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 2015

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 14.5% to approximately RMB7,654.1 million (2014: approximately RMB6,683.9 million).
- Gross profit rose by approximately 16.4% to approximately RMB2,427.7 million (2014: approximately RMB2,085.2 million).
- Profit attributable to owners of the Company increased by approximately 13.8% to approximately RMB1,271.7 million (2014: approximately RMB1,117.6 million).
- Basic earnings per share increased to approximately RMB1.151 (2014: approximately RMB1.021).
- Proposed final dividend amounted to HKD0.548 per share (2014: HKD0.516).
- Capital expenditure decreased by approximately 11.4% to approximately RMB1,180.1 million (2014: approximately RMB1,331.6 million).
- Consolidated net asset value increased by approximately 10.1% to approximately RMB9,406.4 million (2014: approximately RMB8,545.5 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 2015 (the "Review Year"), together with the comparative figures for the year ended 31 December 2014 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 2015

	NOTES	2015 RMB'000	2014 RMB'000
Revenue	3	**7,654,123**	6,683,880
Cost of sales		**(5,226,438)**	(4,598,673)
Gross profit		**2,427,685**	2,085,207
Investment income		**135,435**	124,041
Other income		**141,507**	172,352
Other gains and losses	4	**21,780**	60,460
Distribution and selling expenses		**(230,571)**	(202,836)
Administrative expenses		**(585,930)**	(567,445)
Research expenditure		**(330,566)**	(298,708)
Interest on borrowings wholly repayable within five years		**(70,463)**	(65,212)
Share of profits of joint ventures		**21,592**	6,105
Share of profits of associates		**38,308**	41,798
Profit before tax		**1,568,777**	1,355,762
Income tax expense	5	**(249,065)**	(202,834)
Profit for the year	6	**1,319,712**	1,152,928
Other comprehensive income (expense):			
Item that will not be reclassified to profit or loss:			
Gain (loss) on remeasurement of defined benefit obligation		**311**	(4,950)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(47,944)**	(10,886)
Cumulative exchange differences reclassified from equity to profit or loss arising on disposal of TK Minth		**10,028**	–
Fair value (loss) gain on available-for-sale investments		**(18,930)**	45,331
Income tax relating to items that may be reclassified subsequently		**2,840**	(6,800)
Other comprehensive (expense) income for the year, net of income tax		**(53,695)**	22,695
Total comprehensive income for the year		**1,266,017**	1,175,623

	NOTE	2015 RMB'000	2014 RMB'000
Profit for the year attributable to:			
Owners of the Company		**1,271,677**	1,117,605
Non-controlling interests		**48,035**	35,323
		1,319,712	1,152,928
Total comprehensive income attributable to:			
Owners of the Company		**1,219,544**	1,144,101
Non-controlling interests		**46,473**	31,522
		1,266,017	1,175,623
Earnings per share	*8*		
Basic		**RMB1.151**	RMB1.021
Diluted		**RMB1.144**	RMB1.014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2015

	NOTES	2015 RMB'000	2014 RMB'000
Non-current assets			
Property, plant and equipment		**4,175,383**	3,449,009
Prepaid lease payments		**624,238**	610,932
Goodwill		**46,407**	46,407
Other intangible assets		**39,398**	41,563
Interests in joint ventures		**73,986**	89,386
Interests in associates		**105,993**	123,814
Available-for-sale investments		**96,392**	154,911
Loan receivables		**–**	11,736
Deferred tax assets		**111,949**	100,163
		5,273,746	4,627,921
Current assets			
Prepaid lease payments		**15,537**	14,900
Inventories	*9*	**1,196,022**	1,129,359
Property under development		**207,863**	132,670
Loan receivables		**6,269**	11,685
Trade and other receivables	*10*	**2,577,428**	2,061,424
Derivative financial assets		**4,909**	1,628
Pledged bank deposits		**1,107,438**	1,270,742
Bank balances and cash		**2,766,705**	3,594,209
		7,882,171	8,216,617
Assets classified as held for sale		**–**	6,532
		7,882,171	8,223,149
Current liabilities			
Trade and other payables	*11*	**1,589,760**	1,392,080
Tax liabilities		**92,672**	69,690
Borrowings		**1,957,964**	2,708,485
Derivative financial liabilities		**28,069**	19,869
		3,668,465	4,190,124
Net current assets		**4,213,706**	4,033,025
Total assets less current liabilities		**9,487,452**	8,660,946

	2015	2014
	RMB'000	*RMB'000*
Capital and reserves		
Share capital	**111,570**	110,801
Share premium and reserves	**9,080,667**	8,177,751
Equity attributable to owners of the Company	**9,192,237**	8,288,552
Non-controlling interests	**214,179**	256,919
Total equity	**9,406,416**	8,545,471
Non-current liabilities		
Deferred tax liabilities	**59,211**	92,533
Retirement benefit obligation	**21,825**	22,942
	81,036	115,475
	9,487,452	8,660,946

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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 Company acts as an investment holding company with its subsidiaries (the "Group") 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 issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle

The application of the amendments to HKFRSs 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.

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

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[2]
Amendments to HKAS 1	Disclosure Initiative[2]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle[2]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
3 Effective for annual periods beginning on or after a date to be determined.

Except as described below, the new and amendments to HKFRSs that have been issued but are not yet effective have 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.

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 in 2013 to include the new requirements for general 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:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are required to be 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 accounting periods.

  Debt instruments that are held within a business model whose objective is achieved 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 generally 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 recognised 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 attributable to a 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 is 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 new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Directors 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*

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 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.

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 2015

	The People's Republic of China (the "PRC") *RMB'000*	**North America** *RMB'000*	**Europe** *RMB'000*	**Asia Pacific** *RMB'000*	**Consolidated** *RMB'000*
Revenue					
External sales	**4,610,118**	**1,890,915**	**667,976**	**485,114**	**7,654,123**
Segment profit	**1,406,617**	**574,770**	**270,411**	**161,735**	**2,413,533**
Investment income					**135,435**
Other unallocated income, gains and losses					**177,439**
Unallocated expenses					**(1,147,067)**
Interest on borrowings wholly repayable within five years					**(70,463)**
Share of profits of joint ventures					**21,592**
Share of profits of associates					**38,308**
Profit before tax					**1,568,777**
Income tax expense					**(249,065)**
Profit for the year					**1,319,712**

For the year ended 31 December 2014

	The 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					237,156
Unallocated expenses					(1,068,989)
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

Segment profit represents the gross profit earned by each segment after adjusting the recognition and reversal of the allowance for trade and other receivables. This is the measure reported to the Board of Directors for the purposes of resource allocation and performance assessment.

4. OTHER GAINS AND LOSSES

	2015 ***RMB'000***	2014 *RMB'000*
Net foreign exchange loss	**(83,439)**	(18,710)
Realized gain on changes in fair value of derivative financial instruments	**35,257**	15,285
Unrealized loss on changes in fair value of derivative financial instruments	**(4,918)**	(21,306)
Allowance for trade and other receivables	**(14,805)**	(6,759)
Reversal of allowance for trade and other receivables	**653**	2,415
Impairment for property, plant and equipment	**(8,000)**	(10,062)
Loss on disposal of property, plant and equipment	**(455)**	(324)
Loss on disposal of assets classified as held for sale	**(117)**	–
Gain on fair value changes of financial assets designated as at FVTPL	**37,972**	57,845
Cumulative gain reclassified from equity on disposal of available-for-sale investments	**50,607**	33,250
Gain on deemed disposal of equity interest in a former joint venture	**–**	8,826
Net gain on loss of control of TK Minth and subsequently disposal of equity interest in TK Minth	**9,167**	–
Loss on deregistration of an associate	**(142)**	–
Total	**21,780**	60,460

5. INCOME TAX EXPENSE

	2015	2014
	RMB'000	*RMB'000*
Current tax:		
PRC Enterprise Income Tax	**270,516**	209,023
Other jurisdictions	**2,140**	93
Withholding tax paid	**40,622**	5,254
	313,278	214,370
Over provision in prior years:		
PRC Enterprise Income Tax	**(25,518)**	(33,681)
Other jurisdictions	**–**	(2,853)
	(25,518)	(36,534)
Deferred tax:		
Current year (credit) charge	**(38,695)**	24,998
	249,065	202,834

6. PROFIT FOR THE YEAR

	2015	2014
	RMB'000	*RMB'000*
Profit for the year has been arrived at after charging:		
Depreciation for property, plant and equipment	**317,885**	250,113
Amortisation of other intangible assets	**13,603**	12,014
Release of prepaid lease payments	**15,252**	13,177
	346,740	275,304

7. DIVIDENDS

	2015	2014
	RMB'000	*RMB'000*
Dividends recognised as distribution during the year:		
2014 Final – HK$0.516 (2013: final dividend HK$0.453) per share	**450,581**	394,019

In the annual general meeting held on 28 May 2015, a final dividend of HK$0.516 (2014: HK$0.453) per share totalling HK$570,738,000 (equivalent to RMB450,581,000) (2014: HK$495,061,000 (equivalent to RMB394,019,000))in respect of the year ended 31 December 2014 was approved by the shareholders and subsequently paid to the shareholders of the Company.

A final dividend of HK$0.548 per share totalling HK$607,165,000 (equivalent to RMB508,671,000) for the year ended 31 December 2015 has been proposed by the Directors and is subject to approval by the shareholders in the annual general meeting to be held on 26 May 2016.

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:

	2015	2014
	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)	**1,271,677**	1,117,605

	2015	2014
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,104,418**	1,094,154
Effect of dilutive potential ordinary shares: share options *(note)*	**7,641**	8,391
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,112,059**	1,102,545

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 2015 and 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 both years.

9. INVENTORIES

	2015	2014
	RMB'000	*RMB'000*
Raw materials	**350,807**	339,388
Work in progress	**259,601**	246,987
Finished goods	**240,047**	207,729
Moulds	**345,567**	335,255
	1,196,022	1,129,359

10. TRADE AND OTHER RECEIVABLES

	2015	2014
	RMB'000	*RMB'000*
Trade receivables		
– associates	**6,442**	6,294
– joint ventures	**25,762**	9,622
– non-controlling shareholders of subsidiaries	**544**	3,889
– third parties	**1,944,786**	1,586,810
Less: Allowance for doubtful debts	**(8,546)**	(11,000)
	1,968,988	1,595,615
Bill receivables	**98,127**	41,529
Other receivables	**94,727**	62,450
Less: Allowance for doubtful debts	**(9,863)**	(1,789)
	84,864	60,661
	2,151,979	1,697,805
Prepayments	**212,045**	207,567
Prepaid expense	**17,104**	7,649
Value-added tax recoverable	**127,020**	118,403
Refundable guarantee deposits	**30,000**	30,000
Dividend receivable from a joint venture	**39,280**	–
Total trade and other receivables	**2,577,428**	2,061,424

The Group normally grants a credit period of 60 days to 90 days (2014: 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:

	2015	2014
	RMB'000	*RMB'000*
Age		
0 to 90 days	**1,905,273**	1,533,405
91 to 180 days	**55,025**	57,228
181 to 365 days	**1,540**	1,305
1 to 2 years	**7,150**	3,677
	1,968,988	1,595,615

Bill receivables held by the Group as at 31 December 2015 will mature within 6 months (31 December 2014: within 6 months).

11. TRADE AND OTHER PAYABLES

	2015	2014
	RMB'000	*RMB'000*
Trade payables		
– associates	**790**	2,560
– joint ventures	**18,144**	36,458
– non-controlling shareholders of subsidiaries	**2,571**	22,340
– third parties	**830,359**	728,691
	851,864	790,049
Other payables		
– associates	**135**	98
– joint ventures	**12,525**	21
– non-controlling shareholders of subsidiaries	**22,813**	17,585
	35,473	17,704
Payroll and welfare payables	**237,040**	195,817
Advance from customers	**58,806**	22,091
Consideration payable of acquisition of property, plant and equipment	**120,187**	98,842
Technology support services fees payable	**135**	337
Freight and utilities payable	**47,336**	57,978
Value-added tax payable	**39,896**	36,743
Interest payable	**6,801**	10,137
Rental payable	**1,900**	4,137
Deposits received	**9,271**	22,608
Others	**181,051**	135,637
Total trade and other payables	**1,589,760**	1,392,080

The average credit period on purchases of goods is 30 days to 90 days (2014: 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:

	2015	2014
	RMB'000	*RMB'000*
Age		
0 to 90 days	**794,826**	742,324
91 to 180 days	**26,109**	31,074
181 to 365 days	**19,523**	9,694
1 to 2 years	**9,425**	4,293
Over 2 years	**1,981**	2,664
	851,864	790,049

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

During the Review Year, the production and sales of China's passenger vehicles were approximately 21,079,400 units and approximately 21,146,300 units respectively, representing a year-on-year growth of approximately 5.8% and approximately 7.3% respectively, which ranked the first in the global automotive market for seven consecutive years, and both production and sales of China's passenger vehicles exceeded 20,000,000 units for the first time. Driven by the favorable policy in relation to reduction of automobile purchase tax rate for passenger vehicles with emission of 1.6 liters or below promulgated by the Chinese government at the end of September 2015 and the price decline of international crude oil, the growth momentum of China's passenger vehicle market revived substantially in the fourth quarter. During the Review Year, the production and sales of China's new energy vehicles recorded a year-on-year growth of more than 3 times, of which the production and sales of pure electric vehicles achieved a growth of more than 4 times. As such, China has surpassed the U.S., and became the largest consuming country of new energy vehicles in the world.

During the Review Year, among mature markets, the sales of light vehicles in the U.S. market continued to grow, reaching its record high with a year-on-year growth of approximately 5.7%. As for the European market, all 28 nations in the European Union achieved sales increases for passenger vehicles in three consecutive years, with a combined growth of approximately 9.3%, which also marked a new high since the European sovereign debt crisis. The sales of passenger vehicles in the Japanese market recorded a substantial decrease of approximately 10%, and the emerging markets except China, Mexico and India continued to suffer from lackluster performances. In particular, more than double-digit drop in the annual sales was recorded in the markets of Brazil, Russia and Thailand, which was even sharper as compared to that of the first half of the Review Year.

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. Having its manufacturing bases in China, the U.S., Mexico, Thailand and Germany and its technical centers in China, Germany, North America and Japan, the Group is able to provide services to the major automotive markets around the world and meet the growing demand of its customers.

During the Review Year, by expanding the customer base and consolidating new business intake, the Group combined the technological advantages in China and overseas locations, and accelerated the transformation of its production automation and the improvement of its production efficiency. With further expansion of market shares in China and overseas markets, the Group's revenue continued to increase and the profit margin started to recover which set a new record in the annual results.

During the Review Year, the Group strengthened its management capability for preventing risk at an early stage, and laid a solid foundation for the management level of its plants by conducting tripartite joint appraisal on its local and overseas plants through supply chain management, lean manufacturing and quality management. The Group interacted with its customers on operation management and implemented advanced production mode of its clients, and it achieved 100% fulfillment rate in key accounts' logistics and lean appraisal, which significantly improved the Group's reputation among key accounts. During the Review Year, the Group completed the integration of logistics companies and the layout planning of its global transit warehouses. The Group effectively integrated project management, product design, process engineering, tooling design and manufacturing while skillfully taking the advantages of its domestic and overseas locations to build its research and development ("R&D") capabilities with Minth characteristics and market competitiveness.

During the Review Year, the Group enhanced communication and coordination with existing partners and carried out various forms of cooperation with the R&D organizations of its major customers, colleges and universities, research institutes and overseas experts. Overseas development of the Group was further strengthened. The Group optimized its organizational structure internally, learned from advanced R&D management based on the latest industry practices, improved its R&D expertise and strove for technical breakthroughs. The Group also established a protection system for intellectual property rights locally and internationally to protect its R&D achievements.

BUSINESS AND OPERATION LAYOUT

During the Review Year, the revenue of the Group increased by approximately RMB970,243,000 to approximately RMB7,654,123,000 compared to that of 2014, of which the domestic revenue of the Group was approximately RMB4,610,118,000, representing an increase of approximately 11.6% as compared to approximately RMB4,129,852,000 in 2014. Owing to obtaining new business orders of several global platform vehicles from various OEMs by the Group as well as the acquisition of a joint venture in 2014 which had become a subsidiary, the overseas revenue of the Group significantly grew to approximately RMB3,044,005,000, representing an increase of approximately RMB489,977,000 or approximately 19.2% as compared with approximately RMB2,554,028,000 in 2014.

During the Review Year, the Group once again hit a record high in its new business intake, with its customer base further balanced and globalized. The development of the Group's business with European OEMs achieved historical breakthroughs. The Group continued to maintain its share of sales in aluminum products to European customers and laid a solid foundation in promoting chrome plating business through its continuous effort on cross-selling chrome plating products to European customers. As for Daimler business, the Group newly acquired the business for 10 models globally with Daimler, with maximum annual volume of approximately one million units. Substantial growth was also recorded in the new businesses of aluminum trims and roof racks which successfully made the Group as Daimler's strategic supplier. As for BMW business, the Group consolidated its market share of aluminum trims for key models and secured the first roof rack business. As for Volkswagen business, the Group has successfully secured the business of stainless steel trim products for Volkswagen which altered the original global supply landscape of Volkswagen in terms of trim products. In respect to the new business with the U.S. OEMs, the Group further facilitated its expansion of new techniques and new products in new markets. The Group obtained trim business for Fiat Chrysler's car models in the South American market, became the only Asian supplier of General Motors capable of mass producing plastic pillar capping with hard coating technology and achieved a breakthrough in the long sliding rail business of General Motors. The Group continued to maintain a solid supply to the core car models in terms of the new business intake from Japanese OEMs, and it will continue its efforts in obtaining orders from the overseas and global car models for Japanese customers. During the Review Year, requests for quotation and new business intake from luxury brands also continued to grow. The Group's penetration into Honda's Acura brand and Jaguar Land Rover car models contributed to the growth of its new business. Meanwhile, the Group continued to be awarded new business orders from high-end brands such as Audi, Mercedes-Benz, Cadillac, Infiniti and BMW.

During the Review Year, the Group signed an investment agreement in relation to an automotive electronics project with the Management Committee of Ningbo Meishan bonded area of China (中國寧波梅山保稅港區管理委員會) and had commenced preparing the implementation of the investment project. The new investment plan in automotive electronics will enable the Group to explore new growth drivers for its business and satisfy the rapidly growing demand of its customers. Please refer to the announcement of the Company dated 16 November 2015 for more details.

During the Review Year, the Group acquired the remaining 51% equity of Jiaxing Dura Minth Automotive Parts Co., Ltd, a former joint venture of the Group in Jiaxing, China at a total consideration of approximately RMB56,415,341, which had became a wholly-owned subsidiary of the Group. The completion of the acquisition will contribute positively to the business development of the Group's body structural parts and expand the global market share of such product. Please refer to the announcement of the Company dated 31 December 2015 for more details.

In terms of production layout, to accommodate the business needs of the Group, considering its strategy of globalization of its product segments, economies of scale in production and balanced development of production capacity, the Group's layout has covered China, Southeast Asia, Europe and North America so as to fulfill a sustainable growth in the revenue of the Group. During the Review Year, the Group further deepened the adjustment of production layout of each subsidiary in a global perspective to ensure the economies of scale in production and centralized production. During the Review Year, the Group added aluminum anodizing production lines in production plants in its East China Region and Mexico, automatic coating lines in its South China Region and North China Region and ABS material chrome plating production lines in its East China Region.

Research and Development

In response to the increasing demand in global concurrent design, the Group built a global R&D network by integrating global resources with domestic and overseas advanced technologies, and strengthened its communication and exchange with R&D organizations of major customers. The Group has provided concurrent design validation and prototype development for the global platform vehicles of various OEMs and completed the product design. During the Review Year, in terms of the R&D for new products, the Group continued the expansion of existing product line-ups while implemented the R&D for innovative products combining technologies in relation to automotive camera module system and electronics. In respect of the R&D for new materials, the innovation of highly conductive thermoplastic elastomer (TPE) material and plastic material initiated by the Group had obtained breakthroughs and the promotion for application is underway. In terms of new technological breakthroughs, the Group's surface treatment technologies such as chrome plating, aluminum anodizing and hard coating have reached international standards, passed the qualification for mass production from international high-end clients, and obtained international patents. As a result, the competitive position of the Group for the relevant products has been reinforced. The Group has regulated the production models for each product segment and has begun applying such models to the development of new products. In particular, the automation and scale production applied to trims formed a standardized production model and underwent mass replication and horizontal expansion to the mass production in its plants. System integration and automatic grinding and polishing applied to door frames formed a competitive production model. Gate cut in mould and automatic assembly was applied to projects for new products and modification for old products in relation to decorative parts. Cellular integrated processing and polishing was applied to aluminum products, and the development of integrated production line was also carried out, with high automation level materialized. Through these production model innovations, the Group was able to further reduce its production costs and improve its product quality. Meanwhile, the Group reinforced the construction and investment in automation by applying resources from Germany, Japan and Taiwan to forge a leading R&D capability in automation of design, manufacturing, assembly and debugging. A team of about 200 people focusing on improving its automatic assembly capability provided a strong support in establishing economies of scale in production with competitive advantages.

The Group has placed emphasis on protecting its intellectual property rights. It has obtained the certification of protection system of intellectual property rights and has actively applied for international patents. During the Review Year, the Group filed 159 patent applications for approval, and 166 patents were authorized by competent institutions.

FINANCIAL REVIEW

RESULTS

During the Review Year, the Group's revenue was approximately RMB7,654,123,000, representing an increase of approximately 14.5% from approximately RMB6,683,880,000 in 2014. It was mainly driven by the growth of European, American and Chinese markets, the mass production of more global platform vehicles of the Group as well as the increase of overseas revenue as a result of having acquired the equity interest in a former joint venture by the end of June 2014, which had become a subsidiary.

During the Review Year, the profit attributable to owners of the Company was approximately RMB1,271,677,000, representing an increase of approximately 13.8% from approximately RMB1,117,605,000 in 2014. It was mainly attributable to the increase in revenue, together with the continuous emphasis on the control of costs and expenses, enabling the Group to maintain a decent profitability in general.

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 OEMs.

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

	2015		2014	
	RMB'000	*%*	*RMB'000*	*%*
Customer Category				
China	**4,610,118**	**60.2**	4,129,852	61.8
Asia Pacific	**485,114**	**6.4**	439,623	6.6
North America	**1,890,915**	**24.7**	1,506,002	22.5
Europe	**667,976**	**8.7**	608,403	9.1
Total	**7,654,123**	**100.0**	6,683,880	100.0

Revenue from Overseas Market

During the Review Year, the overseas market revenue of the Group increased from approximately RMB2,554,028,000 in 2014 to approximately RMB3,044,005,000, representing a growth of approximately 19.2%. It accounted for approximately 39.8% of the total revenue of the Group in 2015, representing an increase when compared to approximately 38.2% in 2014.

Gross Profit

During the Review Year, the Group's gross profit was approximately RMB2,427,685,000, representing a growth of approximately 16.4% from approximately RMB2,085,207,000 in 2014. The gross profit margin was approximately 31.7% in 2015, representing an increase of approximately 0.5% from approximately 31.2% in 2014. It was mainly attributable to the Group's persistent measures including continuous improvement in the manufacturing processes, a greater utilization rate of materials and implementation of a centralized procurement policy to enhance the efficiency of both production and management so as to maintain the overall gross profit margin at a decent level.

Investment Income

During the Review Year, the investment income of the Group was approximately RMB135,435,000, representing an increase of approximately RMB11,394,000 from approximately RMB124,041,000 in 2014. It was mainly due to an increase in interest income.

Other Income

During the Review Year, other income of the Group amounted to approximately RMB141,507,000, representing a decrease of approximately RMB30,845,000 from approximately RMB172,352,000 in 2014. It was mainly attributable to a decrease in government subsidies.

Other Gains and Losses

During the Review Year, the Group's other gains and losses amounted to a net gain of approximately RMB21,780,000, representing a decrease of approximately RMB38,680,000 as compared to the net gain of approximately RMB60,460,000 in 2014. It was mainly attributable to the increase in exchange losses of the Group due to the significant depreciation of RMB during the second half of 2015. In response to the risk of exchange rate fluctuations, the Group proactively adopted control measures for foreign exchange exposure. As of 31 December 2015, the foreign exchange exposure of main currencies was basically balanced which significantly reduced the overall foreign exchange risk of the Group.

Distribution and Selling Expenses

During the Review Year, the Group's distribution and selling expenses were approximately RMB230,571,000, representing an increase of approximately RMB27,735,000 from approximately RMB202,836,000 in 2014. It accounted for approximately 3.0% of the Group's revenue, which basically stood at the same level as compared to approximately 3.0% in 2014.

Administrative Expenses

During the Review Year, the administrative expenses of the Group amounted to approximately RMB585,930,000, representing an increase of approximately RMB18,485,000 from approximately RMB567,445,000 in 2014. It accounted for approximately 7.7% of the revenue of the Group, representing a decrease of approximately 0.8% from approximately 8.5% in 2014. It was mainly attributable to the stringent control of the administrative expenses by the Group, which lowered its percentage of the revenue.

Research Expenditure

During the Review Year, the research expenditure of the Group amounted to approximately RMB330,566,000, representing an increase of approximately RMB31,858,000 from approximately RMB298,708,000 in 2014. It was mainly attributable to an increase in labor costs arising from the Group's recruitment of high-level R&D personnel to enhance its R&D capabilities in order to maintain its market competitiveness and sustainable growth, as well as its continuous investment in research.

Share of Profits of Joint Ventures

During the Review Year, the Group's share of profits of joint ventures was approximately RMB21,592,000, representing an increase of approximately RMB15,487,000 from the net gain of approximately RMB6,105,000 in 2014, which was mainly attributable to the increase in profit of a joint venture and the losses in 2014 recorded by a former joint venture, which was acquired by the Group at the end of June 2014 and became its subsidiary as a result. This company recorded profit during the Review Year.

Share of Profits of Associates

During the Review Year, the Group's share of profits of associates was approximately RMB38,308,000, representing a decrease of approximately RMB3,490,000 from approximately RMB41,798,000 in 2014. This was mainly attributable to the decrease in profit arising from the revenue decline of one of the associates.

Income Tax Expense

During the Review Year, the Group's income tax expense was approximately RMB249,065,000, representing an increase of approximately RMB46,231,000 from approximately RMB202,834,000 in 2014.

During the Review Year, the effective tax rate was approximately 15.9%, representing an increase of approximately 0.9% from approximately 15.0% in 2014.

Profits Attributable To Non-controlling Interests

During the Review Year, the Group's profits attributable to non-controlling interests were approximately RMB48,035,000, representing an increase of approximately RMB12,712,000 from approximately RMB35,323,000 in 2014. It was mainly attributable to the increase in profit due to the increase of revenue of a non-wholly owned subsidiary and the disposal of a former non-wholly owned subsidiary TK Minth who was making losses in 2014.

Liquidity and Financial Resources

As of 31 December 2015, the Group's total bank balances and cash amounted to approximately RMB2,766,705,000, representing a decrease of approximately RMB827,504,000 compared to approximately RMB3,594,209,000 as of 31 December 2014. As of 31 December 2015, the Group's low-cost borrowings amounted to approximately RMB1,957,964,000, among which the equivalent of approximately RMB882,700,000, approximately RMB579,000,000, approximately RMB224,258,000, approximately RMB148,602,000, approximately RMB79,336,000,approximately RMB39,410,000 and approximately RMB4,658,000 were denominated in Renminbi ("RMB"), US Dollar ("USD"), Hong Kong Dollar ("HKD"), Euro ("EUR"), Thai Baht ("THB"), Japanese Yen ("JPY") and Mexican Peso ("MXN") respectively, representing a decrease of approximately RMB750,521,000 as compared to approximately RMB2,708,485,000 as of 31 December 2014. The decrease was mainly due to the amount of borrowings that the Group repaid after considering the consolidated gains from exchange rates, interest rates and capital.

During the Review Year, the net cash flow from the Group's operating activities was approximately RMB1,042,288,000, indicating a sound cash flow condition.

During the Review Year, the Group's trade receivables turnover days were approximately 75 days, decreasing by approximately 1 day from approximately 76 days in 2014.

During the Review Year, the Group's trade payables turnover days were approximately 49 days, decreasing by approximately 3 days from approximately 52 days in 2014.

During the Review Year, the Group's inventory turnover days were approximately 59 days, increasing by approximately 1 day from approximately 58 days in 2014.

The Group's current ratio was approximately 2.1 as of 31 December 2015, which increased by 0.1 compared to approximately 2.0 as of 31 December 2014. As of 31 December 2015, the Group's gearing ratio was approximately 14.9% (31 December 2014: approximately 21.1%), which was a percentage based on the interest bearing borrowings divided by total assets.

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

The Group's capital demands had no particular seasonality features.

The Group believed that during the Review Year, the favorable performance in sales, production and R&D activities, as well as the sound cash reserves have provided a strong support for sustainable growth in the future.

COMMITMENTS

As of 31 December 2015, the Group had the following commitments:

	RMB'000
Capital commitment	
Capital expenditure contracted for but not provided in the financial statements in respect of:	
Acquisition of property, plant and equipment	**346,973**

INTEREST RATE AND FOREIGN EXCHANGE RISKS

As of 31 December 2015, the balance of bank borrowings of the Group was approximately RMB1,957,964,000, of which approximately RMB882,700,000 was bearing at fixed interest rates, and approximately RMB1,075,264,000 was bearing at floating interest rates. The aforesaid borrowings had no seasonality features. In addition, approximately RMB855,071,000 of the said borrowings was denominated in currencies other than the functional currencies of the Group's relevant entities, of which the equivalent of approximately RMB514,065,000, approximately RMB224,258,000, approximately RMB77,338,000 and approximately RMB39,410,000 were denominated in USD, HKD, EUR and JPY respectively.

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 Chinese government.

As of 31 December 2015, the Group's cash and cash equivalents denominated in currencies other than the functional currencies amounted to approximately RMB254,359,000 of which approximately RMB220,882,000 was denominated in USD, approximately RMB23,113,000 was denominated in EUR, approximately RMB6,466,000 was denominated in HKD, approximately RMB2,466,000 was denominated in JPY, approximately RMB1,401,000 was denominated in Canadian Dollar ("CAD") and the remainder of approximately RMB31,000 was denominated in other foreign currencies.

As a result of the constant expansion of overseas sales and the vigorous fluctuation in currency markets, the management of the Group expressed more concern on the foreign exchange risk and would take the exchange rate expectations of relevant currencies into consideration when deciding the billing currency for relevant businesses, and also closely monitored the foreign exchange exposure and adjusted the control strategy. The Group timely repaid its USD borrowings at the time of substantial depreciation of RMB during the second half of 2015, with which the foreign exchange exposure of USD was basically balanced as of 31 December 2015 and in turn the overall foreign exchange risk of the Group was reduced significantly.

CONTINGENT LIABILITIES

As of 31 December 2015, the Group had no contingent liabilities (31 December 2014: Nil).

MORTGAGED ASSETS

As of 31 December 2015, the Group had bank borrowings of USD35,000,000 (equivalent to approximately RMB227,276,000) and RMB882,700,000 secured by bank deposits of approximately RMB1,015,000,000. The borrowings are to be settled in USD and RMB respectively (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 were to be settled in USD, HKD and JPY respectively). The Group has also pledged freehold lands and buildings with a net book value of approximately RMB16,495,000 (31 December 2014: approximately RMB18,586,000) 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 RMB1,180,082,000 (2014: approximately RMB1,331,600,000). The capital expenditure for the Review Year accommodated the increase in investment as the Group's plan for global production layout.

PLACING AND SUBSCRIPTION

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

MATERIAL ACQUISITIONS AND DISPOSALS

The Group made no material acquisition or disposal during the Review Year.

EMPLOYEES

As of 31 December 2015, the Group had a total of 11,337 employees. The total number of employees increased by 1,099 compared to 31 December 2014. During the Review Year, the Group conducted systematic update and publication in relation to the human resources policy of the Group on top of a policy level. The Group prepared and issued "Globalization Behavior Guide", "Core Value Behavior Assessment Guide" and "Group Assessment Index Pool" to provide support for the management to improve the capability of performance management. As for salaries and welfare, the Group has implemented its salary and welfare policy throughout its global presence and established a compensation structure based on the local labor force markets and a performance-based salary adjustment system, resulting in an internally fair and externally competitive remuneration system for its global operations.

During the Review Year, based on the four principles, namely "Group Value, Care for Health, Care for Family, Care for Society", the Group strove to improve the employees' health. Various activities were commenced across China for the benefit of the employees' physical, mental and holistic health. These activities included Core Values Promotion, Couple's Camp, Children's Camp for Character Building, Minth Family Day and Parenting Lecture. The Group also helped with the schooling of employees' children and provided medical assistance resources to the employees. All these aim at improving the health and vitality of the employees both mentally and physically, the practicing of the core values in work and daily life, and enhancing the sense of security, belongingness and happiness of each member in the Minth family.

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 25 March 2015, the Board of the Company granted Share Options to a group of eligible participants (the "Grantees") to subscribe for up to 26,000,000 shares of the Company, allowing the Grantees to exercise such Share Options starting from 1 January 2016 to 31 December 2020 (both days inclusive). The price per share paid by the Grantees upon exercising the Share Options was determined pursuant to the Listing Rules and with reference to the closing price as stated in the daily quotation sheet of the Stock Exchange on 25 March 2015 (i.e. the date of grant). The Directors considered that the grant of such Share Options would not lead to any material adverse impact on the financial conditions of the Group. Further details of the grant of Share Options mentioned above were set out in the Company's announcement dated 25 March 2015.

OUTLOOK AND STRATEGIES

China's macro-economic growth is still facing downward pressure and the growth in automotive consumption is also under great pressure. China's automotive industry still confronts the challenges of overcapacity, fierce competition in segment markets and intensified seasonal fluctuations in automotive prices. However, the adjustments of policies in China's automotive industry, the household registration system reform and the universal two-child policy are showing initial results in accelerating the growth of automotive consumption and its structural transformation. It is expected that China's passenger vehicle market will keep its stable growth momentum. The fluctuations of global automotive industry were remarkably great during the Review Year and a growth slowdown was witnessed globally. It is expected that the development trend will continue in 2016: North American market may grow modestly while growth rate in European market may slow down; automotive sales in markets such as Japan, South Asia, South America and Eastern Europe may see a downward trend owing to the prevailing economic environment.

As for automotive electronic products, in order to comply with the compulsory traffic safety regulations in the U.S. and European markets, it is expected that the market of automotive camera module system and sensor will manifest a substantial growth. Under various initiatives to encourage the development of new energy vehicles, the energy conservation and emission reduction and the improvement of automotive intelligence, automotive enterprises also increase their investment in independent R&D and the efforts on technology innovation. New energy vehicles together with "Internet+" and the trend of intelligence and body weight reduction will have far-reaching impact on the automotive industry. Consumer electronics as well as internet enterprises like Apple, Google, Alibaba, Letv also join the campaign of the R&D of new energy vehicles and automotive intelligent products. The improvement and sophistication of intelligent network services and the automatic driving technology will further enrich the existing automotive model range. With the improvement of people's living standards, the total vehicle population of China will continue to increase and self-driving travelling will become the choice of a growing number of people. There will be persistent issues including traffic congestion, inconvenience of car parking, bad traffic condition and extended driving duration. Consumers will pay more attention to the additional functions of vehicles such as active safety, intelligence and entertainment. Major OEMs also timely place automotive electronics as a key point of the differentiated operation strategy. New energy vehicles and automotive electronic products will have plentiful prospects in the future.

The Group will endeavor to forge itself into a globalized company. In order to secure the safe and steady development, the Group will continue its balanced and scale development path to further consolidate the global management capability of the Group and realize a synergetic development of global strategy with its clients and improve its team and footprint globally. While consolidating the market share in China, the Group expects to expand its presence in North American market and particularly, to expand the new businesses of its Japanese and Korean customers in North America in the future. By leveraging the existing base and resources of its business in China, the Group sets to enhance its competitiveness in North America. Meanwhile, the Group will continue to combine its reasonable application of economies of scale in production with the just-in-time delivery to realize global supply for customers. In respect of product development, the Group will continue to strengthen the global market share of its traditional products, make greater efforts to promote its key products, improve the added-value of its products and reinforce the research on light-weight materials, and continue to explore the expansion of new products and opportunities for cooperation in the fields of electronics and intelligence which are expected to become the new driving forces of the Group's subsequent growth. Meanwhile, in response to the "China Manufacturing 2025" plan, the Group will substantially upgrade its industrial automation level in the future.

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

During the Review Year, 9,723,500 Share Options were exercised by the Grantees under the Company's Share Option Scheme pursuant to the rules and terms of the Share Option Scheme and 856,500 Share Options lapsed due to the resignations of the Grantees.

Save as disclosed herein, 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 2015 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. Two non-executive directors, Ms. Yu Zheng and Mr. He Dong Han were unable to attend the 2015 annual general meeting due to their business 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 had 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 in the High Court 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 of the Company are of the opinion that the SFC petition does not have any significant impact on the consolidated financial statements of the Group during 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 2015 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 HKD0.548 per share to shareholders whose names appear on the register of members of the Company on Friday, 3 June 2016 and the proposed final dividend will be paid on or about Tuesday, 14 June 2016. 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, 26 May 2016.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in this preliminary 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 HKICPA 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, 26 May 2016, 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, 24 May 2016 to Thursday, 26 May 2016 (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 Monday, 23 May 2016.

Shareholders whose names appear on the Company's register of members on Friday, 3 June 2016, will qualify for the proposed final dividend. The Company's transfer books and register of members will be closed from Wednesday, 1 June 2016 to Friday, 3 June 2016 (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, 31 May 2016. 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, 14 June 2016 to shareholders whose names appear on the register of members of the Company on Friday, 3 June 2016. The shares will trade ex-dividend on Monday, 30 May 2016.

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

Hong Kong, 21 March 2016

As at the date of this announcement, the board of directors 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.