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 2021

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 11.7% to approximately RMB13,919.3 million (2020: approximately RMB12,466.9 million).
- Gross profit increased by approximately 5.8% to approximately RMB4,083.8 million (2020: approximately RMB3,858.8 million).
- Profit attributable to owners of the Company increased by approximately 7.2% to approximately RMB1,496.5 million (2020: approximately RMB1,395.5 million).
- Basic earnings per share increased to approximately RMB1.299 (2020: approximately RMB1.213).
- Proposed final dividend amounted to HK$0.630 per share (2020: HK$0.572).
- Capital expenditure increased by approximately 33.8% to approximately RMB3,159.7 million (2020: approximately RMB2,362.1 million).
- Consolidated net asset value increased by approximately 8.1% to approximately RMB16,555.7 million (2020: approximately RMB15,312.9 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 2021 (the "Review Year"), together with the comparative figures for the year ended 31 December 2020 reviewed by the Audit Committee of the Company (the "Audit Committee") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTES	**2021** **RMB'000**	2020 *RMB'000*
Revenue	3	**13,919,269**	12,466,858
Cost of sales		**(9,835,495)**	(8,608,015)
Gross profit		**4,083,774**	3,858,843
Investment income		**284,999**	239,710
Other income		**225,014**	159,991
Impairment losses under expected credit loss model, net of reversal		**(2,538)**	(15,935)
Other gains and losses	4	**418,187**	(15,454)
Distribution and selling expenses		**(744,431)**	(520,956)
Administrative expenses		**(1,237,393)**	(1,028,955)
Research expenditure		**(940,700)**	(764,187)
Interest expenses		**(263,308)**	(247,624)
Share of results of joint ventures		**19,204**	11,618
Share of results of associates		**3,004**	2,524
Profit before tax		**1,845,812**	1,679,575
Income tax expense	5	**(266,364)**	(216,587)
Profit for the year	6	**1,579,448**	1,462,988

	NOTE	**2021** *RMB'000*	2020 *RMB'000*
Other comprehensive income(expense):			
Item that will not be reclassified to profit or loss:			
Gain(loss) on remeasurement of defined benefit obligation		**5,721**	(1,191)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(33,471)**	(49,557)
Fair value gain on debt instruments measured at fair value through other comprehensive income		**244**	1,672
Other comprehensive expense for the year, net of income tax		**(27,506)**	(49,076)
Total comprehensive income for the year		**1,551,942**	1,413,912
Profit for the year attributable to:			
Owners of the Company		**1,496,507**	1,395,509
Non-controlling interests		**82,941**	67,479
		1,579,448	1,462,988
Total comprehensive income for the year attributable to:			
Owners of the Company		**1,478,099**	1,348,770
Non-controlling interests		**73,843**	65,142
		1,551,942	1,413,912
Earnings per share	8		
Basic		**RMB1.299**	RMB1.213
Diluted		**RMB1.292**	RMB1.210

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2021

	NOTES	**2021** **RMB'000**	2020 *RMB'000*
Non-current assets			
Property, plant and equipment		**11,623,394**	9,615,646
Right-of-use assets		**1,043,440**	959,635
Goodwill		**98,030**	98,030
Other intangible assets		**74,589**	78,198
Interests in joint ventures		**195,015**	136,812
Interests in associates		**122,601**	125,889
Deferred tax assets		**203,673**	157,670
Prepayment for acquisition of property, plant and equipment		**338,270**	185,970
Derivative financial assets		**34,093**	–
Contract assets	11	**754,655**	695,413
Contract costs		**164,177**	170,794
Plan assets		**2,065**	2,043
		14,654,002	12,226,100
Current assets			
Inventories	9	**2,960,843**	2,384,748
Loan receivables		–	6,000
Property under development		–	13,405
Trade and other receivables	10	**5,129,652**	4,614,575
Contract assets	11	**249,795**	174,482
Derivative financial assets		**2,144**	4,834
Held-for-trading investments		–	450,625
Debt instruments at fair value through other comprehensive income		**110,839**	151,457
Pledged bank deposits		**1,045,610**	918,350
Bank balances and cash		**5,491,959**	6,008,272
		14,990,842	14,726,748
Assets classified as held for sale		–	252,897
		14,990,842	14,979,645

	NOTES	**2021** *RMB'000*	2020 *RMB'000*
Current liabilities			
Trade and other payables	12	**4,250,385**	3,974,555
Tax liabilities		**133,779**	98,350
Borrowings		**4,888,450**	5,445,289
Lease liabilities		**19,691**	7,712
Contract liabilities		**83,206**	97,322
Derivative financial liabilities		**1,933**	4,969
		9,377,444	9,628,197
Liabilities classified as held for sale		–	4,770
		9,377,444	9,632,967
Net current assets		**5,613,398**	5,346,678
Total assets less current liabilities		**20,267,400**	17,572,778
Capital and reserves			
Share capital		**116,219**	116,069
Share premium and reserves		**15,906,753**	14,827,935
Equity attributable to owners of the Company		**16,022,972**	14,944,004
Non-controlling interests		**532,684**	368,891
Total equity		**16,555,656**	15,312,895
Non-current liabilities			
Deferred tax liabilities		**158,804**	107,111
Borrowings		**2,255,140**	1,073,911
Lease liabilities		**99,802**	11,595
Retirement benefit obligation		**5,358**	14,534
Derivative financial liabilities		**7,391**	20,181
Deferred income		**204,924**	28,209
Other long-term liabilities	13	**980,325**	1,004,342
		3,711,744	2,259,883
		20,267,400	17,572,778

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION AND BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Company was incorporated under the Companies 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 engaged in the design, development, manufacture, processing and sales of automobile body parts and moulds.

In the opinion of the Directors of the Company, the immediate and ultimate holding company of the Company is Minth Holdings Limited, a limited company incorporated in the British Virgin Islands on 7 January 2005, which was formerly known as Linkfair Investments Limited.

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

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. APPLICATION OF AMENDMENTS TO HKFRSs

Application of Amendments to HKFRSs

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as "estimated costs necessary to make the sale" when determining the net realisable value of inventories.

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

New and amendments to HKFRSs in issue but not yet effect

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

HKFRS 17	Insurance Contracts and the related Amendments[3]
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021[1]
Amendments to HKFRS 3	Reference to the Conceptual Framework[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[3]
Amendments to HKAS 8	Definition of Accounting Estimates[3]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[3]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[2]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020[2]

1 Effective for annual periods beginning on or after 1 April 2021.
2 Effective for annual periods beginning on or after 1 January 2022.
3 Effective for annual periods beginning on or after 1 January 2023.
4 Effective for annual periods beginning on or after a date to be determined.

3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

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

For the year ended 31 December 2021

	Aluminium	Plastic	Battery-housing	Metal & Trim	Others	Elimination	Consolidated
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	**3,307,304**	**4,181,399**	**269,552**	**4,972,532**	**1,887,950**	**(699,468)**	**13,919,269**
Segment profit	**1,124,306**	**1,044,511**	**28,876**	**1,381,691**	**411,617**	**92,773**	**4,083,774**
Investment income							**284,999**
Other unallocated income, gains and losses							**640,663**
Unallocated expenses							**(2,922,524)**
Interest expenses							**(263,308)**
Share of results of joint ventures							**19,204**
Share of results of associates							**3,004**
Profit before tax							**1,845,812**
Income tax expense							**(266,364)**
Profit for the year							**1,579,448**

For the year ended 31 December 2020

	Aluminium	Plastic	Battery-housing	Metal & Trim	Others	Elimination	Consolidated
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	3,112,007	3,700,310	95,713	4,672,960	1,372,148	(486,280)	12,466,858
Segment profit	1,015,962	1,148,777	6,319	1,348,895	273,449	65,441	3,858,843
Investment income							239,710
Other unallocated income, gains and losses							128,602
Unallocated expenses							(2,314,098)
Interest expenses							(247,624)
Share of results of joint ventures							11,618
Share of results of associates							2,524
Profit before tax							1,679,575
Income tax expense							(216,587)
Profit for the year							1,462,988

4. OTHER GAINS AND LOSSES

	2021	2020
	RMB'000	*RMB'000*
Net foreign exchange loss	**(52,576)**	(326)
Gains (losses) on fair value changes of derivative financial instruments	**52,343**	(15,619)
Gains on fair value changes of other financial assets at fair value through profit or loss	**53,788**	68,461
Impairment loss for property, plant and equipment	**(3,318)**	(16,378)
Gain on land relocation (Note i)	**258,066**	–
(Losses) gains on disposal of property, plant and equipment	**(44,117)**	6,616
Gains on disposal of subsidiaries (Note ii)	**212,799**	1,001
Gain on disposal of an associate	**682**	–
Provision of unpaid tax surcharges	**(17,632)**	–
Provision of custom penalty	**–**	(52,875)
Extra staff costs arising from COVID-19 Pandemic	**(34,836)**	–
Others	**(7,012)**	(6,334)
Total	**418,187**	(15,454)

Note i: During the current year, the Group entered into a land and buildings confiscation agreement with local government in Ningbo, the People's Republic of China (the "PRC") in relation to a parcel of land and buildings held by the wholly-owned subsidiary of the Group namely Ningbo Shintai Machines Co., Ltd.* (寧波信泰機械有限公司) with a consideration of RMB440,198,000 in aggregate which was composed of the compensation on both assets transferred and resettlement costs during the transition period. Upon completion of the relocation in 2021, gain on land relocation amounting to RMB258,066,000 has been recognized by offsetting corresponding costs amounting to RMB110,938,000 including assets disposal of RMB20,083,000 and other direct costs of RMB90,855,000 which considered as relevant to such relocation, while consideration of RMB71,194,000 has been classified as deferred income and will be recognised in profit or loss when such consideration become unconditional.

Note ii: On 30 December 2020, Minth Investments Co., Ltd. ("Minth Investments"), a wholly-owned subsidiary of the Company enters into an agreement with Huzhou Huanqiao Construction and Development Co., Ltd. ("Huanqiao Construction"), an independent third party, pursuant to which, Minth Investments agreed to dispose the entire equity interest in Huzhou Minchi Automotive Co., Ltd. ("Huzhou Minchi") together with the entire equity interest of Huzhou Enchi Automotive Co., Ltd. ("Huzhou Enchi") held by Huzhou Minchi at a cash consideration of RMB400,000,000, which will be settled by stages according to the schedule as stated in the agreement.

Such disposal has been completed in March 2021 upon transfer of the control over Huzhou Minchi and Huzhou Enchi during the current year and a disposal gain amounting to RMB212,103,000 has been recognised.

* *The English name is for identification purposes only.*

5. INCOME TAX EXPENSE

	2021 *RMB'000*	2020 *RMB'000*
Current tax:		
PRC Enterprise Income Tax	**247,320**	261,609
Other jurisdictions	**43,857**	(653)
	291,177	260,956
Over provision in prior years:		
PRC Enterprise Income Tax	**(28,982)**	(86,262)
Deferred tax:		
Current year charge	**4,169**	41,893
	266,364	216,587

6. PROFIT FOR THE YEAR

	2021 *RMB'000*	2020 *RMB'000*
Profit for the year has been arrived at after charging:		
Directors' remuneration	**8,477**	8,171
Other staff's salaries and allowances	**2,932,169**	2,381,501
Other staff's related welfares and benefits	**237,928**	226,969
Other staff's retirement benefits scheme contributions	**155,201**	67,189
Other staff's share-based payments	**74,217**	63,651
Total staff costs	**3,407,992**	2,747,481
Depreciation of property, plant and equipment	**846,652**	815,457
Depreciation of right-of-use assets	**46,379**	30,729
Amortisation of other intangible assets	**29,042**	33,445
Total depreciation and amortisation	**922,073**	879,631

7. DIVIDENDS

	2021	2020
	RMB'000	*RMB'000*
Dividends recognised as distribution during the year:		
2020 Final – HK$0.572		
(2019 final dividend – HK$0.656) per share	**554,110**	694,445

At the annual general meeting held on 31 May 2021, a final dividend of HK$0.572 (2020: HK$0.656) per share totalling HK$663,406,000 (equivalent to RMB554,110,000) (2020: HK$754,876,000 (equivalent to RMB694,445,000)) in respect of the year ended 31 December 2020 was approved by the shareholders and subsequently paid to the shareholders of the Company.

A final dividend of HK$0.630 per share totalling HK$732,146,000 (equivalent to RMB598,603,000) for the year ended 31 December 2021 has been proposed by the Directors and is subject to approval by the shareholders in the annual general meeting to be held on 31 May 2022.

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:

	2021	2020
	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)	**1,496,507**	1,395,509

	2021	2020
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of		
basic earnings per share (Note)	**1,151,646**	1,150,185
Effect of dilutive potential ordinary shares:		
Options	**6,259**	3,274
Weighted average number of ordinary shares for the		
purpose of diluted earnings per share	**1,157,905**	1,153,459

Note: On 28 July 2020, the Company has adopted a share award scheme ("2020 Share Award Scheme") to recognise the contributions by certain eligible participants. The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted by the number of ordinary shares purchased by the trustee for the 2020 Share Award Scheme.

9. INVENTORIES

	2021	2020
	RMB'000	*RMB'000*
Raw materials	**1,255,663**	801,655
Work in progress	**618,369**	595,667
Finished goods	**1,086,811**	987,426
	2,960,843	2,384,748

10. TRADE AND OTHER RECEIVABLES

	2021	2020
	RMB'000	*RMB'000*
Trade receivables		
– associates	**11,194**	12,920
– joint ventures	**23,292**	10,713
– non-controlling shareholders of subsidiaries	**–**	134
– other related parties*	**1,366**	1,680
– third parties	**3,182,607**	3,291,311
Less: Allowance for credit losses	**(13,688)**	(14,328)
	3,204,771	3,302,430
Bills receivables	**51,197**	68,985
Other receivables	**117,687**	207,913
Less: Allowance for credit losses	**(1,476)**	(1,574)
	116,211	206,339
	3,372,179	3,577,754
Prepayments to suppliers	**882,000**	704,705
Utility and rental prepayments	**37,728**	31,968
Value-added tax recoverable	**311,848**	202,487
Consideration receivable for disposal of subsidiaries (Note i)	**304,670**	–
Interest receivable	**201,327**	97,661
Deferred issue costs (Note ii)	**19,900**	–
Total trade and other receivables	**5,129,652**	4,614,575

Note i: The consideration receivable for disposal of subsidiaries mainly come from a disposal of a subsidiary as disclosed in Note 4.

Note ii: Deferred issue costs represent the transaction cost attribute to issue of new shares, which will be deducted in the proceeds received for the new shares at issuance.

* The companies are those in which Mr. Chin Jong Hwa ("Mr. Chin") and his family have control.

The Group normally grants a credit period of 60 days to 90 days (2020: 60 days to 90 days) to customers effective from the invoice date. The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	2021	2020
	RMB'000	*RMB'000*
Age		
0 to 90 days	**2,963,294**	3,020,718
91 to 180 days	**153,141**	143,121
181 to 365 days	**70,892**	61,298
1 to 2 years	**4,993**	75,755
Over 2 years	**12,451**	1,538
	3,204,771	3,302,430

11. CONTRACT ASSETS

	2021	2020
	RMB'000	*RMB'000*
Moulds development	**1,004,450**	869,895
Less: Allowance for credit losses	**–**	–
	1,004,450	869,895
Current	**249,795**	174,482
Non-current	**754,655**	695,413
	1,004,450	869,895

The contract assets are in relation to the Group's rights to consideration for moulds development work which are fully completed and accepted by the customers but not billed yet. The contract assets are transferred to trade receivables at the time the rights to consideration become unconditional as stipulated in the relevant contracts.

12. TRADE AND OTHER PAYABLES

	2021	2020
	RMB'000	*RMB'000*
Trade payables		
– associates	**55,832**	48,838
– joint ventures	**37,455**	9,168
– non-controlling shareholders of subsidiaries	**1,473**	1,831
– other related parties*	**9,455**	32,219
– third parties	**2,191,110**	2,111,587
	2,295,325	2,203,643
Bills payables	**207,954**	246,551
Other payables		
– associates	**528**	61
– joint ventures	**87**	63,402
– non-controlling shareholders of subsidiaries	**2,259**	28,580
– other related parties*	**5,069**	4,440
	7,943	96,483
	2,511,222	2,546,677
Payroll and welfare payables	**514,616**	411,918
Consideration payable of acquisition of property, plant and equipment	**448,868**	247,848
Technology support services fees payable	**28,344**	9,676
Freight and utilities payable	**85,393**	120,437
Other tax payable	**92,031**	138,680
Deposits received	**13,670**	5,221
Provision	**50,232**	52,875
Dividend payables	**31,999**	–
Others	**474,010**	441,223
Total trade and other payables	**4,250,385**	3,974,555

* The companies are those in which Mr. Chin and his family have control.

The average credit period on purchases of goods is 30 days to 90 days (2020: 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:

	2021	2020
	RMB'000	*RMB'000*
Age		
0 to 90 days	**1,981,573**	2,016,243
91 to 180 days	**169,133**	113,588
181 to 365 days	**98,709**	30,586
1 to 2 years	**33,179**	31,313
Over 2 years	**12,731**	11,913
	2,295,325	2,203,643

Bills payables held by the Group as at 31 December 2021 will mature within 6 months (2020: within 6 months).

13. OTHER LONG-TERM LIABILITIES

During the year ended 31 December 2019, the Group entered into an agreement with local government funds in the PRC to establish a partnership Jiaxing Minth Equity Investment Partnership Enterprise (Limited Partnership)* (嘉興敏實定向股權投資合夥企業(有限合夥)) ("Jiaxing Partnership") with an operation period of maximum 7 years, whose only investment target is Jiaxing Minhua Automotive Parts Co., Ltd.* (嘉興敏華汽車零部件有限公司) ("Jiaxing Minhua"), a subsidiary of the Group. Pursuant to the agreement, the local government funds would contribute capital amounting to RMB800,000,000 into the Jiaxing Partnership. The local government funds would neither participate in Jiaxing Partnership's nor Jiaxing Minhua's operation and management. The local government funds would require the Group and the Group is obligated to redeem RMB800,000,000 of the capital contributed by the local government funds pursuant to the agreement no later than the expiry of the operation period of Jiaxing Partnership. Therefore, the capital contribution by the local government funds is treated as a long-term liability. As at 31 December 2021, the carrying amount of this long-term liability together with the interest payable is RMB877,300,000 (31 December 2020: RMB838,600,000).

* *The English names are for identification purposes only.*

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

According to the statistics of China Association of Automobile Manufacturers, the production and sales of China's passenger vehicles during the Review Year were approximately 21,408,000 and approximately 21,482,000 units respectively, representing a year-on-year increase of approximately 7.1% and approximately 6.5% respectively. In terms of annual sales, the first half of the Review Year saw a high growth rate due to a lower base in the first half of 2020. Nevertheless, the worsening impact of chip shortage hampered production capacity in the third quarter, and a modest improvement in supply was witnessed in the fourth quarter. As to market segments, the sedan market saw increases of approximately 7.8% and approximately 7.1% respectively in production and sales when compared to the same period in the previous year. Production and sales of MPVs increased by approximately 6.1% and approximately 0.1% respectively when compared to the same period in the previous year. SUVs recorded year-on-year increases in production and sales of approximately 6.7% and approximately 6.8% respectively as compared to the same period in the previous year. In terms of performance by product origin, affected by chip shortage, the market share of German and Japanese OEMs in China decreased compared to the same period last year, each accounting for approximately 20.6%. Both American and French OEMs saw a slight rise in market share in China, which accounted for approximately 10.2% and approximately 0.6% respectively. Korean OEMs, with approximately 0.7% market share in China, reported a constant declining trend due to their less competitive models, while the market share of Chinese OEMs for their passenger vehicles surged to over 44%. During the Review Year, new energy vehicles ("NEVs") became the biggest highlight for the market and maintained rapid growth to reach approximately 3,545,000 and approximately 3,521,000 units in production and sales, respectively, representing a year-on-year increase of approximately 159.5% and approximately 157.5% respectively. Market share of NEVs increased to approximately 15.5%, and has gradually evolved to be more driven by market than by policy.

During the Review Year, due to the impact of chip shortage and the volatile COVID-19 pandemic, the automobile industry chain experienced an imbalance between supply and demand while demand recovery was constrained. The global automobile market pulled back from a high, with a year-on-year increase of approximately 4.6% to approximately 81,300,000 units. During the Review Year, affected by chip shortage and other issues, sales in the Western European market were bleak, demonstrating a year-on-year decrease of approximately 1.9% to approximately 10,600,000 units. Sales in the United States (the "US") market increased by approximately 3.4% to approximately 15,080,000 units, with approximately 5.3% increase in light vehicles, a segment dominated by pickup trucks, which remained a pillar supporting the automobile sales in the US. In terms of Asian markets, Japan, Korea, and Thailand all reported declines of varying degrees. During the Review Year, Mexico and Russian markets stabilised and rebounded, while markets including India and Brazil showed declines of varying degrees.

COMPANY OVERVIEW

The Group is primarily engaged in two major businesses, namely the research and development ("R&D"), production and sales of auto parts, and toolings and moulds. The auto part business of the Group mainly includes metal and trim products, plastic products, aluminium products and aluminium battery housing products. The tooling and mould business mainly includes various moulds and fixtures for the development, processing and production of automobile exterior decorative parts and body structural parts. The Group is headquartered in China and has established worldwide presence through building R&D, design and production bases in China, the US, Mexico, Germany, the United Kingdom, Serbia, the Czech Republic, Thailand, Japan, etc., and will continue to enlarge overseas plant deployment and domestic large industrial park plans to continuously provide customers with high-quality products and services.

During the Review Year, the Group continued to improve the four product business units ("BUs"), namely plastic products, aluminium products, metal and trim products and battery housing products. To grow in tandem with the global development trend of carbon neutrality, the Group proactively carried out the planning of the upstream of the supply chain, refined the formulation and techniques for aluminium smelting, which is also conducive to the enhancement of its competitive strength through building up manufacturing capability and technological threshold. The Group analysed and optimised manufacturing strategy in consideration of actual demands of its global business development, and conducted proactive product planning and production capacity planning in project development stage. Products already in mass production were given priority during the optimization process through benchmarking against products of the same type, implementing the manufacturing strategy and planning asset investments with a view to optimising returns. Other plans were made to balance the Group's production capacity and deploy resources in its global production bases through a unified ERP system to improve its adaptability to volatile external circumstances.

During the Review Year, the Group continued to deepen the implementation of the Minth Operation Excellence System ("MOS") (敏實卓越運營系統). At its manufacturing plants in China, Thailand, Mexico, and Serbia, the Group continued to improve the cost loss model using the cost attribution matrix pillar, aiming at analysing in more detail the waste and losses incurred in the operation process and developing effective solutions for improvement. During the Review Year, in respect of the application and standardisation of MOS tools, the Group continued to implement the transition from the reaction stage to the prevention stage. The BUs are completing the MOS talent layout and establishing an echelon of teams utilising the LUTI (Learn/Use/Teach/Inspect) system. The Group continued to utilise MOS as the assessment standard and identified eight perspectives (including management, "environment/quality/safety", cost, human resources, production excellence, equipment maintenance, logistics and supply chain) as the principal management elements of its plant operations, promoted exchanges and appraisals among its factories, and built Silver-To be Level factories as the benchmark, so that best practices could be quickly standardised and replicated in its plants at various locations globally. In the course of MOS implementation, the Group has also been seeking improvements continuously. During the Review Year, the Group officially added primary-stage product management as an evaluation criterion to reduce the risks and costs incurred prior to mass production. This has helped to facilitate the standardisation and integration of MOS across the Group's global plants, gaining certain experience in the Review Year and establishing the foundation for the full implementation of this pillar in 2022. During the Review Year, the Group utilised digital transformation to import the logic, methodology and tools of MOS in batches into SAP, manufacturing execution system ("MES") and all operating factories as needed, to ensure MOS is capable of implementing a self-sustaining operation excellence system for the entire value chain.

During the Review Year, with enhanced processing and manufacturing technologies and production models, the Group continued to boost the overall competitiveness of traditional products and strive for an all-round penetration of these products at customers' end. Meanwhile, through in-depth exchange between its cross-functional teams (including Group Innovation Centre, Group Account Development Centre etc.) and customers, the Group remained committed to the provision of systematic solution to both internal combustion engine vehicle models and NEV models of its customers in relation to product, technology and material innovation. During the Review Year, the Group endeavoured to push forward the market expansion for new product offerings, such as chassis structural parts and intelligent exterior decorative parts, with the aim of assuring continual growth of the Group's revenue. During the Review Year, a number of new products of the Group, such as battery housing, radome, illuminated emblem, intelligent front module, bumper beam and roller shutter, smoothly entered into the project development phase.

During the Review Year, the Group's Digital Transformation Centre continued to cooperate closely with a team of professional consultants to further update the digital transformation projects. A digital central platform was created, which was capable of facilitating swift and coordinated handling of purchase orders, intelligent planning, intelligent warehousing, intelligent manufacturing, intelligent logistics, integration of business and finance, efficient financial accounting, transforming atomic data into business counselling information, and thereby accelerating the Group's digital transformation. During the Review Year, the project team at the Group's Digital Transformation Centre constructed a forward-looking group management and production model to achieve renovation and reshaping of the traditional commercial model, business model and management model, achieving business optimization and successful trial launch of the above-mentioned model at the four BUs. During the Review Year, the Digital Transformation Centre team fully supported quick implementation and improvement of the digital transformation projects at more factories of the Group, which reinforced the Group's globalisation plan and agile operation.

During the Review Year, with the assistance from third-party partners, the top-level design project of Factory of the Future had fully materialised from conceptualization to implementation, while successfully achieving mass production of the phase I project in the second half of the Review Year, including the global interactive experience centre, global empowerment centre, global big data centre and construction and decoration of the Phase I plant. During the Review Year, the Group installed and commissioned the production equipment in Factory of the Future and commenced flawless mass production. In respect of digital development, the launch of MES, warehouse management system, 3D visualisation and industrial internet, all at a preliminary stage, was completed in an effort to achieve data interconnectivity. During the Review Year, the construction of an ecological farm in Factory of the Future was completed and gained a good harvest. All of these initiatives are expected to facilitate the Group to construct a brand-new industrial ecosystem featuring the beauty of intelligent manufacturing, humanistic care and eco-friendliness of Minth's Factory of the Future, with a view to fully replicating the model at Factory of the Future, which serves as a trial spot, eventually heralding the Group towards digital transformation and upgrade and industrial ecosystem upgrade.

During the Review Year, the Group kept deepening its engagement in the management of environment, health and occupational safety ("EHS") based on its EHS system, to achieve the goal of "green manufacturing with sustainable development" by gradually finishing the construction of both energy system and carbon emission management system to perform its corporate social responsibility ("CSR") and gradually promote and build an outstanding sustainable development management system.

During the Review Year, the Group proposed the strategic goals of carbon peaking by 2030 and carbon neutrality by 2050, formulated the industrial layout goal of "low-carbon R&D and cyclic economy" and the excellent operation direction of "digitalization, green energy and green supply chain". The Group also audited its greenhouse gas emission based on ISO14064 to examine and audit the carbon emission of the whole Group and all its factories in the previous year, which provided the Group with data support for its carbon neutrality strategy. During the Review Year, the Group initiated an energy management audit based on ISO50001 and set up energy management organisation, annual performance targets, energy-saving management and technology solutions and daily review system at factory, BU and group level, to ensure the fulfilment of the annual energy management targets of the Group. Among them, four trial factories had passed the audit of the certification of ISO50001. The Group continued to pay attention to the responsibility toward various stakeholders, such as workers, consumers, environment and community, and conducted online and on-site audit of CSR, NQC-SAQ4.0 self-assessment and CDP online audit. Meanwhile, the Group received the "Improvement Award on Climate Action" from CDP Global Environmental Information Research Center. During the Review Year, MSCI upgraded the Company's ESG rating from B to BB.

During the Review Year, guided by its EHS management concept, the Group continued to strengthen its safety management across all BUs on a uniform basis with a focus on on-site operations. A set of criteria called the "ten major red lines (十大紅線)" have been adopted as the management method for setting key points and overseeing the process. All of these have facilitated the Group to enhance the safety awareness of employees and to reinforce the management's awareness of risk identification in order to ensure operational safety at the factory level. The Group has continued to introduce advanced technologies for wastewater, emissions and hazardous waste treatment to reduce pollutant emission, while increasing investment in waste recycling facilities, reducing the procurement of raw materials and supplies, lowering operating costs with enhanced operation management of the emission treatment facilities, as well as installing an online emission monitoring system to provide real-time monitoring and ensure effective operations of such facilities. All of these will ensure that the pollutant discharge of the Group is up to standards. The Group has also taken greater heed of the development and management of occupational health by optimizing management mechanisms for jobs subject to occupational hazards, improving the working environment for staff and ensuring comprehensive implementation of the occupational health check systems to safeguard the general health and well-being of the employees. During the Review Year, the EHS team of the Group completed a mid-year "ten major red lines" audit and year-end MOS-EHS pillar assessment against each factory in China, commenced the compliance audit from multiple dimensions, passed the supervisory audit of the ISO45001 and ISO14001 System and identified and eliminated on-site key risks to comprehensively boost the Group's management and control capability in key EHS risks, which facilitated the Group to reduce the risks of fire accident and work-related injury occurrence and enhance its EHS performance so as to ensure safe and healthy operations of the Group eventually. During the Review Year, no material safety, fire, environmental and occupational health incidents were reported.

During the Review Year, as management model reforms and digital transformation intensified, the Group focused on its development strategy and kept updating and maintaining the authorisation framework in accordance with its organisational needs. Process control was reviewed for its efficiency and effectiveness and optimised on an ongoing basis, while internal control and risk management were incorporated into daily operation and core value chain to gradually form a procedure-based internal control and comprehensive risk management system. The Group insisted on ensuring the independence of its internal audit function in terms of both system and organisational structure, while continuing to allocate sufficient resources to support the performance of its duties, in continuous enhancement of the efficiency, effectiveness and standardisation of its internal audit function. It monitored and promoted the internal control development and risk management in each functional department and operating unit, and started to establish an audit risk control model to identify and control the risks in advance. At the same time, the Group began the certification on ISO37001 anti-bribery system and considered such certification an opportunity to keep refining its anti-corruption system, strengthening promotion and education of anti-corruption knowledge and practices and enhancing the development of internal whistleblowing channels and stipulate the systematic protection and reward of reporting briberies and other acts of fraud, thereby creating an environment that values business ethics for the Group and each stakeholder. In addition, the Group formally issued the Code of Business Ethics of Minth Group during the Review Year. Based on the above relevant measures, the Group continued to improve its audit and supervision, internal control and risk management models, keep improving its capability in risk management and control and reasonably ensure that potential risk is under control within an acceptable level. These measures have effectively safeguarded and promoted the sustainable and steady development of the Group.

Business and Operation Layout

During the Review Year, the Group's revenue was approximately RMB13,919,269,000, representing an increase of approximately 11.7% as compared with approximately RMB12,466,858,000 in 2020. During the Review Year, the domestic revenue of the Group was approximately RMB8,201,506,000, representing an increase of approximately 11.0% as compared with approximately RMB7,391,431,000 in 2020. China's automobile market ended three consecutive years of decline since 2018, showing signs of recovery, while the Group's Japanese and European OEM customers in China outperformed the overall market. During the Review Year, the Group's overseas revenue was approximately RMB5,717,763,000, representing an increase of approximately 12.7% as compared with approximately RMB5,075,427,000 in 2020, which was mainly attributable to the gradual recovery of overseas orders during the Review Year subsequent to the severe impact of COVID-19 pandemic on the global supply chain of the automobile industry in 2020.

During the Review Year, while ensuring its leading market position in traditional products, the Group strived to expand the field of innovative products that may steer its future growth and was committed to pioneering the products and technical solutions for its OEM customers, achieving a record high value in the new business intake of over RMB10 billion. During the Review Year, the Group reported remarkable results with respect to innovative products, such as securing business for active rear spoilers from GM and plastic tailgates from NIO for the first time. The Group continued to expand its share of Toyota's radome business, and newly developed the radome business with NIO and various radar manufacturers while further expanding its supply of products with illumination function to Volkswagen, GM and Geely. During the Review Year, in terms of battery-housings, the Group secured the business with Stellantis for its largest electric vehicle platform – EMP2, which is also one of the best-selling electric vehicle platforms in the European market. Meanwhile, the Group obtained battery-housing business of an American high-end electric vehicle brand through CATL and secured the battery-housing orders for all the outsourced electric vehicle models of Renault and Nissan, while obtaining battery-housing business from new customers, such as Xpeng, EVE Energy. During the Review Year, the Group also made significant breakthroughs in the business intake of aluminium structural parts, and secured the business of stiffener sills for all vehicle models under EMP2 electric vehicle platform of Stellantis. In addition, the Group secured orders of aluminium structural parts such as stiffener sills and bumper beams from a number of customers, including BMW, Benz, Volkswagen and Li Auto, and at the same time, tapped into the market of aluminium structural parts for pickup trucks in North America. During the Review Year, the Group also recorded favorable results in the business development of traditional products. In terms of NEV companies, the Group tapped into the supplier system of an American high-end electric vehicle brand in North America and secured orders of aluminium trims. For traditional auto companies, the Group became an exclusive supplier of the aluminium trims for all outsourced models of Daimler's MMA platform, consolidating the leading market position of the Group's aluminium trim business. Meanwhile, as for stainless steel trim business, the Group became an exclusive supplier for all outsourced models from Volkswagen and Skoda brands, ensuring its leading market position in stainless steel trims.

During the Review Year, the Group continued to make visionary plans for the production layout of its major plants, expanding and optimising production capacity at major plants worldwide based on local conditions to better meet the requirements of global customers in terms of product development and mass production, as well as to help the Group further enhance its overall operational efficiency. As at 31 December 2021, the Group finished the establishment of production lines for aluminium battery-housings and other products in various locations in China, which gradually commenced mass production. In terms of domestic plant construction, the battery-housing plant in Shenyang entered the mass production stage, while the construction of the Group's battery-housing plant and metal and trim plant in Xianning completed, and the battery-housing projects of which have entered the equipment commissioning stage and the metal and trim project of which commenced mass production. As for the Group's Serbian plant, orderly deployment of production lines for battery-housings, aluminium door frames and aluminium trim products was in place as guided by its principles of building production lines with advanced technology and implementing strict environmental and safety management standards. Mass production had started for some projects, while a number of other projects were being commissioned. Moreover, the installation of chrome plating lines and painting lines has been finished in the US plants, which are about to start commissioning. Increasing global presence has enabled the Group to meet the demands for proximal supplies from its worldwide customers and further reinforced and consolidated its global competitiveness for core products.

During the Review Year, as the automotive market was affected by multiple factors, including the ongoing global COVID-19 pandemic, rising prices of raw materials, chip shortages, and rising logistics and shipping prices, the industry was confronted with a grimmer situation. In order to effectively mitigate the continuous impact of the COVID-19 pandemic, the Group remained alert at all times and executed its pandemic control measures, while emergency response teams were always ready for implementation works in accordance with policies such as responsive measures of pandemic prevention and control and contingency plans. During the Review Year, the Group's factories in Zhengzhou, Ningbo and Tianjin followed the epidemic prevention and control measures and set a good example of emergency response in the epidemic prevention and control work without causing any delivery risks. In the face of the rise in commodity prices and raw material prices worldwide, the Group's procurement teams at all levels collaborated to seek improvement and cushion the impact on the Group by means of strategic procurement, commercial negotiations, value analysis and value engineering and cost reduction through technical way. In response to the shortage of automotive chips, the Group established a delivery contingency team and held semi-monthly delivery meetings regularly to monitor the extent of the impact on customers and adjust production promptly to reduce the risk of excessive inputs and idling capacity. The Group's logistics team has continued to enter into long-term strategic logistics contracts with major shipping companies around the world in a timely manner, minimising the impact of overseas logistics on the Group. Meanwhile, the Group also implemented control measures by streamlining its processes, enhancing efficiency, reducing inventories and reactivating idle assets. The Group's swift and effective responses ensured timely delivery, premium quality products and effective cost control and were widely recognised by its customers.

Research and Development

R&D is an important pillar to corporate development and the Group attaches great importance to R&D planning. Given the four disruptive trends in the global automotive industry, namely the electrification and intelligence trends which have already been given great impetus to, and the gradual rising trends of internet connectivity and shared vehicle, the Group swiftly and effectively responded to a series of ground-breaking innovations in the automotive and related industry to lay down the fundamental strategy of creativity-driven development, optimised the structure of R&D organisations, established an innovation centre, strengthened the self-initiated R&D and innovative research capability in respect of basic materials, products and technology, and continued to increase its investments. Through in-depth exchange and cooperation with major customers and world-leading enterprises, technical breakthrough of existing procedures, reform on organisational management and control model and digital transformation, the Group improves its overall management efficiency and capability to further solidify its presence in core components for NEVs and promote the integration of intelligent products and exterior decorative parts, thus consolidating its position as a tier-1 supplier to OEM customers.

For innovative products, the Group has made tremendous progress to lay a solid foundation for the Group's future sustainable development. The Group delves deeply into battery housing business and has honed its competitive advantage to become a system solution provider. The Group, with its vertical integration capabilities throughout the whole process, has been growing to be a preferred partner for multiple global automotive OEMs. During the Review Year, the Group obtained orders from a number of mainstream OEMs in Europe in respect of their platform vehicles. The Group has become one of the world's largest suppliers of aluminium battery housings based on its current order book. The Group continues its input in R&D to pursue product and technology innovation and improvement, including the R&D of diverse battery housing solutions, such as CTC battery housing solution, housings applicable for battery swapping, housings for solid-state batteries and thermal plastic housing cover, etc., and has secured a number of global concurrent design projects to keep enriching its design experience and improving its design capabilities. Meanwhile, the Group has also been making use of its diverse skills to start offering complementary parts for the battery housings such as front and rear crash management systems, subframes and other die casting structural parts. Orders have already been secured, which will offer another growth driver for the Group while cementing the Group's status as a systematic solutions provider of battery housings and integrated chassis structural components.

As for intelligent exterior decorative, the Group is focusing on the R&D and expansion of intelligent front and rear modules and intelligent door systems. During the Review Year, based on products such as millimetre wave ("mmWave") compatible radomes and illuminated grilles, the Group further developed products such as LiDAR compatible radomes, mmWave compatible radomes with heating function. In particular, the Group has received numerous orders in respect of LiDAR compatible radomes from domestic mainstream LiDAR manufacturers, while European and Japanese OEM customers have placed orders for mmWave compatible radomes with heating function. The Group has carried out visionary R&D and planning for solutions of integrated intelligent front modules, which combine functions such as illumination, heating, wave transparency and automatic cleaning, and multiple industry-leading patents have already been authorised for those products and could be used for level 4 and above autonomous driving. The Group has taken active measures in respect of intelligent door systems, including application scenarios such as intelligent access and automatic opening, to provide solutions such as intelligent pillar cover with face recognition function, electric shutter driving mechanism and ultralight door, which have obtained technical approval from several OEMs and have seen mass production order inflow.

The Group attaches great importance to the R&D of new material technologies and has continuously increased its R&D investment in materials, mastering the technologies of three core materials, namely high-performance aluminium, high-elasticity TPV (Thermoplastic Vulcanizate) and modified plastics, as well as the related surface treatment technologies. In terms of research and innovation of ultra-high-performance structural aluminium for automobiles, the Group has reached advanced level in the global market, and has successively achieved technical breakthroughs in high yield strength crash resistant aluminium alloy of 240MPa, 250MPa, 280MPa, etc. The Group has obtained over 30 core patents in terms of material formula and processing technology, which have been widely applied in the battery housings and body structural parts of mainstream OEMs, such as BMW, Benz, Audi and Volkswagen. The Group also emphasises the R&D of green and low-carbon materials and has completed the development of ECO-ALUMIN® PS series aluminium. It utilises eco-friendly aluminium and recycled aluminium as raw material with a carbon emission of $\leqq 3.0 kgCO_2/kg$, which could meet the aluminium alloy requirement of mainstream OEMs in respect of crash resistance of 280MPa level.

The Group is well aware of the importance of its technological reserves and has adopted a number of measures to motivate, attract and retain talents to strengthen its talent pool and to consolidate its leading position in R&D. The Group attaches great importance to intellectual property rights. It has initiated a comprehensive deployment in trademarks and patents for innovative products and has been granted numerous awards such as the "National Intellectual Property Advantage Enterprise" (國家知識產權優勢企業) and the "Zhejiang Province Patent Excellence Award" (浙江省專利優秀獎) and actively applies for overseas patents. During the Review Year, 628 patent applications were newly filed for approval by the Group, among which 7 applications were related to overseas patents and were in the course of being approved. 488 patents were authorised by competent authorities during the Review Year.

FINANCIAL REVIEW

RESULTS

During the Review Year, the Group's revenue was approximately RMB13,919,269,000, representing an increase of approximately 11.7% from approximately RMB12,466,858,000 in 2020. During the Review Year, although the global automobile market was affected by factors such as chip shortage, the Group achieved considerable revenue growth as major automobile markets in the PRC, North America and Europe, etc. gradually recovered from the impact of the COVID-19 pandemic in 2020, coupled with the good performance of the Group's major customers.

During the Review Year, the profit attributable to owners of the Company was approximately RMB1,496,507,000, representing an increase of approximately 7.2% from approximately RMB1,395,509,000 in 2020. It was mainly due to the increase in gross profit compared with the same period of last year because of the factors such as the economies of scale driven by revenue growth of the Group, the gains on disposal of subsidiaries and receipt of relocation payment for land and buildings, etc. by the Group during the Review Year.

Sales of Products

During the Review Year, the Group continued focusing on the production of products including metal and trim products, plastic products, aluminium products, battery-housing products and toolings and moulds for automobiles, which were mainly supplied to the factories of major global OEMs.

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

	2021		2020	
	RMB'000	*%*	*RMB'000*	*%*
Customer category				
Domestic	**8,201,506**	**58.9**	7,391,431	59.3
Overseas	**5,717,763**	**41.1**	5,075,427	40.7
Total	**13,919,269**	**100.0**	12,466,858	100.0

Revenue from Overseas Markets

During the Review Year, the Group's revenue from overseas markets amounted to approximately RMB5,717,763,000, representing an increase of approximately 12.7% from approximately RMB5,075,427,000 in 2020. It accounted for approximately 41.1% of the total revenue of the Group in the Review Year, representing an increase when compared to approximately 40.7% in 2020.

Gross Profit

During the Review Year, the Group's gross profit was approximately RMB4,083,774,000, representing an increase of approximately 5.8% from approximately RMB3,858,843,000 in 2020. The gross profit margin for the Review Year was approximately 29.3%, representing a decrease of approximately 1.7% from approximately 31.0% in 2020. This was mainly due to the combined effect of the dual pressures of the ASP decline in price of products for old models and the significant increase of raw material prices while the Group faced depreciation of US dollar and Euro despite that the Group benefited from improved economies of scale driven by revenue growth during the Review Year, which resulted in the decrease of overall gross profit margin. In this regard, the Group continuously improved production efficiency and production yield by adopting measures such as lean production and technology upgrade, in order to partially offset the decrease in overall gross profit margin.

Investment Income

During the Review Year, the investment income of the Group was approximately RMB284,999,000, representing an increase of approximately RMB45,289,000 from approximately RMB239,710,000 in 2020. It was mainly due to an increase in the interest income of the Group.

Other Income

During the Review Year, the other income of the Group amounted to approximately RMB225,014,000, representing an increase of approximately RMB65,023,000 from approximately RMB159,991,000 in 2020. It was mainly attributable to an increase in government grants related to income.

Other Gains and Losses

During the Review Year, the Group's other gains and losses amounted to a net gain of approximately RMB418,187,000, representing an increase of approximately RMB433,641,000 as compared to a net loss of approximately RMB15,454,000 in 2020. It was mainly attributable to the gains on disposal of subsidiaries and receipt of relocation payment for land and buildings, etc. by the Group during the Review Year.

Distribution and Selling Expenses

During the Review Year, the Group's distribution and selling expenses were approximately RMB744,431,000, representing an increase of approximately RMB223,475,000 from approximately RMB520,956,000 in 2020. It accounted for approximately 5.3% of the Group's revenue, representing an increase of approximately 1.1% from approximately 4.2% in 2020. It was mainly attributable to the Group's resumption in revenue growth, as well as increased port congestion due to the global COVID-19 pandemic, which led to a price surge in the global shipping market and an increase in the Group's unit transportation costs, the combining effects of which resulted in a significant increase in the Group's transportation expenses during the Review Year.

Administrative Expenses

During the Review Year, the administrative expenses of the Group amounted to approximately RMB1,237,393,000, representing an increase of approximately RMB208,438,000 from approximately RMB1,028,955,000 in 2020. It accounted for approximately 8.9% of the Group's revenue, representing an increase of approximately 0.6% from approximately 8.3% in 2020. This was mainly due to recruitment and reserve of relevant personnel with the continued expansion of battery-housing and overseas business as well as the commencement of the digital transformation projects during the Review Year, coupled with year-on-year growth in share options and other related expenses during the Review Year, resulting in an increase in the Group's labour costs.

Research Expenditure

During the Review Year, the research expenditure of the Group amounted to approximately RMB940,700,000, representing an increase of approximately RMB176,513,000 from approximately RMB764,187,000 in 2020. It accounted for approximately 6.8% of the Group's revenue, representing an increase of approximately 0.7% from approximately 6.1% in 2020. It was mainly due to the Group's continuous effort in promoting the R&D of innovative technologies and products such as battery-housing, aluminium chassis structural parts and intelligent exterior decorative parts during the Review Year to maintain its market competitiveness and sustainable development, while introducing senior R&D talents and increasing R&D investment to further enhance R&D capabilities.

Share of Results of Joint Ventures

During the Review Year, the Group's share of results of joint ventures was a net profit of approximately RMB19,204,000, representing an increase of approximately RMB7,586,000 from a net profit of approximately RMB11,618,000 in 2020, which was mainly attributable to an increase in profit from one of the joint ventures because of its commencement of mass production during the Review Year.

Share of Results of Associates

During the Review Year, the Group's share of results of associates was a net profit of approximately RMB3,004,000, representing an increase of approximately RMB480,000 from a net profit of approximately RMB2,524,000 in 2020, basically maintaining the same level.

Income Tax Expense

During the Review Year, the Group's income tax expense was approximately RMB266,364,000, representing an increase of approximately RMB49,777,000 from approximately RMB216,587,000 in 2020.

During the Review Year, the effective tax rate was approximately 14.4%, representing an increase of approximately 1.5% from approximately 12.9% in 2020, which was mainly attributable to the impact of differences in Enterprise Income Tax settlement.

Profits Attributable to Non-controlling Interests

During the Review Year, the Group's profits attributable to non-controlling interests were approximately RMB82,941,000, representing an increase of approximately RMB15,462,000 from approximately RMB67,479,000 in 2020. It was mainly attributable to the increase in net profit of non-wholly owned subsidiaries during the Review Year.

Liquidity and Financial Resources

As of 31 December 2021, the Group's total amount of bank balances and cash and pledged bank deposits was approximately RMB6,537,569,000, representing a decrease of approximately RMB389,053,000 as compared to approximately RMB6,926,622,000 as of 31 December 2020. As of 31 December 2021, the Group's low-cost borrowings totaled approximately RMB7,143,590,000, among which the equivalent of approximately RMB2,936,014,000, approximately RMB2,034,566,000, approximately RMB1,807,492,000, approximately RMB144,738,000, approximately RMB139,483,000, approximately RMB62,913,000 and approximately RMB18,384,000 were denominated in US Dollar ("USD"), Euro ("EUR"), RMB, Thai Baht ("THB"), Hong Kong Dollar ("HKD"), Great Britain Pound and New Taiwan Dollar respectively, representing an increase of approximately RMB624,390,000 as compared to approximately RMB6,519,200,000 as of 31 December 2020. It was mainly the result of borrowings after considering the consolidated gains from exchange rates, interest rates and capital management by the Group.

During the Review Year, the net cash flow from the Group's operating activities was approximately RMB1,321,800,000, indicating a sound cash flow condition.

During the Review Year, the Group's trade receivables turnover days were approximately 80 days, which were approximately 12 days shorter than approximately 92 days in 2020. This was mainly due to the gradual recovery at the client end from the impact of the COVID-19 epidemic in 2020 and strengthening of repayment control by the Group during the Review Year.

During the Review Year, the Group's trade payables turnover days were approximately 81 days, decreased by approximately 5 days from approximately 86 days in 2020, which is mainly attributable to the change of settlement methods for certain payments as a result of minimising the effect brought by the increase in raw material prices by increasing inventory reserves.

During the Review Year, the Group's inventory turnover days were approximately 99 days, extended by approximately 5 days from approximately 94 days in 2020, which was mainly attributable to the increase in inventory reserves to minimise cost pressure from rising raw material prices. In addition, inventory turnover slowed down due to a combination of factors, such as extended shipping cycles under the impact of the COVID-19 pandemic, fluctuations of order caused by the shortage of client chips.

The Group's current ratio was approximately 1.6 as of 31 December 2021, which was similar to approximately 1.6 as of 31 December 2020. As of 31 December 2021, the Group's gearing ratio was approximately 27.4% (31 December 2020: approximately 27.7%), 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 previously 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 favourable performance in sales, production and R&D activities, as well as the sound cash reserves provided strong support for sustainable growth in the future.

COMMITMENTS

As at 31 December 2021, 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	732,528

INTEREST RATE AND FOREIGN EXCHANGE RISKS

As at 31 December 2021, the balance of the Group's bank borrowings was approximately RMB7,143,590,000, of which approximately RMB2,431,476,000 was bearing at fixed interest rates, and approximately RMB4,712,114,000 was bearing at floating interest rates. The aforesaid borrowings had no seasonality features. In addition, approximately RMB4,462,929,000 of the borrowings was denominated in currencies other than the functional currencies of the Group's related entities, of which the equivalents of approximately RMB2,288,880,000, approximately RMB2,034,566,000 and approximately RMB139,483,000 were denominated in USD, EUR and HKD 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 at 31 December 2021, the Group's cash and cash equivalents denominated in currencies other than the functional currencies amounted to approximately RMB595,241,000, of which approximately RMB398,797,000 was denominated in EUR, approximately RMB148,813,000 was denominated in USD, approximately RMB34,527,000 was denominated in Japanese Yen, approximately RMB10,551,000 was denominated in HKD, approximately RMB2,501,000 was denominated in Mexico Peso, and the remainder of approximately RMB52,000 was denominated in other foreign currencies.

As a result of the constant expansion of overseas sales and the drastic fluctuations in the currency market, the management of the Group expressed great concerns about the foreign exchange risks, and would take the exchange rate expectations of relevant currencies into full consideration when deciding on the billing currencies for relevant businesses, and also closely monitor the foreign exchange exposure and adjust the control strategy on a timely basis. The Group entered into forward exchange contracts to manage and control foreign exchange risks.

CONTINGENT LIABILITIES

As at 31 December 2021, the Group had no contingent liabilities (31 December 2020: Nil).

MORTGAGED ASSETS

As of 31 December 2021, the Group had borrowings of approximately RMB322,481,000 and issued bills payables of approximately RMB207,954,000 due within 6 months, which were pledged by bills receivables with a par value of approximately RMB114,389,000 and bank deposits of RMB904,000,000. The borrowings are to be settled in RMB (31 December 2020: the Group had borrowings of approximately RMB770,790,000 and issued bills payables of approximately RMB246,551,000 due within 6 months, which were pledged by bills receivables with a par value of approximately RMB162,818,000 and bank deposits of RMB776,000,000. The borrowings are to be settled in RMB).

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 RMB3,159,650,000 (2020: approximately RMB2,362,114,000), which was attributable to the Group's further expansion of its R&D on battery-housing, aluminium chassis structural parts, intelligent exterior decorative parts and other innovative technologies and products, together with its overseas market capacity layout during the Review Year. In addition, the Group actively implemented intelligence and low-carbon development strategies and invested in establishing an intelligent industrial park for future automobiles and digitalized construction, while in alignment with the development trend of the automobile industry and responding to the national call for low-carbon circular economy. Meanwhile, to offset the impact of the lower utilization of production capacity arising from the downturn of the PV market, the Group continued to exercise prudent control over the capital expenditure in accordance with the asset-light strategy, and adopted a stringent approval process in respect of investments in fixed assets for traditional product lines.

PLACING AND SUBSCRIPTION

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

MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no material acquisition or disposal of subsidiaries, joint ventures and associates during the Review Year.

EMPLOYEES

As of 31 December 2021, the Group had a total of 19,359 employees, up by 555 employees when compared to that as of 30 June 2021. The increase was mainly attributable to the continued development of NEV markets around the globe in the second half of the Review Year, the Group's enhanced efforts to develop and strengthen its innovative R&D team, the development and production needs in the battery housing BU and other NEV related products as well as the steady and progressive implementation of the Group's overseas layout.

During the Review Year, the Group has furthered the development and embedding of the culture of "love – demanding and caring", and the employee engagement around the globe continued to rise. Based on its core values and code of conduct, the Group has placed emphasis on enhancing the family happiness of its global employees and deeply motivating its global organisations and teams to tap into their potential. During the Review Year, the Group has fully upgraded the concept of overall wellness and held 4 sessions of Holistic Empowerment Camps throughout the year and several workshops on "overall wellness" with 1,417 person-times to participate, whereby the Group focused on projects that could help the employees improve the happiness of their families, including organising the "Love Formula" for 195 employees and their spouses, 19 sessions of "Family Drawing Room" for 641 participants and "Couple's Relationship Camp" projects; "Youth Summer Camp" for kids of Minth staff covering more than 1,000 participants and different forms of babysitting and childcare projects; promoting the senior's centre for employees' parents that provides them with a platform of knowledge learning, companionship, and ability and happiness enhancement. Apart from providing courses on arts, technology and relationship, the Group also rolled out projects such as "Mom's Kitchen" and Factory of the Future "Tour Guide". Looking ahead to 2022, amidst the global cross-cultural environment, the Group will continue to explore and innovate the integration of cultures and the practice of values and effectively promote "overall wellness "and family happiness projects in overseas plants in order to fully empower global teams and global organisations.

Given the worldwide normalization of the COVID-19 pandemic, and in response to the changes in the global business environment and the trend of industry development, during the Review Year, based on a strategic control model, the Group accelerated its organisational streamlining and efficiency improvement, continuously enhanced the management capability of the functions at the Group's headquarter, strengthened the management function of business performance evaluation, and further empowered organisational transparency and responsiveness with comprehensive process construction and digital transformation and upgrading. The expansion and development of the R&D team and the introduction of innovative talents effectively promoted breakthroughs in product innovation and technological innovation. The expansion of the U.S. plant further enriched the network and strengthened the capability of the Group's global operations; the accelerated construction of overseas Shared Service Center helped reduce overseas operating costs while enhancing operational support capabilities and efficiency. Various organisations under the Group actively explored incentive models. In 2022, to strongly promote the achievement of strategic business goals, the Group will focus more on the global management and strategic layout of the headquarters, the construction and effectiveness of regional Shared Service Centers, and actively implement a globally consistent organisation of function design and value creation allocation mechanism, so as to comprehensively enhance the effectiveness and organisational vitality of the global organisations.

As for talent development, with the development of digital strategy and global layout, the Group continued to focus on overall global leadership of talents, digital capability, process construction capability, and international talent cultivation during the Review Year, including: (1) helping over 230 management staff to enhance strategy-oriented and vision-oriented management skills through multiple sessions of Manager Training Program; continuously developing overall leadership coaching programs for core senior managers to enhance global business vision comprehensively; (2) achieving half of the iterations of professional and technical sequence posting standards and developing professional and technical talent cultivation and management systems to precisely improve the capabilities of its various teams to meet the overall needs of the future global business; (3) iterating the standards of digital talents at different levels to facilitate the development of relevant employees and the continuous improvement of process construction capabilities through E-learning, offline courses, lectures on digitalisation, project practice and coaching, especially for process construction projects; and (4) driving the development of global talent mobility and technology sharing, and promoting the globalization ability of talents at different levels; continuously developing bilingual versions of management course resources, maintaining certification of global talents, establishing a smoother communication mechanism in China and abroad, and continuously improving the globalization level of talents. Looking forward to 2022, the Group will continue to upgrade the cultivation model for digital and process-oriented talents, international talents, innovative talents, and talents with different expertise, while focusing on building and operating the global talent pool, strengthening the sharing and communication mechanism of global talents, and enhancing the global talent mobility management function, so as to realise the comprehensive development and multi-directional mobility of global talents for future business and help realise the future organisational strategy.

SHARE OPTION SCHEME

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

SHARE AWARD SCHEME

On 28 July 2020, the Company adopted a share award scheme (the "Share Award Scheme") to allow share awards at the absolute discretion of the Board. The purposes of the Scheme are to recognise the contributions by certain eligible participants and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. Selected participants pursuant to the terms of the Share Award Scheme will be notified the number of shares awarded to them. For details of the said Share Award Scheme, please refer to the announcement of the Company dated 28 July 2020.

FUTURE PROSPECTS AND STRATEGIES

During the Review Year, despite the negative impact of chip shortage, rising raw material prices and the resurgence of the COVID-19 pandemic, national and local governments in China have continued to intensively introduce relevant measures, in order to promote automobile consumption and the realisation of the "carbon peaking" and "carbon neutrality" goals. The policy system has shifted to a combination of national-level guidance and local government-led development, further improving the prospect of the automobile industry, and the parallel development of electrification and internet connectivity has also been continuously promoted. Given these favourable factors, the automobile industry in China has demonstrated a steady growth and ended the "decrease for three consecutive years" from 2018 to 2020. Looking forward to 2022, under the backdrop of stable economic development in China, with gradual improvement of supply issues such as chip shortage, it is expected that the sales volume of the passenger vehicle market in China will reach 23 million units, representing a year-on-year growth of approximately 7%. On the export front, during the Review Year, the year-on-year growth of China's auto exports was about doubled and the European market has become the primary export market of Chinese NEVs. China's vehicle exports may be set for a stable period of rapid growth.

During the Review Year, the impact of multiple factors cast a shadow over the full recovery of the global automobile market. Looking forward to 2022, given the gradual release of production capacity from major chip suppliers in the world, it is expected that the shortage of automobile chip supply will be resolved progressively, which will, in turn, facilitate the full recovery of the automobile market. According to the prediction of IHS Markit, the production volume of the global light vehicle market in 2022 may reach 82.30 million units, representing a year-on-year increase of approximately 9%, of which the European market is expected to grow by approximately 17% due to diminishing impact from chip shortage and the COVID-19 pandemic, and the US market may witness a relatively weak start but a strong finish, with an expected growth of approximately 16% for the year.

With regards to NEVs, the penetration rate in China and Europe increased rapidly, while the electrification progress resumed in the United States. According to the prediction of IHS Markit, the global production volume of pure electric vehicles may reach approximately 18 million units by 2025, with China, Europe, North America, Japan and Korea being the primary production bases. In addition to traditional automobile enterprises and leading automobile start-ups, a new wave of cross-sector participants is joining the race of automobile manufacturing, thereby boosting the pace of industrial revolution and further intensifying market competition. Almost every auto company is aggressively developing the NEV market with increasing model variety and more advanced configuration. Meanwhile, various solutions are launched in respect of "range anxiety" and "charging anxiety". In terms of autonomous driving, it is reported that Benz and Honda introduced mass-produced vehicles equipped with Level 3 autonomous driving; autonomous driving technology companies, such as Waymo and Cruise, focused on the fields of self-driving ride and delivery services. Autonomous driving is set to achieve new breakthroughs in 2022.

Looking forward to 2022, the Group will proactively respond to the complicated condition of the automobile industry. The Group will closely monitor the changes in the general industry environment to seize any opportunities arising from the recovery and development of the industry across the world, while devising a strategic layout in tandem with global policies on NEV related industries and the trends of light-weight, intelligence and electrification in the automobile industry. The Group will further enhance its competitiveness in traditional products and reinforce its overall operations through quality improvement, capacity optimisation, cost reduction, refinement of the global production strategy, and extension and upgrade of existing processing technologies, thereby further increasing the share for its traditional products in global segment market. In the meantime, the Group will continue to delve into innovative research, increase its investment in the R&D of new products, new materials and new technologies, and put more efforts in business development, and firmly capture the backbone of stable development in the evolving industry environment.

The Group will further conduct strategic planning for all BUs to persistently enhance their operational capability, with a view to boosting integrated competitive strengths in technology, cost, staff efficiency and resource application. In the meantime, the Group will also continue to improve the global layout of its BUs, bolster the operational capability of its plants in both China and abroad, and replicate the advantages of domestic and overseas plants in technology, management and talent to maximise sharing of technologies, talents and resources among its global operations and comprehensively enhance the global competitiveness of its products.

In terms of operational improvement and transformation, the Group will carry out the replacement and upgrade of its global application system through digital transformation, in a bid to develop a data standardisation system with Minth characteristics and link up the business process systems for research, production, supply, sales and services for the establishment of a global operation and management platform, realising the transition of the Group's management from experience-based to data-based decision making so as to support its globalised and enduring operational excellence. The Group will also strive to realise the carbon footprint traceability of the entire product life cycle, and enable the achievement of carbon peaking and carbon neutrality for the Group through in-depth application of next-generation digital technologies. The Group is also committed to the construction of humanistic plants characterised by high efficiency, energy conservation, eco-friendliness, operational safety and comfort through digital transformation, as well as technical platforms with highly digitalised functions. The Group will continue to work closely with third-party partners to introduce best practices for the construction of intelligent industrial parks and provide the best humanistic experience with the aid of state-of-the-art technologies, so as to build Minth Factory of the Future into a benchmark among the advanced enterprises in China. Meanwhile, upon completing the transformation and upgrade of its subsidiaries, the Group will strive to replicate the experience and resources of Factory of the Future for small and medium-sized enterprises in neighbouring regions and beyond in China to develop its new business format of external services. Furthermore, the Group will continue to strongly drive the implementation of MOS, seeking consistent improvements to operations management at the preventive stage in order to lower operating costs and ensure ongoing development of its standardised operation capability. In the meantime, the concept and standards of the Group's MOS will be closely integrated with digital transformation and Factory of the Future, facilitating the Group to achieve full value chain coverage.

The Group will endeavour to improve its supply chain planning and utilise digital middle platform to effectively connect systems, such as CRM (customer relation management system), SAP, SRM (supplier relation management system), throughout the supply chain. The Group will conduct a comprehensive consideration over assessment of new business intake and the planning of production capacity, equipment investments, human resources and materials, and transform the collected data into operation information to facilitate the improvement of the Group's overall operation capability. The Group will strive to balance and optimise its investment portfolio and value chain layout in the global market and develop the ability of operational excellence, in order to better manage risks and effectively respond to challenges arising from uncertainties of economic development and achieve value positioning in a more flexible manner. In addition to its focus on the development potentials of the Chinese market, the Group will also vigorously develop new markets on a global basis, seek further cooperation with governments in various regions, and fulfill its corporate social responsibility. In an era of both opportunities and challenges, the Group will, with Factory of the Future as a starting point, adhere to aggressive but steadfast development strategies and drive with full force the planning and development of its digital transformation and upgrade to seek swift improvements in its digital ability. Meanwhile, the Group will offer more modularised product solutions and customised products and services to its clients by upgrading and renovating its legacy products while developing new products, aiming for the leading position in the global auto parts industry.

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

During the Review Year, the grantees of the Company's Share Option Scheme exercised 1,744,999 Share Options of the Company (the "Share Options") in accordance with the rules and terms of the Share Option Scheme, and 3,416,801 Share Options lapsed as a result of the resignations of grantees.

Since the adoption of the Share Award Scheme and up till 31 December 2021, the trustee of the Share Award Scheme of the Company (the "Trustee") has purchased a total of 8,520,000 shares of the Company ("Awarded Shares") on the Stock Exchange pursuant to the rules of the Share Award Scheme and the terms of the trust deed. During the Review Year, the Trustee did not purchase any Awarded Share. During the Review Year, the Company granted a total of 3,000,000 Awarded Shares to non-director grantees pursuant to the rules of the Share Award Scheme and the terms of the trust deed. The first tranche of the Awarded Shares granted shall be vested upon three years from the date of grant and the remaining tranches shall be vested in each year thereafter and vesting is subject to the fulfilment of performance targets of the grantees. During the Review Year, 144,000 Awarded Shares were withdrawn as a result of the resignations of grantees.

Save as disclosed above, there was no purchase, sale or redemption by the Company or any of its subsidiaries of any listed securities of the Company 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 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 Review Year, comply with the Corporate Governance Code.

As provided for in the then 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. Dr. Wang Ching and Mr. Wu Tak Lung, being the independent non-executive Directors, attended the 2021 annual general meeting of the Company through video conference, and Ms. Yu Zheng, being the then independent non-executive Director, was unable to attend the 2021 annual general meeting of the Company due to her prior work commitments.

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

The Group was not engaged in any litigation or arbitration of material importance during the Review Year and up to the date of this announcement.

REVIEWED BY THE AUDIT COMMITTEE

The Company has established an Audit Committee to review and oversee the financial reporting procedures, internal control system and risk management activities of the Group. The Group's annual results for the year ended 31 December 2021 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 HKD0.630 per share to shareholders whose names appear on the register of members of the Company on Thursday, 9 June 2022 and the proposed final dividend will be paid on or about Wednesday, 22 June 2022. 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 Tuesday, 31 May 2022.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU ON THIS ANNOUNCEMENT

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 2021 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

CLOSURE OF REGISTER OF MEMBERS

Shareholders whose names appear on the Company's register of members on Thursday, 26 May 2022, 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 Thursday, 26 May 2022 to Tuesday, 31 May 2022 (both days inclusive) during which 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 Wednesday, 25 May 2022.

Shareholders whose names appear on the Company's register of members on Thursday, 9 June 2022, will qualify for the proposed final dividend. The Company's transfer books and register of members will be closed from Tuesday, 7 June 2022 to Thursday, 9 June 2022 (both days inclusive) for the purpose of ascertaining shareholders' entitlement to the final dividend. In order to qualify for the 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 Monday, 6 June 2022. The proposed final dividend (the payment of which is subject to the shareholders' approval at the forthcoming annual general meeting) will be payable on or about Wednesday, 22 June 2022 to shareholders whose names appear on the register of members of the Company on Thursday, 9 June 2022. The shares of the Company will trade ex-dividend on Thursday, 2 June 2022.

APPRECIATION

The Board would like to take this opportunity to express its sincere appreciation to the shareholders, the management and all staff members for their unfailing support and dedication.

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

Hong Kong, 22 March 2022

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