MINTH GROUP LIMITED

敏實集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 425)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2008

FINANCIAL HIGHLIGHTS

Turnover increased by approximately 48% to approximately RMB942.0 million (six months ended 30 June 2007: approximately RMB636.9 million).

Gross profit increased by approximately 39% to RMB355.8 million (six months ended 30 June 2007: approximately RMB255.4 million). Gross profit margin was 37.8% during the Review Period.

Net profit attributable to equity holders increased by approximately 18% from approximately RMB203.1 million in the corresponding period of 2007 to approximately RMB238.9 million during the Review Period. The principal reason that net profit did not increase in line with gross profit was that during the Review Period, foreign exchange losses of approximately RMB43.5 million occurred mainly as a result of RMB appreciation against US dollars and HK dollars after the share placement by the Company in 2007.

Basic Earnings per share increased to approximately RMB0.250 (six months ended 30 June 2007: approximately RMB0.245).

INTERIM RESULTS

The Board of directors (the "Board" or 'Directors") of Minth Group Limited (the "Company") is pleased to announce the unaudited consolidated financial interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2008 (the "Review Period") and the comparative figures of six months ended 30 June 2007. The announced interim results and condensed financial statements are unaudited but reviewed by the audit committee (the "Audit Committee") of the Company.

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the six months ended 30 June 2008

	NOTES	2008 (Unaudited) RMB'000	2007 (Unaudited) RMB'000
Turnover	3	**941,999**	636,905
Cost of sales		**(586,228)**	(381,493)
Gross profit		**355,771**	255,412
Interest income		**16,422**	2,163
Other income		**33,611**	36,496
Other gains and losses		**(32,471)**	6,429
Distribution and selling expenses		**(20,896)**	(18,802)
Administrative expenses		**(68,679)**	(50,765)
Other expenses		**(31,252)**	(18,091)
Interest on bank borrowings wholly repayable within five years		**(3,025)**	(1,800)
Share of losses of jointly controlled entities		**(4,089)**	(2,016)
Share of profits of associates		**21,029**	15,558
Profit before tax		**266,421**	224,584
Income tax expense	4	**(23,135)**	(18,498)
Profit for the period		**243,286**	206,086
Attributable to:			
Equity holders of the Company		**238,912**	203,109
Minority interests		**4,374**	2,977
		243,286	206,086
Earnings per share	5		
Basic		**0.250**	0.245
Diluted		**0.249**	0.243

CONDENSED CONSOLIDATED BALANCE SHEET

	NOTES	At 30 June 2008 (Unaudited) RMB'000	At 31 December 2007 (Audited) RMB'000
Non-current assets			
Property, plant and equipment		**847,734**	807,590
Prepaid lease payments		**175,428**	136,452
Goodwill		**15,276**	15,276
Other intangible assets		**24,376**	14,881
Interests in jointly controlled entities		**54,764**	29,762
Interests in associates		**111,980**	72,889
Deferred tax assets		**10,320**	8,175
		1,239,878	1,085,025
Current assets			
Prepaid lease payments		**4,393**	3,276
Inventories		**362,407**	279,532
Loans to a jointly controlled entity		**31,820**	65,669
Trade and other receivables	*6*	**549,235**	430,048
Other financial assets		**576,452**	606,172
Pledged bank deposits		**251,774**	9,924
Bank balances and cash		**900,078**	933,082
		2,676,159	2,327,703
Current liabilities			
Trade and other payables	*7*	**337,114**	284,666
Tax liabilities		**18,456**	12,950
Borrowings		**384,167**	117,099
		739,737	414,715
Net current assets		**1,936,422**	1,912,988
Total assets less current liabilities		**3,176,300**	2,998,013

	NOTES	At 30 June 2008 (Unaudited) RMB'000	At 31 December 2007 (Audited) RMB'000
Capital and reserves			
Share capital		**98,414**	98,410
Reserves		**2,977,084**	2,859,159
Equity attributable to equity holders of the Company		**3,075,498**	2,957,569
Minority interests		**65,128**	39,066
Total equity		**3,140,626**	2,996,635
Non-current liabilities			
Long-term Borrowings		**34,296**	—-
Deferred tax liabilities		**1,378**	1,378
		35,674	1,378
		3,176,300	2,998,013

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General, Corporate Reorganisation and Basis of Preparation of Financial Statements

The Company was incorporated under the Company Law of the Cayman Islands on 22 June 2005 and registered as an exempted company with limited liability. 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, develop, manufacture, process and sales of exterior automobile body parts and moulds.

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

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

2. Basis of Preparation and Accounting Policies

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

The condensed consolidated financial statements have been prepared on the historical costs basis except for financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those presented in the preparation of the annual financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2007.

In the current period, the Group has applied, for the first time, a number of new standards, amendments, and interpretations (the "new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 January 2008.

The adoption of these new HKFRSs has had no material effect on how the results and financial position of the Group for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC)-INT 13	Customer Loyalty Programmes[3]

[1] *Effective for accounting periods beginning on or after 1 January 2009*
[2] *Effective for accounting periods beginning on or after 1 July 2009*
[3] *Effective for accounting periods beginning on or after 1 July 2008*

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

The directors of the Company anticipate that the application of the other standards, amendments or interpretations will have no material impact on the results and financial position of the Group.

3. Business and Geographical Segment

Turnover represents the amounts received and receivable for goods sold by the Group to outside customers and net of discounts and sales related taxes during the period.

Business segments

The Group's operation is regarded as a single business segment, being engaged in the manufacture and sales of exterior automobile body parts.

Analysis on turnover by product category is as follows:

Product category	Six months ended 30 June 2008 RMB'000	%	Six months ended 30 June 2007 RMB'000	%
Trims	**253,516**	**26.9**	206,297	32.3
Decorative parts	**249,637**	**26.5**	161,379	25.3
Body structural parts	**333,448**	**35.4**	229,889	36.0
Others *(Note)*	**105,398**	**11.2**	39,340	6.4
Total	**941,999**	**100**	636,905	100

Note: Includes moulds, steering shaft, headliner, PVC and others.

Analysis on turnover by region based on client source/headquarter locations is as follows:

Customer group	Six months ended 30 June 2008 RMB'000	%	Six months ended 30 June 2007 RMB'000	%
Japanese automakers	**598,814**	**63.5**	441,276	69.2
EU automakers	**126,226**	**13.4**	68,217	10.7
US automakers	**140,802**	**14.9**	79,090	12.4
Korean automakers	**35,076**	**3.7**	0	0
Chinese automakers	**29,765**	**3.2**	35,213	5.5
Others *(Note)*	**12,618**	**1.3**	13,919	2.2
Total	**943,301**	**100**	637,715	100
Less: Sales tax	**(1,302)**		(810)	
Total turnover	**941,999**		636,905	

Note: Others denote clients using non-direct automobile spare part products of the Group.

4. Income Tax Expense

	Six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Current tax:		
PRC Enterprise Income Tax	**25,455**	18,342
(Over) under provision in prior years:		
PRC Enterprise Income Tax	**(241)**	156
Deferred tax		
Current period	**(2,079)**	—
Total	**23,135**	18,498

5. Earnings Per Share

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

	Six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Earnings		
Earnings for the purposes of basic and diluted earnings per share (profit attributable to equity holders of the Company)	**238,912**	203,109

	Six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**954,524**	830,000
Effect of dilutive potential ordinary shares:		
Options	**3,849**	6,377
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**958,373**	836,377

Note: The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the shares issued upon the exercise of share options on 12 March 2008.

6. Trade and Other Receivables

	At 30 June 2008 (Unaudited) *RMB'000*	At 31 December 2007 (Audited) *RMB'000*
Trade receivables		
— associates	**24,678**	25,094
— jointly controlled entities	**7,302**	5,811
— third parties	**396,487**	314,633
Less: allowance for doubtful debts	**(1,120)**	(1,120)
	427,347	344,418
Bill receivables	**17,276**	21,249
	444,623	365,667
Other receivables	**44,989**	21,692
Less: allowance for doubtful debts	**(1,002)**	(1,133)
	488,610	386,226
Prepayments	**60,625**	43,822
Total trade and other receivables	**549,235**	430,048

The following is an aged analysis of trade receivables and bills receivables net of allowance for doubtful debts at the balance sheet date:

	At 30 June 2008 (Unaudited) *RMB'000*	At 31 December 2007 (Audited) *RMB'000*
Age		
0–90 days	**418,896**	350,505
91–180 days	**17,336**	8,686
181–365 days	**7,812**	6,271
1–2 years	**579**	205
	444,623	365,667

7. Trade and Other Payables

	At 30 June 2008 (Unaudited) *RMB'000*	At 31 December 2007 (Audited) *RMB'000*
Trade payables		
— associates	**18,485**	3,326
— jointly controlled entities	**2,261**	2,462
— third parties	**204,400**	148,742
	225,146	154,530
Bills payables	**15,492**	11,035
	240,638	165,565
Payroll and welfare payables	**20,817**	30,670
Advance from customers	**27,476**	4,836
Consideration payable of acquisition of property, plant and equipment	**6,969**	32,192
Dividend payable to minority owners of subsidiaries	**1,372**	1,372
Technology support services fees payable	**13,745**	20,143
Others	**26,097**	29,888
	337,114	284,666

The following is an aged analysis of trade payables and bills payable at the balance sheet date:

	At 30 June 2008 (Unaudited) *RMB'000*	At 31 December 2007 (Audited) *RMB'000*
Age		
0–90 days	**235,245**	163,763
91–180 days	**4,639**	554
181–365 days	**381**	267
1–2 years	**273**	907
Over 2 years	**100**	74
	240,638	165,565

DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 30 June 2008 (2007: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

During the Review Period, the sales volume of passenger cars in China reached approximately 3,609,000 units, representing an increase of approximately 17.07% as compared with the same period of last year. Generally speaking, due to the adverse impact of natural disasters and increase in oil prices, the growth of the Chinese automobile industry has slowed down, but the overall upward growth trend remained.

The Group is principally engaged in the design, manufacture and sale of trim, decorative parts and body structural parts for passenger cars in the Chinese, North American, Thai and Japanese automobile parts market. During the Review Period, the Group grew steadily and achieved remarkable performance as propelled by the growth of passenger cars market.

RESULTS

During the Review Period, the Group's turnover was approximately RMB941,999,000, representing an increase of approximately 47.9% as compared with approximately RMB636,905,000 in the same period of 2007. Net profit attributable to equity holders was approximately RMB238,912,000, representing an increase of approximately 17.6% from approximately RMB203,109,000 in the same period of 2007, or representing an increase of approximately 39.1% if foreign exchange losses of approximately RMB43,543,000 were excluded.

Market Layout

Domestic Market

During the Review Period, through enhanced corporate management, optimization in production and operational efficiency as well as new product and business development, the market leadership of the Group was further strengthened. The Group acquired more market share and became even more competitive. In terms of operational strategy, during the Review Period, in order to enlarge its production capacity reserve, the Group had acquired the controlling interests in Jiaxing Situ Automotive Co., Ltd, Jiaxing Guowei Automotive Parts Co., Ltd and Huzhou Minhai Automotive Parts Co., Ltd respectively by leveraging its internal resources. It also acquired partial interests in Haimen Xinhai Special Chrome Plating Co., Ltd as an advancement of vertical integration and formed a joint venture partnership with DURA Automotive Handels und Beteiligungs GmbH ("DURA"), a renowned global automobile parts supplier, and further cooperated with the existing joint venture partners. During the Review Period, the Group continued to supply the factories of joint ventures established by multinational automakers which included Honda Motor Company ("Honda"), Nissan Motor Co., Ltd ("Nissan"), Toyota Motor Corporation ("Toyota"), General Motors Corporation ("GM"), Ford Motor

Company ("Ford"), Chrysler Motors LLC ("Chrysler"), Bayerische Motoren Worke ("BMW"), Volkswagen AG Group ("Volkswagen"), PSA Peugeot-Citroen ("Peugeot-Citroen") and Hyundai Motor Company ("Hyundai") in line with the launch of many brand new car models successively.

Overseas sales

During the Review Period, the Group's turnover from overseas market was approximately RMB176,347,000, increased by approximately RMB73,708,000 or approximately 71.8% as compared with the same period in 2007. This was attributable to the Group's endless pursuit of overseas partnership taking advantage of its existing overseas network and using low-cost advantages to consolidate its overseas bases such as Plastic Trim International, Inc. in North America, Minth Aapico (Thailand) Co., Ltd in Thailand and the global sales and service network. During the Review Period, the Group had successfully become a supplier of Nissan North America, Ford North America, Nissan Thailand, Ford India and GM Opel in Germany. It also expanded and penetrated its sales among existing overseas customer base. In order to reduce the impact of the expected worsened global environment on the Group as a result of the combination of price hike in oil, steel and US dollar depreciation, the Group had deepened cooperation and established strategic partnerships with the Original Equipment Manufacturers ("OEMs") and global partners.

RESEARCH AND DEVELOPMENT

During the Review Period, the Group continued to focus on research and development. It developed 103 new projects for its core product categories. During the Review Period, the Group submitted 42 patent applications which were being processed for approval, and was awarded 89 patents from the relevant authority, all of which exceed the total number in 2007. More importantly, during the Review Period, given its specific business models and market condition, the Group has adjusted its strategy to concentrate more on high value-added projects. During the Review Period, the Group continued to work closely with its customers such as GM, Ford and Nissan on concurrent design projects globally, aimed at moving up the value chain. During the Review Period, the Group had widely adopted advanced technical know-how to improve its process technology and manufacturing capability, minimize waste in labor, material and equipment utilization at the phases of both product development and manufacture, so as to enhance the competitiveness of the Group having brought about considerable economic gains and social effects.

FINANCIAL REVIEW

During the Review Period, the Group achieved remarkable performance in terms of both turnover and net profit.

For the six months ended 30 June 2008, the Group's turnover was approximately RMB941,999,000, representing an increase of approximately 47.9% and approximately 22.0% respectively when compared with the same period in 2007 and the second half of 2007. This was attributable to the Group's consolidation of its existing market and the development of new markets.

For the six months ended 30 June 2008, the Group's profit attributable to shareholders was approximately RMB238,912,000, representing an increase of approximately 17.6% and approximately 52.4% when compared with the corresponding period in 2007 and the second half of 2007. The increase was mainly due to the Group's focus on cost and expense control while expanding its sales to maintain a stable profitability, thus offsetting the adverse impact of market slow-down, energy resources costs and labor costs, etc.

COST CONTROL

The Group put great emphasis on cost control while rapidly developing its business. During the Review Period, the gross profit margin was approximately 37.8%, representing a decline of approximately 2.3% from approximately 40.1% in the same period of 2007, or representing a decline of approximately 0.4% from approximately 38.2% in the second half of 2007. This was mainly due to the Group's initiative adjustment in its product structure to cope with the impacts from the macro-economic situation such as price hike in raw materials and price reduction in final products. However, the Group was still able to maintain an overall decent level of gross profit margin contributed by its effective control of purchasing cost and launch of lean production, which was an advanced production system of Toyota.

INTEREST INCOME

During the Review Period, the interest income of the Group was approximately RMB16,422,000, representing an increase of approximately RMB14,259,000 from approximately RMB2,163,000 in the corresponding period of 2007. This was mainly due to the increase in the interest income generated from the Group's sufficient cash after the Group's share placement in July 2007.

OTHER INCOME

During the Review Period, other income amounted to approximately RMB33,611,000, which remained at similar level as compared to approximately RMB36,496,000 in the same period of 2007.

OTHER GAINS AND LOSSES

During the Review Period, other gains and losses amounted to approximately RMB32,471,000, losses representing an increase of net losses of approximately RMB38,900,000 compared to approximately RMB6,249,000 net gains in the same period of 2007. This was primarily due to RMB appreciation against US dollars and HK dollars which resulted in foreign exchange losses of approximately RMB43,543,000 after the share placement in July 2007. The Group has delegated a team responsible for the planning of related work. As at 30 June 2008, the net value of the Group's foreign currency denominated monetary assets tied to US dollars amounted to approximately US$9,910,000 (equivalent to approximately RMB67,446,000) after a subtraction of monetary liabilities.

DISTRIBUTION AND SELLING EXPENSES

During the Review Period, the Group's overall distribution and selling expenses amounted to approximately RMB20,896,000, representing an increase of approximately 11.1% from approximately RMB18,802,000 in the same period of 2007. The proportion of distribution and selling expenses to turnover was approximately 2.2%, representing a decrease of 0.8% as compared to approximately 3.0% in the corresponding period of 2007. This was attributed to the economies of scale resulted from the Group's rapid development.

ADMINISTRATIVE EXPENSES

During the Review Period, administrative expenses amounted to approximately RMB68,679,000, representing an increase of approximately 35.3% from approximately RMB50,765,000 in the same period of 2007. The proportion of administrative expenses to turnover was approximately 7.3%, representing a decrease of approximately 0.7% as compared to approximately 8.0% in the corresponding period of 2007. This was mainly due to the Group's stringent control of management costs and proper allocation of administrative expenses when pursuing rapid business development.

OTHER EXPENSES

Other expenses refer to the Group's research and development expenditure. During the Review Period, other expenses amounted to approximately RMB31,252,000, representing an increase of approximately 72.7% compared to approximately RMB18,091,000 in the same period of 2007. This was attributable to the Group's rapid increase in research and development expenditure so as to sustain its competitiveness and to enhance its research and development capabilities.

TAXATION

During the Review Period, the Group's taxation increased by approximately RMB4,637,000 from approximately RMB18,498,000 in the first six months of 2007 to approximately RMB23,135,000.

During the Review Period, the Group's effective tax rate was approximately 8.7%, representing an increase of approximately 0.5% from approximately 8.2% for the first six months of 2007. This was mainly due to the Group's withholding income tax provision on dividends in 2008.

LIQUIDITY AND FINANCIAL SITUATION

As at 30 June 2008, the Group's bank balances and cash totaled approximately RMB1,151,852,000, representing an increase of approximately RMB208,846,000 compared to that as at 31 December 2007. As at 30 June 2008, the Group's low-cost borrowing amounted to approximately USD61,008,000 (equivalent to approximately RMB418,463,000), constituting an increase of approximately RMB301,364,000 compared to that at the end of 2007, which was mainly used for expanding business scale, purchasing properties, plants and equipment, establishing overseas sales networks and a series of investment activities designated for consolidating and developing strategic alliances.

As at 30 June 2008, the net cash inflow from the Group's business activity was approximately RMB163,109,000, which was in a sound status.

There is no seasonality in the Group's borrowing requirements.

The Group believes that during the Review Period, the favorable performance in sales, production, research and development, as well as healthy cash reserves have laid a solid foundation for the sustained growth in the future.

CAPITAL COMMITMENTS

As of 30 June 2008, the Group had the following commitments:

	RMB'000
Operating lease arrangements	3,793
Capital commitments	106,673

Operating lease arrangements refer to the minimum rental payments on land and properties lease commitment. The term of the lease is to be negotiated from one to five years and the rental payment will be agreed upon accordingly. Capital commitments refer to the capital expenditure for the purchase of property, plants and equipment for which agreements have been signed but payment has not yet made as well as agreed investments in associated companies.

INTEREST RATE AND FOREIGN EXCHANGE RISKS

During the Review Period, the Group's bank loan balance was approximately USD61,008,000 (equivalent to approximately RMB418,463,000) which was repayable in US dollars with a floating rate. The aforesaid borrowings had no seasonality, among which approximately RMB384,167,000 has a maturity period of one year while the balance matures within fifteen months.

Most of the Group's sales and procurements are calculated in Renminbi ("RMB"). The Group does not expect the exchange rate fluctuation would have a material adverse impact on the Group's sales and procurement activities.

All cash and cash equivalents of the Group are denominated in RMB, Hong Kong dollars, United States dollars, Euro and Japanese yen. Remittance of funds out of the PRC is subject to the exchange control restrictions imposed by the PRC government.

CONTINGENT LIABILITIES

As of 30 June 2008, the Group had no contingent liabilities (2007: Nil).

MORTGAGED ASSETS

As of 30 June 2008, the Group had borrowed approximately USD57,952,000 (equivalent to approximately RMB397,501,000) by mortgaging a fixed deposit of RMB35,600,000 with maturity period of one year and a structured deposit of approximately RMB576,452,000. This loan is to be settled in United States dollars (2007: Nil).

CAPITAL EXPENDITURE

As of 30 June 2008, the Group's investment in property, plant and equipment, construction in progress and land use rights amounted to approximately RMB143,994,000. These capital investments were attributable to the increase of the production capacity and the expansion of facilities as well as acquiring land use rights through the acquisition of the Group's subsidiaries.

SUBSTANTIAL ACQUISITIONS AND DISPOSALS

Apart from what was disclosed in this announcement, the Group made no substantial acquisitions or disposals during the Review Period.

EMPLOYEES

As of 30 June 2008, the Group had a total number of 4,204 employees, an increase of 398 employees compared to that as of 31 December 2007. This increase was the result of the advancement of the Group's research and development capabilities and its enlargement of production scale. Amongst the newly recruited staff, 9.9% were serving in research and development, 63.1% in manufacturing, and the remaining 27% in the administrative section.

During the Review Period, the Group has improved the welfare and salaries of the employees. It had been persistent in adopting stable welfare policy by providing statutory medical insurance, pension insurance and offered certain senior employees with commercial medical insurance as a complement to the basic statutory medical insurance. On the other hand, benefiting from economies of scale and improvement in management, the Group effectively utilized human resources so as to make the growth rate in human resources for the Review Period lower than that of the Group's turnover growth rate. Further, the Group had organized employee training to guarantee further human resource development and team set-ups.

SHARE OPTION SCHEME

The Company has adopted a share option scheme which was approved by shareholders of the Company on 13 November 2005 (the "Share Option Scheme"). On 4 July 2008 and pursuant to the Share Option Scheme, the Board of Directors of the Company approved the grant of 20,800,000 share options to Participants (as defined in such Share Option Scheme). Such Participants are entitled to exercise the options in the period commencing 1 February 2010 and ending 12 November 2013. The price per share payable by the Participants upon the exercise of such options was determined in accordance with the

Listing Rules and represents the average closing price of the shares of the Company for the five trading days preceding the date of grant of such options. The Directors do not expect any material adverse impact on the group's financials as a result of the grant of such options.

OUTLOOK & STRATEGY

The Directors believe that in the long run, the prospects for the Chinese passenger cars market remains optimistic. In the global market, the increase in oil and steel prices has impacted the consumer preferences for passenger cars, however, the major customers of the Group still managed to achieve remarkable performance. Hence the Directors believe that, the long-term and close cooperative relationships with those customers will lead the Group at the forefront of the industry. Furthermore, the everlasting pursuit of cost control in the context of raw material and labor costs will enable the Group to maintain solid profit margin and market share while other competitors' profits retract.

Facing the current global market growth trend, the Group will be more focused on customer selection, customer response, and close follow-up for the passenger cars market. The Group will still concentrate on its business in the domestic market and persistently seek overseas expansion in potential emerging market while keeping an eye on the more mature markets.

Taking advantage of technology innovation and technique improvement, high-quality product launch, supplier service and management, combined with its prudential, down-to-earth attitude and global strategy and vision, the Group will further strengthen its leading position in the industry and will play a more and more important role in the overseas market.

PURCHASE, SALE, OR REDEMPTION OF LISTED SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the Review Period.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES AND COMPLIANCE WITH MODEL CODE

None of the Directors is aware of any information that would reasonably indicate that the Company was not at any time during the Review Period in compliance with the Code on Corporate Governance Practice as set out in Appendix 14 to the Listing Rules.

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the Company's code of conduct and rules governing dealings by all Directors in the securities of the Company. Having made specific enquiry of all Directors, the Company has been informed that they had strictly complied with the Model Code during the Review Period.

AUDIT COMMITTEE

The Company has an audit committee consisting of three independent non-executive directors, Mr. Heng Kwoo Seng (chairman of the Audit Committee), Dr. Wang Ching and Mr. Zhang Li Ren. The audit committee reviews the systems of internal control and the completeness and accuracy of the financial statements and liaises on behalf of the directors with external auditors. The committee members meet regularly with the Company's management and external auditors to review audit reports as well as the interim and annual financial statements, as the case may be, of the Group. It has reviewed this interim report and the unaudited consolidated financial statements for the six months ended 30 June 2008, and recommended their adoption by the Board.

By order of the Board
Minth Group Limited
Chin Jong Hwa
Chairman

Hong Kong, 8 September 2008

As the date of this announcement, the board of directors comprises Mr. Chin Jong Hwa, Mr. Shi Jian Hui, Mr. Mu Wei Zhong, and Mr. Zhao Feng, being executive Directors, Mr. Mikio Natsume, Mr. Tokio Kurita, and Ms. Yu Zheng being non-executive Directors, Mr. Heng Kwoo Seng, Dr. Wang Ching and Mr. Zhang Liren being independent non-executive Directors.