisition of a former joint venture, which has become a subsidiary as a result. Thanks to the Group's forward-looking layout in both domestic and overseas markets, favorable revenue growth was gained in both of the above markets.

During the Review Year, the profit attributable to owners of the Company was approximately RMB1,117,605,000, representing an increase of approximately 15.1% from approximately RMB971,338,000 in 2013. It was mainly attributable to an increase in revenue and continuous emphasis on the control of costs and expenses, enabling the Group to maintain overall decent profitability.

Sales of Products

During the Review Year, the Group continued to focus on the production of core products including trims, decorative parts and body structural parts, which were mainly supplied to the factories of the major global original equipment manufacturers ("OEMs").

An analysis on revenue by geographical markets based on locations of the customers is as follows:

	2014		2013	
	RMB'000	***%***	*RMB'000*	*%*
Customer Category				
China	**4,129,852**	**61.8**	3,766,651	68.4
Asia Pacific	**439,623**	**6.6**	409,337	7.4
North America	**1,506,002**	**22.5**	910,839	16.5
Europe	**608,403**	**9.1**	423,558	7.7
Total	**6,683,880**	**100.0**	5,510,385	100.0

Revenue from Overseas Market

During the Review Year, the overseas market revenue of the Group increased from approximately RMB1,743,734,000 in 2013 to approximately RMB2,554,028,000, representing a growth of approximately 46.5%. It accounted for approximately 38.2% of the total revenue of the Group in 2014, representing an increase when compared to that of approximately 31.6% in 2013.

Gross Profit

During the Review Year, the Group's gross profit was approximately RMB2,085,207,000, representing a growth of approximately 14.7% from approximately RMB1,818,565,000 in 2013. The gross profit margin was approximately 31.2% in 2014, representing a decrease of approximately 1.8% from approximately 33.0% in 2013. It was mainly attributable to the fact that the gross profit margin of a former joint venture was lower than the average level of the Group, and it was acquired by the Group and became a subsidiary as a result during the Review Year. Meanwhile, the Group was still under continuous pressure from the decline in product price and the rising labor costs. The Group persistently took measures, including continuous improvement in the manufacturing processes, a higher utilization rate of materials and implementation of a centralized procurement policy to enhance the efficiency of both production and management to maintain the overall gross profit margin at a decent level.

Other Income

During the Review Year, other income of the Group amounted to approximately RMB172,352,000, representing an increase of approximately RMB42,535,000 as compared to approximately RMB129,817,000 in 2013. It was mainly attributable to an increase in subsidies.

Other Gains and Losses

During the Review Year, the Group's other gains and losses amounted to a net gain of approximately RMB60,460,000, representing a decrease of approximately RMB40,237,000 as compared to the net gain of approximately RMB100,697,000 in 2013. It was mainly attributable to foreign exchange losses arising from fluctuations in exchange rates during the Review Year, as compared to foreign exchange gains in 2013.

Distribution and Selling Expenses

During the Review Year, the Group's distribution and selling expenses amounted to approximately RMB202,836,000, representing an increase of approximately RMB31,072,000 from approximately RMB171,764,000 in 2013. It was mainly attributable to an increase in expense resulting from the growth of overseas revenue.

Administrative Expenses

During the Review Year, the administrative expenses of the Group amounted to approximately RMB567,445,000, representing an increase of approximately RMB107,617,000 from approximately RMB459,828,000 in 2013. It accounted for approximately 8.5% of the revenue of the Group, representing an increase of approximately 0.2% from approximately 8.3% in 2013. It was mainly due to a rise in labor costs arising from the introduction of high-level personnel, pay rise for employees and grant of share options for maintaining competitiveness amid the growth of the Group's revenue.

Research Expenditure

During the Review Year, the R&D expenditure of the Group amounted to approximately RMB298,708,000, representing an increase of approximately RMB38,926,000 from approximately RMB259,782,000 in 2013. It was mainly attributable to an increase in labor costs arising from the Group's introduction of high-level R&D personnel and continuous investment in R&D to enhance its R&D capabilities in order to maintain its market competitiveness and sustainability.

Share of Profits of Joint Ventures

During the Review Year, the Group's share of profits of joint ventures was approximately RMB6,105,000, representing an increase of approximately RMB4,964,000 from approximately RMB1,141,000 in 2013, which was mainly due to the Group's equity acquisition of a former joint venture who was making losses before the acquisition.

Share of Profits of Associates

During the Review Year, the Group's share of profits of associates was approximately RMB41,798,000, increased by approximately RMB9,595,000 compared to approximately RMB32,203,000 in 2013. This was mainly attributable to the increase in profit of one of the associates arising from its growth in revenue.

Income Tax Expense

The Group's income tax expense in 2014 was approximately RMB202,834,000, representing an increase of approximately RMB7,046,000 from approximately RMB195,788,000 in 2013.

During the Review Year, the Group's effective tax rate was approximately 15.0%, representing a decrease of approximately 1.0% from approximately 16.0% in 2013.

Profits Attributable to Non-controlling Interests

During the Review Year, the Group's profits attributable to non-controlling interests were approximately RMB35,323,000, representing a decrease of approximately RMB22,753,000 compared to approximately RMB58,076,000 in 2013. It was mainly attributable to the decrease in profits of non-wholly owned subsidiaries.

Liquidity and Financial Resources

As of 31 December 2014, the Group's bank balances and cash amounted to approximately RMB3,594,209,000, representing a decrease of approximately RMB524,982,000 as compared to approximately RMB4,119,191,000 as of 31 December 2013. This was mainly due to an increase in capital expenditure for the development needs of the Group in the long run. As of 31 December 2014, the Group's low-cost borrowings amounted to approximately RMB2,708,485,000, among which the equivalent of approximately RMB2,272,477,000, approximately RMB166,846,000, approximately RMB150,855,000, approximately RMB53,584,000, and approximately RMB54,723,000 were denominated in US Dollar ("USD"), Hong Kong Dollar ("HKD"), Euro ("EUR"), Japanese Yen ("JPY") and Thai Baht ("THB") respectively, representing an increase of borrowings of approximately RMB298,155,000 as compared to approximately RMB2,410,330,000 as of 31 December 2013. The increase was mainly due to the borrowings the Group brought in after considering the consolidated gains from capital, interest rates and exchange rates.

During the Review Year, the net cash flow from the Group's operating activities was approximately RMB1,031,376,000, indicating a sound cash flow condition.

The Group's current ratio in 2014 decreased from approximately 2.1 in 2013 to approximately 2.0. As of 31 December 2014, the Group's gearing ratio was approximately 21.1% (2013: approximately 21.0%), which was a percentage based on the interest bearing borrowings divided by total assets.

During the Review Year, the Group's inventory turnover days were approximately 58 days, which stood at the same level of approximately 58 days as 2013.

During the Review Year, the Group's receivables turnover days were approximately 76 days, extending approximately 1 day from approximately 75 days in 2013.

During the Review Year, the Group's payables turnover days were approximately 52 days, shortening approximately 2 days from approximately 54 days in 2013.

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

COMMITMENTS

As of 31 December 2014, the Group had the following commitments:

	RMB'000
Capital commitment	
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:	
– Acquisition of property, plant and equipment	393,680

INTEREST RATE AND FOREIGN EXCHANGE RISKS

As of 31 December 2014, the balance of borrowings was approximately RMB2,708,485,000, of which approximately RMB10,000,000 was bearing at a fixed interest rate, and approximately RMB2,698,485,000 was bearing at floating interest rates. The aforesaid borrowings had no seasonality. In addition, approximately RMB2,412,863,000 of the said borrowings was denominated in currencies other than the functional currencies of the relevant Group's entities, of which the equivalent of approximately RMB2,118,098,000, approximately RMB166,846,000, approximately RMB75,876,000 and approximately RMB52,043,000 were denominated in USD, HKD, EUR and JPY respectively.

Majority of the Group's sales and procurements are settled in RMB. With the expansion of overseas business, the management of the Group is closely monitoring its foreign exchange exposure and has delegated a team responsible for the planning of related work to mitigate the foreign exchange risk.

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

As of 31 December 2014, the Group's cash and cash equivalents denominated in currencies other than the functional currencies amounted to approximately RMB659,986,000, of which the equivalent of approximately RMB509,795,000 was denominated in HKD, approximately RMB102,251,000 was denominated in USD, approximately RMB42,839,000 was denominated in EUR, approximately RMB5,079,000 was denominated in JPY and approximately RMB22,000 was denominated in THB.

CONTINGENT LIABILITIES

As of 31 December 2014, the Group had no contingent liabilities (2013: Nil).

MORTGAGED ASSETS

As of 31 December 2014, the Group had borrowings of approximately USD156,440,000 (equivalent to approximately RMB957,257,000), HKD199,500,000 (equivalent to approximately RMB157,379,000) and JPY30,000,000 (equivalent to approximately RMB1,541,000) secured by bank deposits of approximately RMB1,193,105,000 and freehold lands with a net book value of approximately RMB19,086,000. The loans are to be settled in USD, HKD and JPY respectively (31 December 2013: the Group had borrowings of approximately RMB596,400,000, USD10,000,000 (equivalent to approximately RMB60,969,000) and HKD126,000,000 (equivalent to approximately RMB99,061,000) secured by bank deposits of approximately RMB782,960,000. The loans are to be settled in RMB, USD and HKD respectively). The Group has also pledged freehold lands and buildings having a net book value of approximately RMB18,586,000 (31 December 2013: approximately RMB18,514,000) 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 addition of land use rights. During the Review Year, the Group's capital expenditure amounted to approximately RMB1,331,600,000 (2013: approximately RMB936,573,000). The increase in capital expenditure was mainly attributable to the Group's increase of production facilities and land reserves with the aim of expanding the Group's production capacity.

PLACING AND SUBSCRIPTION

The Group had no placing and subscription of shares of the Company during the Review Year.

MATERIAL ACQUISITIONS AND DISPOSALS

Save for the acquisition of the remaining 50.18% equity interest in PTI, the Group made no other material acquisition or disposal of subsidiaries or associates during the Review Year.

EMPLOYEES

As of 31 December 2014, the Group had a total of 10,238 employees. The total number of employees increased by 1,296 compared to 31 December 2013. During the Review Year, as the Group further implemented its strategy of globalization and expanded its overseas business, the Group continued to increase manpower in its overseas operations in order to support the expansion of its global footprint. During the Review Year, the Group continued to roll out the Core Values and Code of Conduct, and held a series of activities in an effort to integrate such promoted core values into the daily practice of its employees.

During the Review Year, the Group continued to strengthen its talent and performance management. The major components of variable remuneration in the Group are cash-based variable bonuses under the short-term incentive ("STI") plan and share-based awards under the long-term incentive ("LTI") program. The STI plan aims to foster a pay-for-performance culture and reward employees appropriately, commensurate with performance and the return to shareholders for the financial year. The objective of the LTI program is to align the interests of management with those of shareholders and have participants focus on the sustainable longer-term performance and financial strength of the Group. With an aim to boost the core competitiveness of its talents and enterprises, the Group continued to enhance the leadership and organizational abilities of its management and enlarge the global vision and cultural exchange of its global senior management team.

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. On 16 January 2014, the Board approved the grant of a total of 13,580,000 Share Options to a group of eligible participants (the "Grantees"). The validity period of the Share Options is from 1 June 2014 to 31 May 2019 (both days inclusive). A summary of the Share Option Scheme and the movements in the Company's share options will be disclosed in the 2014 annual report.

OUTLOOK AND STRATEGIES

It is expected that the economy of China will continue the current trend of stable development and that the purchasing power and willingness of consumers in China will maintain a steady growth. The development of the automobile finance market is also expected to stimulate automobile consumption. The structure of the automotive industry in China is anticipated to undergo optimization and its automotive products are likely to keep on evolving rapidly. China's automotive market is expected to continue to grow and move closer to developed automotive markets in the long run. The major OEMs still see promising development potential in China market. The European OEMs, particularly Volkswagen, Daimler and BMW, consider China to be the most important and strategic market to increase their global market share. As such, they are likely to increase their investment and launch more models in order to further develop their business and strengthen their market position in China. Given the slow economic recovery of the countries in the developed automotive markets, it is expected that the consumption growth on automobiles will be more stable. The countries in the emerging automotive markets are expected to adjust their economic policies and implement preferential policies or incentives, and the potential in automobile consumption should not be underestimated.

Leveraging on its cooperation relationships with customers worldwide, the Group will continue to implement the overall strategy of globalization and balanced development with an aim to secure more global orders as well as refine global layout and maintain cost advantages. The Group will also focus on striking a balanced development in terms of product mix in different regions, customer base and core product structure so as to actively extend its product segments and closely monitor the product development trend of customers, and introduce new products and create new growth drivers in the meantime. The Group will enhance its operational efficiency by following a strategic approach to improve its automation level and economies of scale in production. The Group is also steadily progressing R&D and global cooperation in terms of the parts for new energy vehicles and electronic components for intelligent automobiles, which is expected to create new opportunities for its long-term business development. In addition, as vehicle population and the average life of vehicles increase, the demand in the aftermarket accordingly increases as well. The Group will also continue to look for opportunities for development in respect of its existing products in the aftermarket. The Group continues to work towards its long-term goal of reaching a leading position globally in terms of core products and becoming one of the top 100 global OEM parts suppliers.

PURCHASE, SALE OR REDEMPTION

During the Review Year, the Grantees of the Company who were not Directors exercised 5,758,000 share options in accordance with the rules and terms of the Share Option Scheme, and 1,783,000 share options lapsed due to the resignations of the Grantees who were not Directors.

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 Review Year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE AND THE MODEL CODE

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "Corporate Governance Code") set out in Appendix 14 to the Rules Governing the Listing of the Securities on the Stock Exchange (the "Listing Rules"). Save as disclosed below, none of the Directors is aware of any information that would reasonably indicate that the Company did not, at any time during the corresponding periods of the Review Year, comply with the Corporate Governance Code.

Under the code provision E.1.2, the chairman of the Board should attend the annual general meeting and invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. Dr. Wang Ching and Mr. Wu Fred Fong, both independent non-executive Directors and members of the Company's Audit Committee, Nomination Committee and Remuneration Committee, were invited to attend the 2014 annual general meeting to answer any question from the shareholders concerning the Company's corporate governance. As provided for in the code provision A.6.7, independent non-executive Directors and other non-executive Directors should attend the annual general meeting and develop a balanced understanding of the views of shareholders. One non-executive Director, Mr. He Dong Han, was unable to attend the 2014 annual general meeting due to his business arrangements. Another independent non-executive Director, Mr. Zhang Liren, was also unable to attend the 2014 annual general meeting due to his work arrangements.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the Company's code of conduct and the code for dealing in the Company's securities by all Directors. Having made specific enquiries to all Directors, the Directors confirmed that they have strictly complied with the standards stipulated under the Model Code during the Review Year.

MATERIAL LITIGATION AND ARBITRATION

Save for the petition served by the Securities and Futures Commission ("SFC") to the Company on 11 April 2014, details of which were set out in the Company's announcements dated 14 April 2014, 29 May 2014 and 9 July 2014, the Group is not engaged in any litigation or arbitration of material importance during the Review Year. As at the date of this announcement, certain court hearings had taken place for the purpose of progressing matters relating to the case. The High Court has directed that the case be set down for a 25 day trial but, as at the date of this announcement, no trial dates have yet been fixed. The Directors are of the opinion that the SFC petition does not have any significant impact on the consolidated financial statements of the Group for the Review Year.

REVIEWED BY THE AUDIT COMMITTEE

The Company has established an Audit Committee to review and oversee the financial reporting procedures and internal control system of the Group. The Group's annual results for the year ended 31 December 2014 have been reviewed by the Audit Committee and approved by the Board for publication.

PROPOSED FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HKD0.516 per share to shareholders whose names appear on the register of members of the Company on Friday, 5 June 2015 and the proposed final dividend will be paid on or about Tuesday, 16 June 2015. The payment of dividends shall be subject to the approval of the shareholders at the forthcoming annual general meeting, which is expected to be held on Thursday, 28 May 2015.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2014 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, in respect of the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

CLOSURE OF REGISTER OF MEMBERS

Shareholders whose names appear on the Company's register of members on Thursday, 28 May 2015, will be eligible to attend and vote at the annual general meeting. The Company's transfer books and register of members will be closed from Tuesday, 26 May 2015 to Thursday, 28 May 2015 (both days inclusive) during which period no transfer of shares will be registered. In order to attend and vote at the annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Friday, 22 May 2015.

Shareholders whose names appear on the Company's register of members on Friday, 5 June 2015, will qualify for the proposed final dividend. The Company's transfer books and register of members will be closed from Wednesday, 3 June 2015 to Friday, 5 June 2015 (both days inclusive) for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Tuesday, 2 June 2015. The proposed final dividend (the payment of which is subject to the shareholders' approval at the forthcoming annual general meeting) is to be payable on or about Tuesday, 16 June 2015 to shareholders whose names appear on the register of members of the Company on Friday, 5 June 2015. The shares will trade ex-dividend on Monday, 1 June 2015.

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

Hong Kong, 24 March 2015

As of the date of this announcement, the Board comprises Mr. Chin Jong Hwa, Mr. Shi Jian Hui, Mr. Zhao Feng and Ms. Bao Jian Ya, 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.