MINTH
敏實集團

MINTH GROUP LIMITED
敏實集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 425)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

FINANCIAL HIGHLIGHTS

- Revenue rose by approximately 27.3% to approximately RMB5,510.4 million (2012: approximately RMB4,329.9 million).
- Gross profit rose by approximately 26.8% to approximately RMB1,818.6 million (2012: approximately RMB1,434.0 million).
- Profit attributable to owners of the Company increased by approximately 15.5% to approximately RMB971.3 million (2012: approximately RMB841.2 million).
- Basic earnings per share increased to approximately RMB0.896 (2012: approximately RMB0.781).
- Proposed final dividend amounted to HKD0.453 per share (2012: HKD0.385).
- Capital expenditure increased by approximately 38.0% to approximately RMB936.6 million (2012: approximately RMB678.7 million).
- Consolidated net asset value rose by approximately 10.6% to approximately RMB7,718.4 million (2012: approximately RMB6,981.8 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 2013 ("Review Year"), together with the comparative figures for the year ended 31 December 2012 which have been reviewed by the audit committee of the Company ("Audit Committee") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

	NOTES	2013 RMB'000	2012 RMB'000
Revenue	3	**5,510,385**	4,329,906
Cost of sales		**(3,691,820)**	(2,895,867)
Gross profit		**1,818,565**	1,434,039
Investment income		**97,325**	67,838
Other income		**129,817**	106,019
Other gains and losses		**100,697**	117,397
Distribution and selling expenses		**(171,764)**	(130,115)
Administrative expenses		**(459,828)**	(347,155)
Research expenditure		**(259,782)**	(231,840)
Interest on borrowings wholly repayable within five years		**(63,172)**	(26,737)
Share of profits of joint ventures		**1,141**	24,703
Share of profits of associates		**32,203**	29,927
Profit before tax		**1,225,202**	1,044,076
Income tax expense	4	**(195,788)**	(147,695)
Profit for the year		**1,029,414**	896,381
Other comprehensive (expense) income:			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		**(39,238)**	3,624
Fair value (loss) gain on available-for-sale investments		**(17,687)**	32,653
Income tax relating to items that may be reclassified to profit or loss		**2,653**	(4,846)
Other comprehensive (expense) income for the year (net of tax)		**(54,272)**	31,431
Total comprehensive income for the year		**975,142**	927,812

	NOTE	2013 RMB'000	2012 RMB'000
Profit for the year attributable to:			
Owners of the Company		**971,338**	841,159
Non-controlling interests		**58,076**	55,222
		1,029,414	896,381
Total comprehensive income attributable to:			
Owners of the Company		**921,709**	872,314
Non-controlling interests		**53,433**	55,498
		975,142	927,812
Earnings per share	*6*		
Basic		**RMB0.896**	RMB0.781
Diluted		**RMB0.888**	RMB0.778

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2013

	NOTES	**2013** **RMB'000**	2012 RMB'000
Non-current assets			
Property, plant and equipment		**2,545,896**	1,889,471
Prepaid lease payments		**508,356**	457,238
Goodwill		**15,276**	15,276
Other intangible assets		**40,199**	33,239
Interests in joint ventures		**79,486**	101,512
Interests in associates		**117,290**	132,116
Available-for-sale investments		**172,447**	190,134
Loan receivables		**89,615**	–
Deferred tax assets		**78,208**	51,442
		3,646,773	2,870,428
Current assets			
Prepaid lease payments		**11,809**	11,046
Inventories	7	**928,173**	697,089
Loan receivables		**51,882**	26,697
Trade and other receivables	8	**1,939,352**	1,322,783
Derivative financial assets		**8,702**	31,306
Pledged bank deposits		**786,746**	285,060
Bank balances and cash		**4,119,191**	4,130,051
		7,845,855	6,504,032
Current liabilities			
Trade and other payables	9	**1,201,345**	836,729
Tax liabilities		**106,552**	53,778
Borrowings		**2,385,330**	1,271,398
Derivative financial liabilities		**4,434**	4,670
		3,697,661	2,166,575
Net current assets		**4,148,194**	4,337,457
Total assets less current liabilities		**7,794,967**	7,207,885

	2013	2012
	RMB'000	*RMB'000*
Capital and reserves		
Share capital	**110,342**	109,206
Share premium and reserves	**7,346,410**	6,664,340
Equity attributable to owners of the Company	**7,456,752**	6,773,546
Non-controlling interests	**261,694**	208,248
Total equity	**7,718,446**	6,981,794
Non-current liabilities		
Deferred tax liabilities	**51,521**	39,509
Borrowings	**25,000**	186,582
	76,521	226,091
	7,794,967	7,207,885

NOTES TO THE 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. Its registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 1 December 2005. The Company acts as an investment holding company with its subsidiaries (the "Group") engaged in the design, develop, manufacture, process and sales of automobile body parts and moulds.

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

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

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

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009–2011 Cycle
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

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

Impact of the application of HKFRS 11

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures*, and the guidance contained in a related interpretation, HK(SIC) – Int 13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*, has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 contemplated three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was classified as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

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

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint ventures and associates. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs.

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

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

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to HKAS 1 Presentation of Items of Other Comprehensive Income. Upon the adoption of the amendments to HKAS 1, the Group's 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle[2]
HKFRS 9	Financial Instruments[3]
HKFRS 14	Regulatory Deferral Accounts[5]
HK(IFRIC)-Int 21	Levies[1]

[1] Effective for annual periods beginning on or after January 1, 2014
[2] Effective for annual periods beginning on or after July 1, 2014
[3] Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised
[4] Effective for annual periods beginning on or after July 1, 2014, with limited exceptions
[5] Effective for first annual HKFRS financial statements beginning on or after January 1, 2016

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition and further amended in 2013 to include the new requirements for hedge accounting.

Key requirements of HKFRS 9 are described below:

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

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

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 Investment Entities

The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;

- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investment entities.

The Directors do not anticipate that the investment entities amendments will have any effect on the Group's consolidated financial statements as the Company is not an investment entity.

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

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

The Directors do not anticipate that the application of these amendments to HKAS 36 will have a significant impact on the Group's consolidated financial statements.

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

3. SEGMENT INFORMATION

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

Segment revenues and results

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

For the year ended 31 December 2013

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

For the year ended 31 December 2012

	PRC *RMB'000*	North America *RMB'000*	Europe *RMB'000*	Asia Pacific *RMB'000*	Consolidated *RMB'000*
Revenue					
External sales	3,019,093	704,998	240,383	365,432	4,329,906
Segment profit	966,683	250,913	82,379	116,807	1,416,782
Investment income					67,838
Other unallocated income, gains and losses					223,416
Unallocated expenses					(691,853)
Interest on borrowings wholly repayable within five years					(26,737)
Share of profits of joint ventures					24,703
Share of profits of associates					29,927
Profit before tax					1,044,076
Income tax expense					(147,695)
Profit for the year					896,381

Segment profit represents the gross profit earned by each segment after adjusting impairment of trade receivables relating to its sales. This is the measure reported to the Board for the purposes of resource allocation and performance assessment.

4. INCOME TAX EXPENSE

	2013 ***RMB'000***	2012 *RMB'000*
Current tax:		
PRC Enterprise Income Tax	**211,352**	151,660
Other jurisdictions	**842**	1,182
Withholding tax paid	**11,389**	7,938
	223,583	160,780
Over provision in prior years:		
PRC Enterprise Income Tax	**(12,841)**	(4,364)
Other jurisdictions	**(7)**	(201)
	(12,848)	(4,565)
Deferred tax		
Current year credit	**(14,876)**	(7,854)
Attributable to a change in tax rate	**(71)**	(666)
	(14,947)	(8,520)
	195,788	147,695

5. DIVIDENDS

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

In the annual general meeting held on 24 May 2013, a final dividend of HK$0.385 (2012: HK$0.271) per share in respect of the year ended 31 December 2012 was approved by the shareholders and subsequently paid to the shareholders of the Company.

A final dividend of HK$0.453 per share for the year ended 31 December 2013 has been proposed by the Directors and is subject to approval by the shareholders in the annual general meeting to be held on 29 May 2014.

6. 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:

	2013	2012
	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)	**971,338**	841,159

	2013	2012
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,083,996**	1,077,068
Effect of dilutive potential ordinary shares:		
Options *(note)*	**9,842**	4,294
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,093,838**	1,081,362

Note: Certain outstanding share options of the Company ("Share Options") have not been included in the computation of diluted earnings per share for the year ended 31 December 2012 as they did not have dilutive effect to the Company's earnings per share because the exercise prices of these options were higher than the average market prices of the Company's shares during 2012.

7. INVENTORIES

	2013	2012
	RMB'000	*RMB'000*
Raw materials	**281,605**	235,773
Work in progress	**176,437**	152,053
Finished goods	**167,355**	133,250
Moulds	**302,776**	176,013
	928,173	697,089

8. TRADE AND OTHER RECEIVABLES

	2013	2012
	RMB'000	*RMB'000*
Trade receivables		
– associates	**14,654**	11,129
– joint ventures	**54,638**	76,967
– non-controlling shareholders of subsidiaries	**18,802**	10,888
– third parties	**1,406,351**	866,434
Less: Allowance for doubtful debts	**(10,557)**	(16,500)
	1,483,888	948,918
Bill receivables	**118,655**	83,679
	1,602,543	1,032,597
Other receivables	**51,742**	53,510
Less: Allowance for doubtful debts	**(1,547)**	(3,290)
	1,652,738	1,082,817
Prepayments	**223,560**	158,518
Value-added tax recoverable	**58,054**	56,214
Refundable guarantee deposit for acquisition of land use rights	**5,000**	20,000
Dividend receivable from a joint venture	**–**	5,234
Total trade and other receivables	**1,939,352**	1,322,783

The Group normally grants a credit period of 60 days to 90 days (2012: 60 days to 90 days) to customers effective from the date when the goods are delivered and accepted by customers. The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	2013	2012
	RMB'000	*RMB'000*
Age		
0 to 90 days	**1,420,096**	894,750
91 to 180 days	**40,634**	42,574
181 to 365 days	**14,401**	8,951
Over 1 year	**8,757**	2,643
	1,483,888	948,918

Bill receivables held by the Group as at 31 December 2013 will mature within 6 months (31 December 2012: within 6 months).

9. TRADE AND OTHER PAYABLES

	2013	2012
	RMB'000	*RMB'000*
Trade payables		
– associates	**9,281**	12,422
– joint ventures	**32,716**	42,590
– non-controlling shareholders of subsidiaries	**12,967**	12,903
– third parties	**693,719**	463,620
	748,683	531,535
Payroll and welfare payables	**155,311**	112,313
Advance from customers	**17,916**	14,456
Consideration payable of acquisition of property, plant and equipment	**71,407**	60,088
Technology support services fees payable	**14,364**	14,587
Freight and utilities payable	**56,954**	31,044
Interest payable	**7,435**	1,630
Rental payable	**2,553**	1,628
Received deposits	**17,571**	3,312
Consideration payables of acquisition of a subsidiary	**4,372**	–
Dividend payable to minority owners of subsidiaries	**900**	–
Others	**103,879**	66,136
Total trade and other payables	**1,201,345**	836,729

The average credit period on purchases of goods is 30 days to 90 days (2012: 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:

	2013	2012
	RMB'000	*RMB'000*
Age		
0 to 90 days	**724,424**	491,211
91 to 180 days	**15,959**	33,940
181 to 365 days	**1,835**	4,715
1 to 2 years	**5,620**	864
Over 2 years	**845**	805
	748,683	531,535

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

During the Review Year, the Chinese economy maintained a steady growth, of which automobile consumption market became a relatively remarkable part. During the Review Year, China's passenger vehicle market achieved a relatively fast growth, with production and sales of approximately 18.085 million units and approximately 17.929 million units respectively, representing a year-on-year increase of approximately 16.5% and approximately 15.7% respectively, which surpassed market expectation at the beginning of the Review Year. Given the upgrade in consumption structure together with the continuous refinement of automobile consumption market, more cities may be subject to purchase quota control while the market focus will be placed throughout the entire year.

The consecutive record-high vehicle sales globally were mainly benefited from the growth momentum of the automobile consumption market in China and North America. The automobile market in the US maintained an upward trend, marking the best performance in the past six years. The local automobile market in Japan underperformed compared with the strong demand in vehicle exports. The overall traditional automobile market in Europe saw a slight decrease yet starting to make a recovery. The emerging market, leading by Brazil and India, recorded a declining performance to different extents.

Amid exchange rate fluctuation, rising costs and high logistics expenses, China's auto parts enterprises actively set foot in technology-driven investment in overseas markets, and focused on establishing overseas factories. In the meantime, China auto parts enterprises diversified their development through global procurement, lean production and aftermarket business development.

COMPANY OVERVIEW

The Group is dedicated to becoming a global supplier engaged in the design, manufacture and sale of trims, decorative parts, body structural parts and other related auto parts for customers worldwide. The manufacturing bases in China, the US, Mexico, Thailand and Germany spread over major markets of its customers. With the support of the technical centers in Japan and North America, the Group can satisfy the growing demand of customers in the global market.

Better-than-expected market performance, an increase in production orders of major customers, the sales recovery of Japanese OEMs and new orders from global platform vehicles drove a steady increase in the overall revenue of the Group. The growth rate of the revenue in the second half of the Review Year was faster than that of the first half of the Review Year. In addition, overseas market share and the export revenue of the Group continued to remain a sound and upward trend.

Focusing on the integration of developing both mature markets and emerging markets, the Group extensively engaged in the concurrent design of the new vehicle models with OEMs, and increased orders of global platform vehicles and overseas business. Technological breakthrough in new material application and expansion in new product markets, such as roof racks and aluminum products, laid a solid foundation for the Group's future development. The Group commenced technical collaboration with major suppliers in order to build up its advantages in costs and technology development of new products, motivate strategic cooperation with core suppliers and enhance systematic and quality management. The Group actively promoted globalization, streamlined organizational structure, improved quality management, and learnt the management of advanced research and development ("R&D") system in the industry while focusing on the enhancement of R&D capability with an aim to establish domestic and overseas intellectual property protection systems to protect our R&D achievements.

BUSINESS AND OPERATION LAYOUT

The Group is becoming a globalized supplier through concurrent design in global platform vehicles, a global supply chain based on a global layout and the increase in overseas market share and revenue. During the Review Year, the domestic revenue of the Group was approximately RMB3,766,651,000, representing an increase of approximately 24.8% compared with approximately RMB3,019,093,000 in 2012. With the gradual development of major overseas markets, new orders of global platform vehicles and the gradual increase in production capacity of the plants in Mexico, the Group's overseas revenue achieved a sustainable growth to approximately RMB1,743,734,000, representing an increase of approximately RMB432,921,000 or approximately 33.0% as compared with approximately RMB1,310,813,000 in 2012.

Benefited from the local design resulted from the demand of the Chinese market, the cost advantage arising from the depreciation of Japanese Yen ("JPY") and the strengths of upgraded vehicle models, the sales from Japanese OEMs in Chinese market were quickly restored and demonstrated a quick rising trend, especially in the second half of the Review Year. Better-than-expected market performance and the increase of sales from Japanese OEMs motivated the growth of the Group's domestic sales. The Group officially entered into Honda‘s global procurement system, and obtained full access to its global platform vehicles and engaged in the global concurrent design and development of the auto parts of Honda's new vehicle models. The Group achieved global development with Japanese major customers.

The sales of SUV vehicle model have been poised to surge in recent years by drawing public attention and raising the awareness of OEMs in the SUV market. There is an increasing number of OEMs setting foot the in SUV segment. The roof rack market obtained sustainable growth due to the remarkable sales in SUV vehicle models. As OEMs will continuously invest in SUVs, the growth potential of the roof rack market has been increased. The Group has been devoting itself in developing the roof rack market and has become a major supplier of roof racks. In addition to consolidating the Japanese and Korean OEM markets, the Group also actively expanded its OEM business in Europe and the U.S. and obtained orders at a fast-growing rate. Roof rack has become a separate product segment of the Group and a crucial orientation of its future development.

The Group will continue to invest in and develop new material markets. With the expansion and completion in the production base for aluminum products, the vertical integration of business chain can support the long-term development of aluminum products. During the Review Year, the Group penetrated into the global aluminum business of General Motors and gained the recognition of other European and American OEMs, representing a breakthrough in the technological application of aluminum products. The Group will keep seeking technical recognition from OEMs and expanding the application of aluminum products. During the Review Year, the Group obtained large amount of new orders of aluminum products. It is expected that the future demand in aluminum products will grow quickly and facilitate the increase in the overall revenue of the Group in the next few years.

In respect of investment, the Group acquired 100% equity interest in a German company, CST GmbH, at a consideration of approximately 2.84 million Euros ("EUR") on 25 March 2013. The acquisition further expanded the global footprint of the Group and met the customers' local production requirements, which helped the Group acquire core technology and essential resources in Europe for it to seize favorable business opportunities in the European markets. Expansion based on CST GmbH has commenced. Furthermore, the operation and expansion of production bases in Northern China, such as Beijing, relieved the capacity restriction of the Group to better serve its customers. The Group will also reinforce the existing partnership and cooperate with market leaders with an aim to exploring development opportunities in the global market.

Research and Development

During the Review Year, the Group remained attentive to the technical development of auto parts for welfare vehicles and new energy vehicles as well as aluminum products. The Group also increased its technical R&D and reserves for high-strength steel products. It continued to increase the investment in technical resources and breakthrough in respect of the application of new materials and new technologies. Amid increasing global concurrent design orders, the Group obtained comprehensive advantages in technology by integrating European advanced technology and China's low R&D cost, meanwhile achieved a breakthrough in technical barriers through internal R&D. The Group will continue to focus on cost control and automation, targeting on the overall improvement of product development in quality, cost, delivery, technology and management.

The Group continued its emphasis on protecting its intellectual property rights. It obtained a certificate of protection system of intellectual property rights and actively applied for international patents.

FINANCIAL REVIEW

RESULTS

During the Review Year, the Group's revenue was approximately RMB5,510,385,000, representing an increase of approximately 27.3% from approximately RMB4,329,906,000 in 2012. It was mainly attributable to the fact that the Group achieved positive growth in revenue both in the domestic and overseas markets due to the Group's insightful layout for the domestic and overseas markets, given better-than-expected domestic market performance, stable growth in major overseas markets as well as an increase in the global platform vehicle orders.

During the Review Year, the profit attributable to owners of the Company was approximately RMB971,338,000, representing an increase of approximately 15.5% from approximately RMB841,159,000 in 2012. It was mainly attributable to an increase in revenue and stringent cost and expense control continuously adopted by the Group, resulting in an overall positive profitability for the Group.

Sales of Products

During the Review Year, the Group continued to focus on its core products, such as trims, decorative parts and body structural parts which were mainly supplied to plants of the major global OEMs.

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

	2013		2012	
	RMB'000	***%***	*RMB'000*	*%*
Customer category				
PRC	**3,766,651**	**68.4**	3,019,093	69.7
Asia Pacific	**409,337**	**7.4**	365,432	8.4
North America	**910,839**	**16.5**	704,998	16.3
Europe	**423,558**	**7.7**	240,383	5.6
Total	**5,510,385**	**100.0**	4,329,906	100.0

Overseas Market Revenue

During the Review Year, the Group's revenue that comes from overseas markets was approximately RMB1,743,734,000, representing a growth of approximately 33.0% from approximately RMB1,310,813,000 in 2012. The proportion of such revenue grew to approximately 31.6% of the total revenue in 2013 from approximately 30.3% in 2012.

Gross Profit

During the Review Year, the Group's gross profit was approximately RMB1,818,565,000, representing an increase of approximately 26.8% from approximately RMB1,434,039,000 in 2012. The gross profit margin was approximately 33.0% in 2013, representing a slight decrease of approximately 0.1% from approximately 33.1% in 2012. It was mainly attributable to the continuous pressure from the decline in product price, the rise in labor costs and appreciation of RMB. The Group persistently undertook measures including continuous improvement in the manufacturing technologies, a greater utilization rate of materials and implementation of a centralized procurement policy to enhance the efficiency of production and management so as to maintain the overall gross profit margin at a decent level.

Other Income

During the Review Year, other income of the Group amounted to approximately RMB129,817,000, representing an increase of approximately RMB23,798,000 as compared to approximately RMB106,019,000 in 2012. It was mainly attributable to an increase in commission income.

Other Gains and Losses

During the Review Year, the Group's other gains and losses amounted to a net gain of approximately RMB100,697,000, representing a decrease of approximately RMB16,700,000 as compared to the net gain of approximately RMB117,397,000 in 2012. It was mainly attributable to a decrease in the gain from forward exchange contracts which was entered into by the Group in response to foreign currency risk to mitigate adverse effects of fluctuations of exchange rates on gross profit margin.

Distribution and Selling Expenses

During the Review Year, the Group's distribution and selling expenses amounted to approximately RMB171,764,000, representing an increase of approximately RMB41,649,000 from approximately RMB130,115,000 in 2012. It accounted for approximately 3.1% of the revenue of the Group, representing an increase of approximately 0.1% from approximately 3.0% in 2012. It was mainly attributable to an increase in expense resulting from active expansion into overseas business by the Group during the Review Year.

Administrative Expenses

During the Review Year, the administrative expenses of the Group amounted to approximately RMB459,828,000, representing an increase of approximately RMB112,673,000 from approximately RMB347,155,000 in 2012, accounting for approximately 8.3% of the Group's revenue, representing an increase of approximately 0.3% as compared to approximately 8.0% in 2012. It was mainly attributable to a rise in labor costs arising from introduction of high-level personnel for maintaining competitiveness under the growth of the Group's revenue and an increase in expenses arising from expansion of new businesses.

Research Expenditures

During the Review Year, the research expenditures of the Group amounted to approximately RMB259,782,000, representing an increase of approximately RMB27,942,000 from approximately RMB231,840,000 in 2012. It was mainly attributable to an increase in labor costs arising from the Group's introduction of high-level R&D personnel in order to maintain its market competitiveness, sustainability and to enhance its R&D capabilities.

Share of Profits of Joint Ventures

During the Review Year, the Group's share of profits of joint ventures was approximately RMB1,141,000, representing a decrease of approximately RMB23,562,000 from approximately RMB24,703,000 in 2012, which was due to the fact that the Group's share of profits of a joint venture decreased compared with that in 2012.

Share of Profits of Associates

During the Review Year, the Group's share of profits of associates was approximately RMB32,203,000, increased by approximately RMB2,276,000 compared to approximately RMB29,927,000 in 2012. This was mainly attributable to the increase in profit of associates arising from growth in revenue.

Income Tax Expense

The Group's income tax expense in 2013 was approximately RMB195,788,000, representing an increase of approximately RMB48,093,000 from approximately RMB147,695,000 in 2012.

During the Review Year, the Group's effective tax rate was approximately 16.0%, representing an increase of approximately 1.9% from approximately 14.1% in 2012. It was mainly attributable to an increase of effective tax rate resulting from the rise of legal tax rates in certain subsidiaries during the Review Year upon the end of the tax transition period.

Profit Attributable to Non-Controlling Interests

During the Review Year, the Group's profit attributable to non-controlling interests was approximately RMB58,076,000, representing an increase of approximately RMB2,854,000 compared to approximately RMB55,222,000 in 2012. It was mainly attributable to the increase in profit of certain major non-wholly owned subsidiaries arising from growth in revenue.

Liquidity and Financial Resources

As of 31 December 2013, the Group's bank balances and cash amounted to approximately RMB4,119,191,000, representing a decrease of approximately RMB10,860,000 as compared to approximately RMB4,130,051,000 as of 31 December 2012. This was mainly due to an increase in capital expenditure in consideration of the development needs of the Group in the long run. As of 31 December 2013, the Group's low-cost borrowings amounted to approximately RMB2,410,330,000, among which the equivalent of approximately RMB58,527,000, approximately RMB987,533,000, approximately RMB584,147,000, approximately RMB95,838,000 and approximately RMB25,886,000 were denominated in JPY, US Dollar ("USD"), Hong Kong Dollar ("HKD"), EUR and Thai Baht ("THB") respectively, representing an increase of borrowings of approximately RMB952,350,000 as compared to approximately RMB1,457,980,000 as of 31 December 2012. The increase was mainly due to the borrowings that the Group brought in after considering the consolidated gains from capital, interest rates and exchange rates.

During the Review Year, the net cash flow from the Group's operating activities was approximately RMB539,814,000, indicating a sound cash flow condition.

The Group's current ratio in 2013 decreased from approximately 3.0 in 2012 to approximately 2.1. As of 31 December 2013, the Group's gearing ratio was approximately 21.0% (2012: approximately 15.6%), which was a percentage based on the interest bearing borrowings divided by total assets.

During the Review Year, the Group's inventory turnover days were approximately 58 days, which remained at a similar level as approximately 58 days in 2012.

During the Review Year, the Group's receivables turnover days were approximately 75 days, extending approximately 5 days from approximately 70 days in 2012. It was mainly due to relatively high balance of trade receivables as of 31 December 2013 resulting from substantial increase in revenue of the fourth quarter of the Review Year, thus the receivables turnover days were extended accordingly based on the calculation.

During the Review Year, the Group's payables turnover days were approximately 54 days, extending approximately 5 days from approximately 49 days in 2012. It was mainly due to the optimization to the procurement and supply channels, and that the payment term from suppliers has been extended as appropriate.

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

COMMITMENTS

As of 31 December 2013, the Group had the following commitments:

	RMB'000
Capital Commitment	
Capital expenditure contracted for but not provide in the consolidated financial statements in respect of:	
– Acquisition of property, plant and equipment	307,088
– Acquisition of land use rights	3,162

INTEREST RATE AND FOREIGN EXCHANGE RISKS

As of 31 December 2013, the balance of borrowings was approximately RMB2,410,330,000 of which approximately RMB34,600,000 was bearing at fixed interest rates, and approximately RMB2,375,730,000 was bearing at floating interest rates. The aforesaid borrowings had no seasonality. In addition, approximately RMB1,716,080,000 of the said borrowings was denominated in currencies other than the functional currencies of the Group's related entities, of which the equivalent of approximately RMB58,527,000, approximately RMB987,533,000, approximately RMB584,147,000 and approximately RMB85,873,000 were denominated in JPY, USD, HKD and EUR respectively.

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

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

As of 31 December 2013, the Group's cash and cash equivalents denominated in currencies other than the functional currencies amounted to approximately RMB334,320,000, of which the equivalent of approximately RMB297,686,000 was denominated in USD, approximately RMB13,203,000 was denominated in HKD, approximately RMB18,544,000 was denominated in EUR, approximately RMB4,841,000 was denominated in JPY and approximately RMB23,000 was denominated in THB. In order to mitigate the foreign exchange risk, the Group has delegated a team responsible for the planning of related work.

CONTINGENT LIABILITIES

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

MORTGAGED ASSETS

As of 31 December 2013, the Group had borrowings of approximately RMB596,400,000, USD10,000,000 (equivalent to approximately RMB60,969,000) and HKD126,000,000 (equivalent to approximately RMB99,061,000) secured by bank deposits of approximately RMB782,960,000. The loans are to be settled in RMB, USD and HKD respectively (31 December 2012: the Group had borrowings of approximately JPY446,222,000 (equivalent to approximately RMB32,596,000) and approximately RMB252,000,000 secured by bank deposits of approximately USD5,180,000 and approximately RMB252,000,000. The loans are to be settled in JPY and RMB respectively). The Group has also pledged freehold lands and buildings having a net book value of approximately RMB18,514,000 (31 December 2012: approximately RMB21,269,000) to secure general banking facilities granted to the Group.

CAPITAL EXPENDITURE

Capital expenditure includes the acquisition of property, plant and equipment, the increase in construction in progress and the addition of land use rights. During the Review Year, the Group's capital expenditure amounted to approximately RMB936,573,000 (2012: approximately RMB678,681,000). The increase in capital expenditure was mainly attributable to the Group's increase of production facilities and land reserves with the aim of expanding the Group's production capacity.

PLACING AND SUBSCRIPTION

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

MATERIAL ACQUISITIONS AND DISPOSALS

Save for the acquisition of 100% equity interest of the German company, CST GmbH, the Group made no material acquisitions or disposals of subsidiaries and associated companies during the Review Year.

EMPLOYEES

As of 31 December 2013, the Group had a total of 8,942 employees. The total number of employees increased by 1,630 compared to that as at 31 December 2012. During the Review Year, the Group continued its drive to strengthen its talent pipeline globally and in China in anticipation of its business growth especially in overseas market. These international talent will continue to help the Group to drive critical innovation and technology and strengthen the management leadership.

During the Review Year, the Group rolled out the company's Core Values and Code of Conduct during its Global Strategy and Leadership Conference. A briefing and training was also conducted with its senior managers from around the globe. This push will continue in 2014. The Group believe that good business ethics and core values of integrity, trust, teamwork and embracing change will help the Company towards a sustainable future.

FUTURE PROSPECTS

Rapid development of the automobile industry and increasing vehicle population have brought conflicts and challenges to China's energy, urban transportation and environment. Amid various factors including the uncertainties in international diplomacy, additional capacity in emerging markets from OEMs and the implementation of domestic policies such as vehicle restriction and purchase quota control, the growth momentum of China's automobile market will become more rational. While China's macro economy is growing steadily, and more resources will be introduced to China's automobile market triggered by its enormous consumption potential. Gradually improving system of automobile consumption protection, the mass demand in vehicles, the consumption upgrade and the vehicle replacement trend in China will continue to drive the market growth in the long run.

The Group continues to improve and optimize its technological R&D and be deeply involve in the preliminary R&D phase of global platform vehicle by capturing the popularity of platform vehicles, the advantage of body weight reduction and the development of electronic intelligence of vehicles, thus bringing more orders for global platform vehicles. Based on the popularity of light materials, the Group extends the application of aluminum products, enhances new products such as roof racks and reserves the technology of high-strength steel with an aim to a product breakthrough in the market. Under the transformation of global automobile production, the Group will seek partnerships, explore development opportunities and suitable investment targets in an active manner while developing and expanding overseas production bases and increasing global supply in order to satisfy rising demand from customers.

The Group will continue to pursue its long-term strategic planning by progressively advancing in the business of welfare vehicles and relevant parts, continuously investing in the R&D of the technology in relation to new energy vehicles and auto parts as well as actively paying attention to the development of the aftermarket. The Group carries out a balanced development between developed and emerging markets in order to become a leading supplier in the global automotive parts industry.

PURCHASE, SALE OR REDEMPTION

During the Review Year, Mr. Shi Jian Hui (an executive Director), Mr. Zhao Feng (an executive Director) and Ms. Zhu Chun Ya (spouse of Mr. Zhao Feng) exercised 800,000 Share Options, 600,000 Share Options and 450,000 Share Options, respectively. 12,366,000 Share Options were exercised by grantees who are not Directors, and 1,628,000 Share Options lapsed due to the resignations of the grantees who are not Directors.

Save as disclosed above, there was no purchase, sale or redemption by the Company or any of its subsidiaries, of the Company's listed securities during the Review Year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE AND THE MODEL CODE

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

Under the code provision E.1.2, the chairman of the Board should attend the annual general meeting and invite the chairmen of audit, remuneration, nomination and any other committees (as appropriate) to attend. Dr. Wang Ching, Mr. Zhang Liren, and Mr. Wu Fred Fong, all being independent non-executive Directors and members of the Company's Audit Committee, Nomination Committee and the Remuneration Committee, were invited to attend the 2013 annual general meeting to answer any question from the shareholders concerning the Company's corporate governance. As provided for in the code provision A.6.7, independent non-executive Directors and other non-executive Directors should attend the annual general meeting and develop a balanced understanding of the views of shareholders. One non-executive Director, Mr. He Dong Han was unable to attend the 2013 annual general meeting due to his business arrangements. Two independent non-executive Directors, Dr. Wang Ching and Mr. Wu Fred Fong were unable to attend the 2013 annual general meeting due to prior 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 of 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 enquiry to all Directors, the Directors confirmed that they have strictly complied with the standards stipulated under the Model Code during the Review Year.

REVIEWED BY THE AUDIT COMMITTEE

The Company has established an Audit Committee to review and oversee the financial reporting procedures and internal control system of the Group. The Group's annual results for the year ended 31 December 2013 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 HKD0.453 per Share to Shareholders whose names appear on the register of members of the Company on Monday, 9 June 2014 and the proposed final dividend will be paid on or about Tuesday, 17 June 2014. The payment of dividends shall be subject to the approval of the Shareholders at the forthcoming annual general meeting expected to be held on Thursday, 29 May 2014.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2013 as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

CLOSURE OF REGISTER OF MEMBERS

Shareholders whose names appear on the Company's register of members on Thursday, 29 May 2014, will be eligible to attend and vote at the annual general meeting. The Company's transfer books and register of members will be closed from Tuesday, 27 May 2014 to Thursday, 29 May 2014 (both days inclusive) during which period no transfer of Shares will be registered. In order to attend and vote at the annual general meeting, all transfer forms accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar and transfer office in Computershare Hong Kong Investor Services Limited located at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Monday, 26 May 2014.

Shareholders whose names appear on the Company's register of members on Monday, 9 June 2014, will qualify for the proposed final dividend. The Company's transfer books and register of members will be closed from Thursday, 5 June 2014 to Monday, 9 June 2014 (both days inclusive) for the purpose of ascertaining Shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfer forms accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar and transfer office in Computershare Hong Kong Investor Services Limited located at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Wednesday, 4 June 2014. The proposed final dividend (the payment of which is subject to the Shareholders' approval at the annual general meeting) is to be payable on or about Tuesday, 17 June 2014 to Shareholders whose name appear on the register of members of the Company on Monday, 9 June 2014. The Shares will trade ex-dividend on Tuesday, 3 June 2014.

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

Hong Kong, 18 March 2014

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