2013
INTERIM REPORT

MINTH GROUP LIMITED
敏實集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 425

MISSION & VISION

We create beauty in motion

STRATEGIC OBJECTIVE

Endeavoring to become a leader
in the global automobile parts industry

VALUES

Courtesy & Confidence
Care & Harmony
Practicality & Effectiveness
Innovation & Excellence

敏于思，實于行

INTELLIGENCE IS ACTIONAL

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The Board

Executive directors

Chin Jong Hwa *(Chairman)*
Shi Jian Hui *(Chief Executive Officer)*
Zhao Feng
Kawaguchi Kiyoshi

Non-executive directors

Yu Zheng
He Dong Han

Independent non-executive directors

Wang Ching
Zhang Li Ren
Wu Fred Fong

Company Secretary

Loke Yu

Registered Office

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Cayman Islands

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Website: www.minthgroup.com

Principal Place of Business in Hong Kong

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138 Gloucester Road
Hong Kong

Principal Bankers

Bank of China
Ningbo Development Zone sub-branch
21 Donghai Road
Ningbo Economic and Technology Development Zone
China

China Construction Bank
Jiaxing branch
198 Ziyang Street
Jiaxing
China

Principal Share Registrar and Transfer Office

Royal Bank of Canada Trust Company (Cayman) Limited
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24 Shedden Road, George Town
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Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
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17/F, Hopewell Centre
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Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants
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Legal Advisers to the Company

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18 Chater Road, Central
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As to PRC Law
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As to Cayman Islands Law
Conyers Dill & Pearman
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Grand Cayman, British West Indies

Stock Code

SEHK Code: 0425

Industry Overview

During the six months ended 30 June 2013 (the "Review Period"), the production and sales of China's passenger vehicle market were 8,664,500 units and 8,665,100 units respectively, representing a year-on-year growth of 14.02% and 13.81% respectively, which were better than market consensus. It is believed that strong mass demand will drive the growth of the vehicle market in the second half of 2013 albeit uncertainties such as transformation, upgrading and restructuring of China's economy, OEMs' capacity expansion and implementation of policies of vehicle restriction and purchase quota control.

The vehicle market condition around the world in previous years remained more or less the same. As the US economy gradually recovered, consumers' confidence was restored, sales of vehicles in the US market maintained a steady growth. However, the Japanese market was not optimistic and recorded a slump in sales. Restricted by the continuous heating up of the European sovereign debt crisis and rising unemployment rates, the European vehicle market remained gloomy. Emerging markets such as Russia and India saw decreases in the levels of sales while sales in Brazil reached a record high.

Company Overview

Minth Group Limited (the "Company") and its subsidiaries (the "Group") is primarily engaged in the design, manufacture and sales of trims, decorative parts, body structural parts and other related auto parts. The manufacturing bases in China, America, Mexico, Thailand and Germany spread over main markets of its customers. With the support of the technical centers in Japan and North America, the Group can provide services for the global market and meet growing demand of customers.

During the Review Period, concurrent design capability and global just-in-time delivery of the Group was recognized by its customers. The Group obtained orders of global platform vehicles and high-end car models, securing future development of the Group and setting a good example for similar high quality orders of the Group. The Group proactively carried out technical cooperation with core suppliers to facilitate early development of new products. It also drove mutually beneficial cooperation with key suppliers and improved its supplier management levels in order to lower costs in the long run. Better than expected market performance and the increase in production of major customers brought stable growth to the Group's overall revenue. The Group's overseas market share and export revenue kept a healthy upward trend.

The Group enhanced communication and coordination with existing partners and carried out various forms of cooperation. Overseas development was deepening. The Group optimized its internal corporate structure, learned from advanced research and development ("R&D") management in the industry, improved its professional R&D capability and strove for technical breakthrough. It also established a protection system for intellectual property rights locally and internationally to protect R&D results of the Group.

Business and Operation Layout

The Group continued to optimize its customer structure by responding immediately to the demand of major customers with an account director management and also improved its management of customer relations. In addition, the Group proactively developed new product lines, explored new material markets and improved global supply to meet customers' demand. The Group deepened industrial cooperation and explored overseas markets. The Group's overseas revenue and influence was increasing and its export business maintained a decent growth.

During the Review Period, the domestic revenue of the Group was approximately RMB1,660,159,000, representing an increase of approximately 9.1% compared with approximately RMB1,522,160,000 in the same period in 2012. The Group's overseas revenue maintained a sustainable growth, with approximately RMB812,553,000, representing an increase of approximately RMB214,843,000 or approximately 35.9% as compared with approximately RMB597,710,000 in the same period in 2012. This was due to a stable growth in major overseas markets, an increase in orders of global platform vehicles and capacity ramp-up of Mexico's factories.

During the Review Period, recovery of Japanese OEMs was slow in China's market due to territorial disputes over sovereignty of islands. A large number of new car models will be launched in response to market competition, which is deemed helpful to restore market shares of Japanese OEMs. Timing adjustment and consolidation of customer relations with major Japanese OEMs clients helped the Group earn trust and recognition from customers. During the Review Period, the Group entered into Honda global procurement system. It obtained full access to Honda's global platform vehicle orders and was involved in global concurrent design and development of parts for Honda's new car models.

An overwhelming launch of SUV car models pushed market demand for vehicle roof racks. The Group has been devoting much of its efforts to the roof rack market and is becoming a major roof rack supplier. OEMs will continue to launch various SUV models, the roof rack market will be expanded. Apart from consolidating the existing Japanese and Korean OEMs markets, the Group also actively strived for European and US OEMs orders. The roof rack business had developed into a unique product line and exploring the business became an important target for future development of the Group.

The Group continued its development of its new materials market and investment in R&D and application of aluminum products so as to strengthen its level of technological applications. Application of aluminum products was increasing. Orders from various major international OEMs were successfully obtained. It is believed that rapid growth of aluminum products should spur growth of the Group's results as a whole. During the Review Period, the penetration into the global aluminum business of General Motors marked significant application and development of aluminum products of the Group.

In respect of investment, the Group acquired 100% equity interest in a German company, CST GmbH, at a consideration of approximately EURO ("EUR") 2.84 million on 25 March 2013. The acquisition further expanded the global footprint of the Group, and helped the Group meet the customers' requirement of local production and obtain core technology and key resources in Europe, so as to help the Group seize favourable development opportunities in European markets. Expansion based on CST GmbH has commenced. Meanwhile, commission and expansion of production base of North China region, such as Beijing, relieved restriction on production capacity of the Group to better serve the customers. The Group will continue to pay attention to the market changes and explore new business when appropriate in accordance with its own development target.

Research and Development

During the Review Period, the Group improved the technical reserve of parts of its welfare vehicles and new energy vehicles as well as that of its aluminum products. It also widened the application and technological horizon of new materials and workmanship. Having obtained increasing global concurrent design orders, the Group strengthened its communication and exchange with R&D organization of major customers, improved internal R&D workflow and enhanced process control in order to uplift the Group's global concurrent development capability.

The Group continued its emphasis on protecting its intellectual property rights. It obtained a certification of protection system of intellectual property rights and actively applied for international patents. During the Review Period, the Group filed an additional 87 patent applications for approval and 98 patent applications were authorized by competent institutions.

Financial Review

	Six months ended 30 June 2013 RMB'000	Six months ended 30 June 2012 RMB'000
Revenue	2,472,712	2,119,870
Gross profit	822,858	738,330
Profit before tax	611,588	546,701
Income tax expense	(88,300)	(80,357)
Profit for the period attributable to:		
Owners of the Company	499,031	436,373
Non-controlling interests	24,257	29,971

Results

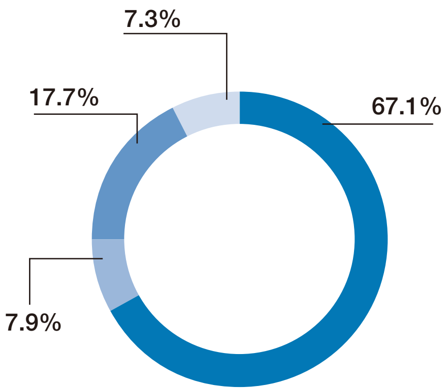
During the Review Period, the Group's revenue was approximately RMB2,472,712,000, representing an increase of approximately 16.6% from approximately RMB2,119,870,000 in the same period in 2012. It was mainly attributable to growth in revenue both in the domestic and overseas markets achieved by the Group resulting from the Group's insightful layout for the domestic and overseas markets.

During the Review Period, the profit attributable to owners of the Company was approximately RMB499,031,000, representing an increase of approximately 14.4% from approximately RMB436,373,000 in the same period 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.

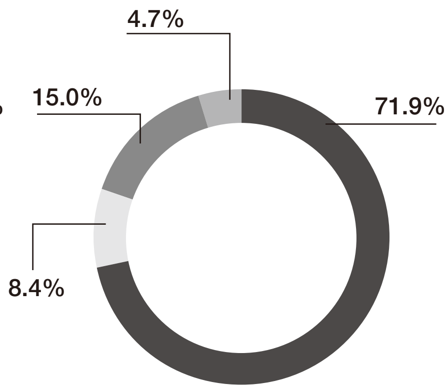
Segment Revenue

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

Customer category	Six months ended 30 June 2013 RMB'000	%	Six months ended 30 June 2012 RMB'000	%
China	1,660,159	67.1	1,522,160	71.9
Asia Pacific	196,390	7.9	178,324	8.4
North America	436,928	17.7	319,023	15.0
Europe	179,235	7.3	100,363	4.7
Total turnover	2,472,712	100.0	2,119,870	100.0



Six months ended 30 June 2013



Six months ended 30 June 2012

2013		2012
67.1%	**China**	71.9%
7.9%	**Asia Pacific**	8.4%
17.7%	**North America**	15.0%
7.3%	**Europe**	4.7%

Gross Profit

During the Review Period, the Group's overall gross profit margin was approximately 33.3%, representing a decrease of approximately 1.5% from approximately 34.8% in the same period in 2012. It was mainly attributable to the continuous pressure from the decline in product price, the prevailing rise in labor costs and fluctuation of exchange rates. The Group offset the unfavorable impact of market forces by persistently undertaking measures, including continuous improvement in the manufacturing technologies, a greater utilization rate of materials and implementation of a centralized procurement policy. In addition, the Group continued to enhance the efficiency of production and management to maintain the overall gross profit margin at a decent level.

Investment Income

During the Review Period, the investment income of the Group was approximately RMB42,651,000, representing an increase of approximately RMB4,253,000 from approximately RMB38,398,000 in the same period in 2012. It was mainly due to an increase in the interest income from bank deposits following an increase in balance of bank deposits during the Review Period.

Other Income

During the Review Period, other income of the Group amounted to approximately RMB72,161,000, representing an increase of approximately RMB38,580,000 as compared to approximately RMB33,581,000 in the same period in 2012. It was mainly attributable to an increase in government subsidies.

Other Gains and Losses

During the Review Period, the Group's other gains and losses amounted to a net gain of approximately RMB61,242,000, representing an increase of approximately RMB25,892,000 as compared to the net gain of approximately RMB35,350,000 in the same period in 2012. It was mainly attributable to an increase 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, as well as foreign exchange gains arising from fluctuation in exchange rates during the Review Period.

Distribution and Selling Expenses

During the Review Period, the Group's distribution and selling expenses amounted to approximately RMB71,007,000, representing an increase of approximately RMB14,637,000 from approximately RMB56,370,000 in the same period in 2012. It accounted for approximately 2.9% of the revenue of the Group, representing an increase of approximately 0.2% from approximately 2.7% in the same period in 2012. It was mainly attributable to an increase in expenses resulting from active expansion into overseas business by the Group during the Review Period.

Administrative Expenses

During the Review Period, the administrative expenses of the Group amounted to approximately RMB196,803,000, representing an increase of approximately RMB38,029,000 from approximately RMB158,774,000 in the same period in 2012, accounting for approximately 8.0% of the Group's revenue, representing an increase of approximately 0.5% as compared to approximately 7.5% in the same period in 2012. It was mainly attributable to a rise in labor costs arising from introduction of high-level personnel for maintaining competitiveness under growth of the Group's revenue and an increase in expenses arising from expansion of new business.

Research Expenditures

During the Review Period, the research expenditures of the Group amounted to approximately RMB116,956,000, representing an increase of approximately RMB14,346,000 from approximately RMB102,610,000 in the same period 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 Period, the Group's share of profits of joint ventures was approximately RMB9,386,000, representing a decrease of approximately RMB4,379,000 from approximately RMB13,765,000 in the same period in 2012, which was mainly due to the fact that the profit of a joint venture decreased as compared to the same period in 2012.

Share of Profits of Associates

During the Review Period, the Group's share of profits of associates was approximately RMB14,756,000, which remained at a similar level as approximately RMB15,621,000 in the same period in 2012.

Income Tax Expense

During the Review Period, the Group's income tax expense was approximately RMB88,300,000, representing an increase of approximately RMB7,943,000 from approximately RMB80,357,000 in the same period in 2012.

During the Review Period, the effective tax rate was approximately 14.4%, representing a slight decrease of approximately 0.3% from approximately 14.7% in the same period in 2012.

Profit Attributable to Non-Controlling Interests

During the Review Period, the Group's profit attributable to non-controlling interests was approximately RMB24,257,000, representing a decrease of approximately RMB5,714,000 compared to approximately RMB29,971,000 in the same period in 2012. It was mainly attributable to a decrease in revenue of certain non-wholly owned subsidiaries and product restructuring.

Liquidity and Financial Resources

As of 30 June 2013, the Group's total cash and bank balances amounted to approximately RMB4,248,877,000, representing an increase of approximately RMB118,826,000 compared to approximately RMB4,130,051,000 as of 31 December 2012. As of 30 June 2013, the Group's low-cost borrowings amounted to approximately RMB2,472,587,000, among which the equivalent of approximately RMB811,159,000, approximately RMB651,482,000, approximately RMB105,259,000, approximately RMB60,034,000 and approximately RMB844,653,000 were denominated in US Dollar ("USD"), Hong Kong Dollar ("HKD"), Japanese Yen ("JPY"), EUR and RMB respectively, representing an increase of borrowings of approximately RMB1,014,607,000 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 exchange rates, interest rates and capital.

During the Review Period, the net cash flow from the Group's operating activities was approximately RMB188,555,000, indicating a sound cash flow.

Receivables turnover days were approximately 75 days, extending 2 days from approximately 73 days for the same period in 2012. This was mainly due to the continuous growth of revenue from overseas markets, and the fact that the receivables turnover days of overseas customers were longer than the average payment days of the Group.

Payables turnover days were approximately 54 days, extending approximately 4 days from approximately 50 days in the same period 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.

Inventory turnover days were approximately 59 days, extending 4 days as compared to approximately 55 days in the same period in 2012. It was mainly due to the increase of projects under development as new business awards increase and the increase in the inventory of raw materials for mitigating price inflation risks.

As of 30 June 2013, the Group's current ratio decreased to approximately 2.4 from approximately 3.0 as of 31 December 2012. The gearing ratio increased to approximately 23.1% from approximately 15.6% as of 31 December 2012.

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

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

The Group believes that during the Review Period, the favorable performance in sales, production and R&D activities, as well as the healthy cash reserves have provided a strong protection for the Group's future sustainable growth.

Commitments

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Capital expenditure contracted for but not provided in the financial statements in respect of:		
acquisition of property, plant and equipment	268,710	203,568
prepaid rentals for lease premium for land	8,108	38,894

Interest Rate and Foreign Exchange Risks

As of 30 June 2013, the balance of the Group's bank borrowings was approximately RMB2,472,587,000, of which the equivalent of approximately RMB811,159,000, approximately RMB651,482,000, approximately RMB105,259,000, approximately RMB60,034,000 and approximately RMB844,653,000 were denominated in USD, HKD, JPY, EUR and RMB respectively, which were mainly at floating interest rates. These borrowings had no seasonality.

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, USD, HKD, JPY and EUR. Remittance of funds out of the PRC is subject to the foreign exchange control restrictions imposed by the PRC government.

As of 30 June 2013, the Company and certain subsidiaries had an aggregate bank balance of approximately RMB457,732,000 which was denominated in currencies other than the functional currencies, of which approximately RMB388,472,000 was denominated in USD, approximately RMB40,715,000 was denominated in HKD, approximately RMB10,087,000 was denominated in JPY, approximately RMB18,414,000 was denominated in EUR and the remainder of approximately RMB44,000 was denominated in other foreign currencies. 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 30 June 2013, the Group had no contingent liabilities (31 December 2012: Nil).

Mortgaged Assets

As of 30 June 2013, the Group had borrowings of approximately JPY198,853,000 (equivalent to approximately RMB12,450,000) by mortgaging bank deposits of approximately USD2,012,000, which are to be settled in JPY, and borrowings of approximately RMB612,000,000, USD10,000,000 and HKD126,000,000 (equivalent to approximately RMB774,152,000) secured by bank deposits of approximately RMB782,000,000, the borrowings 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 Group has also pledged freehold lands and buildings having a net book value of approximately RMB20,146,000 (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 Period, the Group's capital expenditure amounted to approximately RMB378,444,000 compared to approximately RMB275,447,000 for the same period in 2012. The increase in capital expenditure was attributable to the Group's increase of production facilities and land reserves for the purpose of capacity expansion.

Placing and Subscription

The Group had no placing or subscription of shares during the Review Period.

Substantial Acquisitions and Disposals

The Group made no substantial acquisitions or disposals during the Review Period.

Employees

As of 30 June 2013, the Group had a total of 8,015 employees, which increased by 703 compared to that as at 31 December 2012. During the Review Period, the Group established the preliminary structure and the prototype of the global management team to drive the core technology and innovation and enhance leadership to meet its continuous globalization plans. The other important reason for the increase of the employees is to sustain the growth in business and the new layout of the global business network.

During the Review Period, the Group focused on cultivating leadership for the management team with performance management and talent assessment to ensure that the Group has the talent pipeline in succession to support its future business strategy. Meanwhile, the Group has started to reform its corporate value and culture to fit its globalization efforts.

Directors

During the Review Period, the directors of the Company ("Directors") were as follows:

Executive Directors

Chin Jong Hwa *(Chairman)*
Shi Jian Hui *(Chief Executive Officer)*
Zhao Feng
Kawaguchi Kiyoshi

Non-executive Directors

Yu Zheng
He Dong Han

Independent non-executive Directors

Wang Ching
Zhang Li Ren
Wu Fred Fong

Share Option Schemes

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

All Directors and employees of the Group, and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, services providers of any member of the Group whom the Board considers, in its sole discretion, have contributed or will contribute to the Group are eligible to participate in the Share Option Scheme.

The Share Option Scheme will remain in force for a period of 10 years after the date on which the New Share Option Scheme is adopted.

The total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme adopted by the Company must not in aggregate exceed 10% ("General Scheme Limit") of the Shares of the Company in issue on 22 May 2012, the date when the Company adopted the Share Option Scheme. The Company may renew the General Scheme Limit with shareholders' approval provided that each such renewal may not exceed 10% of the Shares of the Company in issue as at the date of the shareholders' approval.

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Schemes and any other share option schemes adopted by the Company must not in aggregate exceed 30% of the Shares in issue from time to time.

Unless approved by shareholders of the Company, the total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Schemes and any other share option schemes of the Company (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being ("Individual Limit").

An option may be accepted by a participant within 28 days from the date of the offer of grant of the option. A nominal consideration of HKD1.00 is payable on acceptance of the grant of an option.

An option may be exercised in accordance with the terms of the Share Option Schemes at any time during the period to be determined and notified by the Board to each grantee at the time of making an offer of the grant of an option which shall not expire later than 10 years from the date of grant of the option.

The subscription price for the Shares under the Share Option Schemes will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of shares as stated in the daily quotations sheets issued by the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of the offer of grant; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares.

As at 30 June 2013, the total number of Share Options the Company granted to the employees including the Directors and their connected persons amounted to 83,290,000 Share Options. As at the date of this report, the number of Share Options that could still be granted under the Share Option Scheme was 105,244,500 Share Options, representing 9.70% of the 1,085,180,000 Shares of the Company in issue as at 27 August 2013, being the date of this report. Details are as follows:

	Number of Shares (Note 1)							
Name and status of participants	Outstanding as at 1 January 2013	Granted during the Period	Exercised during the Period	Lapsed during the Period	Outstanding as at 30 June 2013	Date of Grant (Note 2)	Exercise Period (Note 3)	Exercise price per share (HKD) (Note 4)
Directors, chief executives, and substantial shareholders and their respective connected persons								
Mr. Shi Jian Hui	400,000	–	–	–	400,000	4-7-2008	1-2-2010 to 12-11-2013	5.34
	400,000	–	–	–	400,000	4-7-2008	1-2-2011 to 12-11-2013	5.34
	600,000	–	–	–	600,000	10-6-2011	1-2-2012 to 12-11-2016	10.89
	600,000	–	–	–	600,000	10-6-2011	1-2-2013 to 12-11-2016	10.89
	800,000	–	–	–	800,000	10-6-2011	1-2-2014 to 12-11-2016	10.89
Mr. Zhao Feng	300,000	–	50,000	–	250,000	4-7-2008	1-2-2010 to 12-11-2013	5.34
	300,000	–	50,000	–	250,000	4-7-2008	1-2-2011 to 12-11-2013	5.34
	300,000	–	–	–	300,000	10-6-2011	1-2-2012 to 12-11-2016	10.89
	300,000	–	–	–	300,000	10-6-2011	1-2-2013 to 12-11-2016	10.89
	400,000	–	–	–	400,000	10-6-2011	1-2-2014 to 12-11-2016	10.89
Mr. Kawaguchi Kiyoshi	150,000	–	–	–	150,000	10-6-2011	1-2-2012 to 12-11-2016	10.89
	150,000	–	–	–	150,000	10-6-2011	1-2-2013 to 12-11-2016	10.89
	200,000	–	–	–	200,000	10-6-2011	1-2-2014 to 12-11-2016	10.89

Name and status of participants	Outstanding as at 1 January 2013	Granted during the Period	Exercised during the Period	Lapsed during the Period	Outstanding as at 30 June 2013	Date of Grant (Note 2)	Exercise Period (Note 3)	Exercise price per share (HKD) (Note 4)
	Number of Shares (Note 1)							
Mr. He Dong Han	300,000	–	–	–	300,000	10-6-2011	1-2-2012 to 12-11-2016	10.89
	300,000	–	–	–	300,000	10-6-2011	1-2-2013 to 12-11-2016	10.89
	400,000	–	–	–	400,000	10-6-2011	1-2-2014 to 12-11-2016	10.89
Ms. Zhu Chun Ya (Note 5)	225,000	–	100,000	–	125,000	4-7-2008	1-2-2010 to 12-11-2013	5.34
	225,000	–	100,000	–	125,000	4-7-2008	1-2-2011 to 12-11-2013	5.34
Subtotal	6,350,000	–	300,000	–	6,050,000			
Other Participants	2,221,000	–	1,244,000	1,000	976,000	4-7-2008	1-2-2010 to 12-11-2013	5.34
	6,841,000	–	4,777,000	25,000	2,039,000	4-7-2008	1-2-2011 to 12-11-2013	5.34
	9,276,000	–	349,000	348,000	8,579,000	10-6-2011	1-2-2012 to 12-11-2016	10.89
	9,276,000	–	349,000	348,000	8,579,000	10-6-2011	1-2-2013 to 12-11-2016	10.89
	12,368,000	–	–	576,000	11,792,000	10-6-2011	1-2-2014 to 12-11-2016	10.89
	783,000	–	14,000	45,000	724,000	31-5-2012	30-5-2013 to 30-5-2017	9.13
	783,000	–	–	45,000	738,000	31-5-2012	30-5-2014 to 30-5-2017	9.13
	1,044,000	–	–	60,000	984,000	31-5-2012	30-5-2015 to 30-5-2017	9.13
Subtotal	42,592,000	–	6,733,000	1,448,000	34,411,000			
Total	48,942,000	–	7,033,000	1,448,000	40,461,000			

Note 1: Numbers of shares in the Company over which options granted either under the share option scheme which was originally adopted by the Company on 13 November 2005 and was subsequently terminated on 22 May 2012 ("2005 Share Option Scheme") or under the Share Option Scheme are exercisable.

Note 2: The closing price of the Share immediately before the date on which the Share Options were granted pursuant to the 2005 Share Option Scheme on (i) 4 July 2008, i.e. on 3 July 2008 was HKD5.05, (ii) 10 June 2011, i.e. on 9 June 2011 was HKD11.02, and pursuant to the Share Option Scheme on 31 May 2012, i.e. on 30 May 2012 was HKD9.14.

Note 3: The option period for the Share Options granted on 4 July 2008 is for five years four months and eight days and such Share Options vested in tranches beginning on 1 February 2010 as to 50%, the remainder vesting on 1 February 2011. The option period for the Share Options granted on 10 June 2011 is for five years five months and two days and such Share Options vested in tranches beginning on 1 February 2012 as up to 30%, up to a further 30% vesting on 1 February 2013, and the remainder vesting on 1 February 2014. The option period for the Share Options granted on 31 May 2012 is for four years eleven months and thirty days and such Share Options vested in tranches beginning on 30 May 2013 as up to 30%, up to a further 30% vesting on 30 May 2014, and the remainder vesting on 30 May 2015.

Note 4: The exercise price of the Share Options is subject to adjustment in the case of rights or bonus issues, or other similar changes.

Note 5: Spouse of Mr. Zhao Feng, and an advisor of the Group.

During the Review Period, the Grantees exercised 7,033,000 Share Options, and 1,448,000 Share Options lapsed due to the resignations of the Grantees who are not Directors.

Save as disclosed above, no option was granted, exercised, cancelled or lapsed during the six months ended 30 June 2013.

Particulars of the Company's Share Option Scheme are set out in note 20 to the condensed consolidated financial statements.

Outlook and Strategies

The current Chinese government strives to adjust the economic structure and alter the mode of economic growth, which is beneficial to the Chinese economic development in the long run. The Chinese automobile industry has gradually entered into a mature and stable stage, in which structural adjustment for both the industry and products of the automobile industry and automobile consumption market will continue. It is believed that the vehicle sales and vehicle population will maintain a steady upward trend. As the progress of urbanization and the enhancement of consumption structure in China stimulate consumption, the automobile market will be broadened. Amid a strong mass demand in the automobile market, the Group is still looking forward to the potential long-term consumption in China.

The development of global platform vehicles has become a growing trend. The Group will also further improve its capability for global concurrent design and R&D, promote the application of new materials and technologies in an active manner, participate in its customers' R&D and design projects, and endeavour to capture more global platform vehicle orders so as to raise its market share. The Group will strive for technology breakthrough, explore the range of application of aluminum products and make efforts to develop markets for its new products such as roof racks. The rapid growth of new materials and products will push the Group's development, thus increasing its profitability. Meanwhile, the Group will actively seek cooperation in the industry, adjust and consolidate the relationship with its partners, develop and expand overseas production bases, and optimize global supply capability with an aim to satisfy the increasing demands of its customers.

The Group has been paying attention to the business of welfare vehicles and new energy vehicles and parts as well as the development of the aftermarket. The Group carries out a balanced development between the domestic and overseas markets through a continuous improvement in corporate governance, making the Company an international company with an objective of becoming a leading supplier in the global automotive parts industry.

Dividend

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2013 (the same period in 2012: Nil).

Substantial Shareholders

As at 30 June 2013, the interests or short positions of every person, other than the Directors or chief executives of the Company, in the shares and underlying shares of the Company as recorded in the register maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("the SFO"), were as follows:

Name of Substantial Shareholder	Capacity	Long/Short position	Total Number of Ordinary Shares	Percentage of the Company's Issued Share Capital (Note 1)
Wei Ching Lien ("Ms. Wei")	Interest of spouse	Long position	436,664,000 (Note 2)	40.26%
Linkfair Investments Limited ("Linkfair")	Beneficial owner	Long position	436,664,000 (Note 3)	40.26%
The Capital Group Companies, Inc.	Interest of controlled corporations	Long position	117,976,000 (Note 4)	10.88%
Commonwealth Bank of Australia	Interest of controlled corporations	Long position	80,296,000 (Note 5)	7.40%
Matthews International Capital Management, LLC	Investment manager	Long position	77,543,000	7.15%
Invesco Hong Kong Limited (in its capacity as manager/ advisor of various accounts)	Investment manager	Long position	64,350,000	5.93%

Note 1: The percentage of the Company's issued share capital of 1,084,506,000 Shares as at 30 June 2013.

Note 2: As at 30 June 2013, Linkfair was beneficially interested in 436,664,000 Shares. Linkfair was wholly-owned by Mr. Chin Jong Hwa ("Mr. Chin") and he was therefore deemed to be interested in the entire 436,664,000 Shares held by Linkfair. Since Ms. Wei is the spouse of Mr. Chin, Ms. Wei was deemed to be interested in the 436,664,000 Shares in which Mr. Chin was deemed to be interested.

Note 3: As at 30 June 2013, Linkfair, a company wholly-owned by Mr. Chin, was beneficially interested in 436,664,000 Shares.

Note 4: As at 30 June 2013, according to the information disclosed to the Company under Division 2 and Division 3 of Part XV of the SFO, The Capital Group Companies, Inc. has 100% control over Capital Group International, Inc. (an entity which is deemed by the SFO to be interested in 68,900,000 Shares in aggregate that are directly held by the 4 entities 100% controlled by it, namely, Capital Guardian Trust Company (8,698,000 Shares), Capital International, Inc. (41,986,000 Shares), Capital International Limited (1,462,000 Shares) and Capital International Sarl (16,754,000 Shares)) and Capital Research and Management Company (an entity which is deemed by the SFO to be interested in 49,076,000 Shares). A previous filing made by Capital Research and Management Company indicating a shareholder's interest of 64,822,000 shares in the capacity of an investment manager remains in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO as at 30 June 2013.

Note 5: As at 30 June 2013, according to the information disclosed to the Company under Division 2 and Division 3 of Part XV of the SFO, these Shares were held by corporations controlled directly or indirectly as to 100% by Commonwealth Bank of Australia.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation

As at 30 June 2013, the interests and short positions of the Directors and the chief executives in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or which would have to be notified to the Company and the Stock Exchange pursuant to Division 7 and Division 8 of Part XV of the SFO (including interests and short positions, if any, which they are taken or deemed to have under such provisions of the SFO) and the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"), were as follows:

Name of Director	Company/ Name of Associated Corporation	Long/Short Position	Capacity	Total Number of Ordinary Shares	Percentage of the Company's Issued Share Capital (Note 1)
Chin Jong Hwa	Company	Long position	Interest of controlled corporation	436,664,000 (Note 2)	40.26%
Shi Jian Hui	Company	Long position	Beneficial owner	3,032,000 (Note 3)	0.28%
Zhao Feng	Company	Long position	Beneficial owner	1,604,000	0.15%
			Interest of spouse	300,000 (Note 4)	0.03%
Kawaguchi Kiyoshi	Company	Long position	Beneficial owner	500,000 (Note 5)	0.05%
He Dong Han	Company	Long position	Beneficial owner	1,000,000 (Note 5)	0.09%

Note 1: The percentage of the Company's issued share capital is based on the 1,084,506,000 Shares issued as at 30 June 2013.

Note 2: As at 30 June 2013, Linkfair is beneficially interested in 436,664,000 Shares. Linkfair is wholly–owned by Mr. Chin and he is therefore deemed to be interested in the entire 436,664,000 Shares held by Linkfair.

Note 3: This figure represents the aggregate number of 232,000 Shares held by Mr. Shi and 2,800,000 Shares Options granted to Mr. Shi under the 2005 Share Option Scheme that are exercisable. Upon exercise of the Share Options, Mr. Shi will acquire an aggregate of 3,032,000 Shares.

Note 4: These figures represent the aggregate number of (i) 104,000 Shares held by and 1,500,000 Shares Options granted to Mr. Zhao under the 2005 Share Option Scheme that are exercisable and (ii) 50,000 Shares held by and 250,000 Share Options granted to Ms. Zhu under the 2005 Share Option Scheme that are exercisable. Upon exercise of the Share Options, Mr. Zhao will acquire an aggregate of 1,604,000 Shares and Ms. Zhu will acquire an aggregate of 300,000 Shares. Since Mr. Zhao is the spouse of Ms. Zhu, he is deemed to be interested in the foresaid Shares in which Ms. Zhu is interested.

Note 5: These figures represent the aggregate number of Share Options granted to Mr. Kawaguchi and Mr. He under the 2005 Share Option Scheme that are exercisable. Upon exercise of the Share Options, Mr. Kawaguchi and Mr. He will acquire 500,000 Shares and 1,000,000 Shares, respectively.

Other than as disclosed above, as at 30 June 2013, none of the Directors, chief executive and their associates had any interests or short positions in any Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Purchase, Sale or Redemption of the Listed Securities of the Company

There was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities during the six months ended 30 June 2013.

Compliance with the Corporate Governance Code and the Model Code

None of the Directors are aware of any information that would reasonably indicate that the Company did not, at any time during the Review Period, comply with the Corporate Governance Code set out in the Appendix 14 of the Listing Rules.

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the code for securities transactions by all Directors. Having made specific enquiry to all Directors, the Company confirmed that all Directors have complied with the Model Code and the standards stipulated under such code during the Review Period.

Audit Committee

The Company has an Audit Committee consisting three independent non-executive Directors, namely Mr. Wu Fred Fong (chairman of the Audit Committee), Dr. Wang Ching and Mr. Zhang Liren. The Committee reviews the Group's systems of internal control, the completeness and accuracy of the Group's financial statements and liaises on behalf of the Directors with the external auditor. The members of the Committee meet regularly with the management and external auditor to review the audit reports as well as the interim and annual financial reports of the Group. The Audit Committee has reviewed the unaudited condensed consolidated financial statements and this report for the six months ended 30 June 2013, and recommended their adoption by the Board.

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

Hong Kong, 27 August 2013

To the Board of Directors of Minth Group Limited

Introduction

We have reviewed the condensed consolidated financial statements of Minth Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 31 to 66, which comprise the condensed consolidated statement of financial position as of 30 June 2013 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 August 2013

For the six months ended 30 June 2013

	NOTES	Six months ended 30 June 2013 (unaudited) RMB'000	2012 (unaudited) RMB'000
Revenue		2,472,712	2,119,870
Cost of sales		(1,649,854)	(1,381,540)
Gross profit		822,858	738,330
Investment income	4	42,651	38,398
Other income	5	72,161	33,581
Other gains and losses	6	61,242	35,350
Distribution and selling expenses		(71,007)	(56,370)
Administrative expenses		(196,803)	(158,774)
Research expenditures		(116,956)	(102,610)
Interest on bank borrowings wholly repayable within five years		(26,700)	(10,590)
Share of profits of joint ventures		9,386	13,765
Share of profits of associates		14,756	15,621
Profit before tax		611,588	546,701
Income tax expense	7	(88,300)	(80,357)
Profit for the period	8	523,288	466,344
Other comprehensive expense:			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		(17,787)	1,502
Fair value loss on available-for-sale investments		(57,482)	(4,932)
Income tax relating to items that may be reclassified to profit or loss		8,622	616
Other comprehensive expense for the period (net of tax)		(66,647)	(2,814)
Total comprehensive income for the period		456,641	463,530

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2013

	NOTE	Six months ended 30 June 2013 (unaudited) RMB'000	 2012 (unaudited) RMB'000
Profit for the period attributable to:			
Owners of the Company		**499,031**	436,373
Non-controlling interests		**24,257**	29,971
		523,288	466,344
Total comprehensive income for the period attributable to:			
Owners of the Company		**434,010**	433,657
Non-controlling interests		**22,631**	29,873
		456,641	463,530
Earnings per share	10		
Basic		**RMB0.462**	RMB0.405
Diluted		**RMB0.459**	RMB0.403

At 30 June 2013

	NOTES	At 30 June 2013 (unaudited) RMB'000	At 31 December 2012 (audited) RMB'000
Non-current assets			
Property, plant and equipment	11	2,141,099	1,889,471
Prepaid lease payments		482,499	457,238
Goodwill		15,276	15,276
Other intangible assets	12	40,872	33,239
Interests in joint ventures		110,128	101,512
Interests in associates		146,872	132,116
Available-for-sale investments	13	132,652	190,134
Deferred tax assets		61,398	51,442
		3,130,796	2,870,428
Current assets			
Prepaid lease payments		11,657	11,046
Inventories		728,949	697,089
Loans receivables	14	26,599	26,697
Trade and other receivables	15	1,715,419	1,322,783
Derivative financial assets	16	19,262	31,306
Pledged bank deposits		819,497	285,060
Bank balances and cash		4,248,877	4,130,051
		7,570,260	6,504,032
Current liabilities			
Trade and other payables	17	949,622	836,729
Tax liabilities		68,230	53,778
Borrowings	18	2,144,310	1,271,398
Derivative financial liabilities	16	7,634	4,670
		3,169,796	2,166,575
Net current assets		4,400,464	4,337,457
Total assets less current liabilities		7,531,260	7,207,885

At 30 June 2013

	NOTES	At 30 June 2013 (unaudited) RMB'000	At 31 December 2012 (audited) RMB'000
Capital and reserves			
Share capital	19	109,771	109,206
Share premium and reserves		6,809,201	6,664,340
Equity attributable to owners of the Company		6,918,972	6,773,546
Non-controlling interests		230,879	208,248
Total equity		7,149,851	6,981,794
Non-current liabilities			
Deferred tax liabilities		53,132	39,509
Borrowings	18	328,277	186,582
		381,409	226,091
Total equity and liabilities		7,531,260	7,207,885

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2013

	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000	Other reserve RMB'000	Statutory surplus reserve fund RMB'000	Enterprise expansion fund RMB'000	Investment revaluation reserve RMB'000	Exchange reserve RMB'000	Share options reserve RMB'000	Retained profits RMB'000	Attributable to owners of the Company RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2012 (audited)	109,139	3,054,408	276,199	28,829	116,222	11,159	(1,834)	(65,936)	50,196	2,508,843	6,087,225	155,248	6,242,473
Profit for the period	–	–	–	–	–	–	–	–	–	436,373	436,373	29,971	466,344
Other comprehensive expense for the period	–	–	–	–	–	–	(4,316)	1,600	–	–	(2,716)	(98)	(2,814)
Total comprehensive income for the period	–	–	–	–	–	–	(4,316)	1,600	–	436,373	433,657	29,873	463,530
Recognition of equity-settled share-based payments	–	–	–	–	–	–	–	–	18,964	–	18,964	–	18,964
Acquisition of equity interest from non-controlling shareholders	–	–	–	7,696	–	–	–	–	–	–	7,696	(23,004)	(15,308)
Transfer to reserve fund	–	–	–	–	1,186	1,961	–	–	–	(3,147)	–	–	–
Transfer to other reserve for share options forfeited after the vesting date	–	–	–	30	–	–	–	–	(30)	–	–	–	–
Dividends recognised as distribution (note 9)	–	–	–	–	–	–	–	–	–	(238,027)	(238,027)	–	(238,027)
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	15,730	15,730
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(6,989)	(6,989)
Exercise of share options	38	2,373	–	–	–	–	–	–	(355)	–	2,056	–	2,056
At 30 June 2012 (unaudited)	109,177	3,056,781	276,199	36,555	117,408	13,120	(6,150)	(64,336)	68,775	2,704,042	6,311,571	170,858	6,482,429
At 1 January 2013 (audited)	109,206	3,058,546	276,199	38,212	117,464	13,120	25,973	(62,588)	88,642	3,108,772	6,773,546	208,248	6,981,794
Profit for the period	–	–	–	–	–	–	–	–	–	499,031	499,031	24,257	523,288
Other comprehensive expense for the period	–	–	–	–	–	–	(48,860)	(16,161)	–	–	(65,021)	(1,626)	(66,647)
Total comprehensive income for the period	–	–	–	–	–	–	(48,860)	(16,161)	–	499,031	434,010	22,631	456,641
Recognition of equity-settled share-based payments	–	–	–	–	–	–	–	–	10,558	–	10,558	–	10,558
Transfer to other reserve for share options forfeited after the vesting date	–	–	–	1,656	–	–	–	–	(1,656)	–	–	–	–
Dividends recognised as distribution (note 9)	–	–	–	–	–	–	–	–	–	(332,404)	(332,404)	–	(332,404)
Exercise of share options	565	39,274	–	–	–	–	–	–	(6,577)	–	33,262	–	33,262
At 30 June 2013 (unaudited)	109,771	3,097,820	276,199	39,868	117,464	13,120	(22,887)	(78,749)	90,967	3,275,399	6,918,972	230,879	7,149,851

The special reserve of the Group represents the difference between the nominal amount of the shares issued by the Company and the aggregate amount of the paid-in capital of subsidiaries acquired pursuant to the group reorganisation in June 2005.

The other reserve of the Group consists of: (i) contributions from a shareholder Mr. Chin Jong Hwa ("Mr. Chin") in connection with the Group's acquisition of an associate from Mr. Chin pursuant to the group reorganisation, (ii) reserve arising from acquisition of additional interest in a subsidiary, (iii) revaluation reserve recognised upon acquisition of businesses from interests in joint ventures and (iv) reserve transferred from share options reserve for share options forfeited after the vesting date.

As stipulated by the relevant laws and regulations for foreign investment enterprise in the Mainland China (the "PRC"), the PRC subsidiaries are required to maintain a statutory surplus reserve fund which is non-distributable. Appropriations to such reserves are made out of profit after taxation of the statutory financial statements of the PRC subsidiaries. The amount and basis of allocation are decided by its respective board of directors annually. The statutory surplus reserve fund can be used to make up its prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue. The enterprise expansion fund is used for expanding the capital base of the PRC subsidiaries by means of capitalisation issue.

On 16 April 2012, the Group acquired the remaining 35% equity interest in Jiaxing Minth Hashimoto Automotive Parts Co., Ltd. (嘉興敏橋汽車零部件有限公司) ("Jiaxing Minth Hashimoto"), a subsidiary of the Group, from the non-controlling shareholder with a consideration of JPY200,000,000 (equivalent to approximately RMB15,308,000), and since then Jiaxing Minth Hashimoto became a wholly owned subsidiary of the Company. The amounts recorded in other reserve of RMB7,696,000 during the six months ended 30 June 2012 represented the difference between the net carrying amount of the respective equity interests in Jiaxing Minth Hashimoto at the date of acquisition and the consideration paid. Jiaxing Minth Hashimoto then changed its name to Jiaxing Minrui Automotive Parts Co., Ltd. (嘉興敏瑞汽車零部件有限公司) during the year ended 31 December 2012.

The investment revaluation reserve represents the changes in fair value net of tax of available-for-sale financial assets of the Group.

For the six months ended 30 June 2013

	NOTE	Six months ended 30 June 2013 (unaudited) RMB'000	2012 (unaudited) RMB'000
NET CASH FROM OPERATING ACTIVITIES		**188,555**	249,111
NET CASH USED IN INVESTING ACTIVITIES:			
Proceeds on redemption of other financial assets and derivative financial instruments		**2,031,363**	2,782,509
Interest received		**42,305**	33,174
Dividends received from associates		**–**	19,332
Dividends received from available-for-sale investments		**–**	5,102
Proceeds on disposal of property, plant and equipment		**21,222**	13,962
Refund of deposit paid for acquisition of land use rights		**20,000**	20,000
Release of pledged bank deposits		**2,284**	1,922
Repayment from joint ventures		**–**	15,194
Repayment from associates		**–**	4,011
New pledged bank deposits placed		**(536,721)**	(2,980)
Purchases of property, plant and equipment		**(346,768)**	(244,413)
Acquisition of a subsidiary	24	**(16,915)**	–
Investment in other financial assets and derivative financial instruments		**(1,977,990)**	(2,730,017)
Prepaid rentals for lease premium for land		**(31,676)**	(31,034)
Purchases of other intangible assets		**(5,078)**	(3,020)
		(797,974)	(116,258)

For the six months ended 30 June 2013

	Six months ended 30 June	
	2013 (unaudited) RMB'000	2012 (unaudited) RMB'000
NET CASH FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(949,366)	(969,542)
Dividends paid to owners of the Company	(332,404)	(238,027)
Dividends paid to non-controlling interests	–	(6,989)
Interest paid	(26,700)	(10,590)
Additional investment in an associate	–	(10,403)
Acquisition of equity interest from non-controlling shareholders	–	(15,308)
New borrowings raised	2,000,062	1,291,854
Proceeds from exercise of share options	33,262	2,056
Capital contributions from non-controlling shareholders	–	15,730
	724,854	58,781
Net increase in cash and cash equivalents	115,435	191,634
Cash and cash equivalents at 1 January	4,130,051	3,791,701
Effect of foreign exchange rate changes	3,391	(2,339)
Cash and cash equivalents at 30 June, represented by		
Bank balances and cash	4,248,877	3,980,996

1. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") Interim Financial Reporting issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as 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").

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

2. Principal Accounting Policies

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

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2012.

In the current interim period, the Group has applied, for the first time, the following new or revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

- HKFRS 10 Consolidated Financial Statements;
- HKFRS 11 Joint Arrangements;
- HKFRS 12 Disclosure of Interests in Other Entities;

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

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 had three types of joint arrangements – jointly controlled entities, jointly controlled operations and joint controlled assets. The classification of joint arrangement 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 directors of the Company 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., which was classified as jointly controlled entities under HKAS 31 and was accounted for using the equity method, should be classified as a joint venture under HKFRS 11 and accounted for using the equity method.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

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. Disclosures of fair value information are set out in note 23.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements.

However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive 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 existing 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.

Amendments to HKAS 34 Interim Financial Reporting

(as part of the Annual Improvements to HKFRSs 2009-2011 Cycle)

The Group has applied the amendments to HKAS 34 Interim Financial Reporting as part of the Annual Improvements to HKFRSs 2009–2011 Cycle for the first time in the current interim period. The amendments to HKAS 34 clarify that the total assets and total liabilities for a particular reportable segment would be separately disclosed in the interim financial statements only when the amounts are regularly provided to the chief operating decision maker (CODM) and there has been a material change from the amounts disclosed in the last annual financial statements for that reportable segment.

Since the CODM does not review liabilities of the Group's reportable segments for performance assessment and resource allocation purposes, and there has not been a material change form the amounts of assets disclosed in the last annual financial statements for that reportable segment, the Group has not included total asset and liability information as part of segment information.

Except as described above, the application of the other new or revised HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

3. Segment Information

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

For the six months ended 30 June 2013 (unaudited)

	PRC RMB'000	Asia Pacific RMB'000	North America RMB'000	Europe RMB'000	Consolidated RMB'000
SEGMENT REVENUE					
External sales	1,660,159	196,390	436,928	179,235	2,472,712
Segment profit	532,334	57,304	161,487	75,184	826,309
Investment income					42,651
Other unallocated income					129,952
Unallocated expenses					(384,766)
Interest on bank borrowings wholly repayable within five years					(26,700)
Share of profits of joint ventures					9,386
Share of profits of associates					14,756
Profit before tax					611,588
Income tax expense					(88,300)
Profit for the period					523,288

For the six months ended 30 June 2012 (unaudited)

	PRC RMB'000	Asia Pacific RMB'000	North America RMB'000	Europe RMB'000	Consolidated RMB'000
SEGMENT REVENUE					
External sales	1,522,160	178,324	319,023	100,363	2,119,870
Segment profit	514,673	56,328	129,408	30,723	731,132
Investment income					38,398
Other unallocated income					76,129
Unallocated expenses					(317,754)
Interest on bank borrowings wholly repayable within five years					(10,590)
Share of profits of joint ventures					13,765
Share of profits of associates					15,621
Profit before tax					546,701
Income tax expense					(80,357)
Profit for the period					466,344

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 board of directors for the purposes of resource allocation and performance assessment.

Information about major customers:

Details of the customers accounting for 10% or more of total revenue are as follows:

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Customer A	**261,478**	280,203

The customer above is located in PRC.

4. Investment Income

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Interest on bank deposits	**42,292**	32,606
Interest on loan receivables	**359**	690
Dividends from listed equity securities	**–**	5,102
Total investment income	**42,651**	38,398

5. Other Income

	Six months ended 30 June	
	2013 RMB'000	2012 RMB'000
Government grants (note)	**40,974**	11,964
Service and consultation income	**11,386**	6,405
Sales of scrap and raw materials	**10,281**	10,127
Property rental income	**3,325**	2,420
Others	**6,195**	2,665
Total	**72,161**	33,581

Note: The amounts represent the incentive subsidies granted by the PRC local government authorities to the group entities for incentive of the group entities with good performance in technology development or involving in hi-tech know-how industry. The government grants have been approved by and received from the PRC local government authorities at the end of the reporting period.

6. Other Gains and Losses

	Six months ended 30 June	
	2013 RMB'000	2012 RMB'000
Net foreign exchange gain	**16,489**	3,792
Gain on change in fair value of derivative financial assets	**19,985**	8,187
Changes in fair value of financial assets designated as at fair value through profit or loss	**25,277**	30,639
Impairment loss reversed (recognised) for bad and doubtful debts	**3,451**	(7,198)
Loss on disposal of property, plant and equipment	**(757)**	(70)
Others	**(3,203)**	–
Total	**61,242**	35,350

7. Income Tax Expense

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Current tax:		
Hong Kong	**–**	–
PRC Enterprise Income Tax	**90,872**	77,953
Withholding income tax paid	**–**	7,130
	90,872	85,083
Over provision in prior years:		
PRC Enterprise Income Tax	**(12,117)**	(1,362)
Deferred tax		
Current period charge (credit)	**9,545**	(3,364)
	88,300	80,357

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Pursuant to the relevant laws and regulations in the PRC, certain PRC subsidiaries of the Group were entitled to exemption from PRC income tax for two years starting from their first profit making year, followed by a 50% reduction for the next three years ("Tax Holidays"). The tax holidays had been expired in 2012.

According to the Circular of the State Council on the Implementation of Transitional Preferential Policies for Enterprise Income Tax (Guofa [2007] No.39), certain of the group entities located in the PRC have been entitled to the following tax concession under the EIT Law:

(1) The tax exemption and 50% deduction from foreign enterprise income tax for the foreign investment enterprises was applicable until the end of the five-year transitional period in 2012 under the EIT Law which had been expired in 2012.

(2) Those entities that previously enjoyed tax incentive rate at 15% would increase their applicable tax rate progressively to 25% over a five-year transitional period which had been expired in 2012.

(3) Those entities which are located in specific provinces of western China and engaged in specific encouraged industries enjoy a preferential tax rate of 15% under EIT Law.

(4) Those entities which are qualified as "Hi-New Tech Enterprises" would enjoy a preferential tax rate of 15% under EIT Law and subject to every 3-year renewal.

Under the relevant tax law and implementation regulations in the PRC, withholding income tax is applicable to interest and dividends payable to investors that are "non-tax resident enterprises", which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such interest or dividends have their sources within the PRC. Under such circumstances, dividends distributed from the PRC subsidiaries to off-shore group entities shall be subject to the withholding tax at 10% or a lower treaty rate. Under tax treaty, withholding tax rate on distributions to Hong Kong resident companies is 5%. Therefore, withholding tax has been provided for based on the anticipated dividends to be distributed by the PRC entities.

The deferred tax balance has been adjusted to reflect the tax rates that are expected to apply to the respective periods when the asset is realised or the liability is settled under the EIT Law and other related tax regulations in other jurisdictions.

8. Profit for the Period

Profit for the period has been arrived at after charging the following items:

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Depreciation of property, plant and equipment	**88,374**	74,079
Amortisation of other intangible assets (included in cost of sales, administrative expenses and research expenditures)	**4,896**	3,417
Total depreciation and amortisation	**93,270**	77,496
Cost of inventories recognised	**1,649,854**	1,381,540
Write-off and write-down of inventories	**6,828**	2,502

9. Dividends

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Dividends recognised as distribution during the period: 2012 Final – HK$0.385 (2011: final dividend HK$0.271) per share	**332,404**	238,027

On 13 June 2013, a dividend of HK$0.385 per share (2011: HK$0.271 per share) was paid to shareholders as the final dividend for 2012.

The directors of the Company have determined that no dividend will be paid in respect of the interim period (2012: nil).

For the six months ended 30 June 2013

10. Earnings Per Share

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

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Earnings		
Earnings for the purposes of basic and diluted earnings per share (profit for the period attributable to owners of the Company)	**499,031**	436,373
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,080,086**	1,076,896
Effect of dilutive share options	**6,497**	4,603
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,086,583**	1,081,499

Certain outstanding share options of the Company had not been included in the computation of diluted earnings per share as they did not have a dilutive effect to the Company's earnings per share during the six months ended 30 June 2012 because the exercise prices of these Company's share options were higher than the average market prices of the Company's shares during the six months ended 30 June 2012.

11. Movements in Property, Plant and Equipment

During the current interim period, the Group spent approximately RMB332,558,000 (RMB238,560,000 for the six months ended 30 June 2012) on the construction of the manufacturing plant and acquisitions of plant and machinery in the PRC, Thailand and Mexico, in order to upgrade its manufacturing capabilities. Property, plant and equipment amounting to RMB11,853,000 (nil for the six months ended 30 June 2012) was written off during the period.

In addition, there was addition of property, plant and equipment of RMB56,058,000 arising from the acquisition of a wholly-owned subsidiary during the period as detailed in note 24.

12. Other Intangible Assets

During the period, the Group spent approximately RMB5,078,000 (RMB3,020,000 for the six months ended 30 June 2012) on additions to technical know-how in order to upgrade its manufacturing capabilities. In addition, there was addition of other intangible assets of RMB7,550,000 arising from the acquisition of a wholly-owned subsidiary during the period as detailed in note 24.

13. Available-for-Sale Investments

Available-for-sale investments comprise:

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Listed investments:		
– Equity securities listed in the PRC	132,652	190,134

14. Loans Receivables

	Maturity date	Effective interest rate	Carrying amount At 30 June 2013 RMB'000	Carrying amount At 31 December 2012 RMB'000
Fixed-rate loan receivables from a joint venture	31 August 2013 (note)	the United States Prime Rate-0.5%	26,599	26,697

Note: Included in the amount is the amount of interest receivables of approximately RMB895,000 (31 December 2012: RMB549,000). During the year ended 31 December 2012, the Group and the joint venturers mutually agreed to extend the maturity date of the amount from 31 August 2012 to 31 August 2013.

15. Trade and Other Receivables

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Trade receivables		
– associates	**8,528**	11,129
– joint ventures	**138,396**	76,967
– non-controlling interests of subsidiaries	**11,048**	10,888
– third parties	**1,133,575**	866,434
Less: allowance for doubtful debts	**(9,319)**	(16,500)
	1,282,228	948,918
Bill receivables	**92,704**	83,679
	1,374,932	1,032,597
Other receivables	**81,698**	53,510
Less: allowance for doubtful debts	**(192)**	(3,290)
	1,456,438	1,082,817
Prepayments	**197,577**	158,518
Value-added tax recoverable	**56,170**	56,214
Refundable guarantee deposit for acquisition of land use rights	**–**	20,000
Dividend receivable from a joint venture	**5,234**	5,234
Total trade and other receivables	**1,715,419**	1,322,783

The Group normally grants a credit period of 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 and bill receivables presented based on invoice date, which approximately the revenue recognition date, net of allowance for doubtful debts, at the end of the reporting period:

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Age		
0 – 90 days	1,247,313	978,429
91 – 180 days	84,225	42,574
181 – 365 days	41,148	8,951
Over 1 year	2,246	2,643
	1,374,932	1,032,597

16. Derivative Financial Assets/Derivative Financial Liabilities

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Derivative financial assets		
Foreign exchange forward contracts (note a)	19,057	30,768
Swap derivative contracts (note b)	205	538
	19,262	31,306
Derivative financial liabilities		
Swap derivative contracts (note b)	6,422	2,953
Interest rate swaps (note c)	1,212	1,717
	7,634	4,670

Notes:

a. Foreign exchange forward contracts

At 30 June 2013, the Group had a number of outstanding foreign exchange forward contracts. Derivative financial assets of RMB19,057,000 (31 December 2012: RMB30,768,000) have been recognised in accordance with the fair value of the above foreign exchange forward contracts, respectively.

b. Swap derivative contracts

At 30 June 2013, the Group had a number of outstanding swap derivative contracts. Derivative financial assets of RMB205,000 (31 December 2012: derivative financial assets of RMB538,000) and derivative financial liabilities of RMB6,422,000 (31 December 2012: RMB2,953,000) have been recognised.

c. Interest rate swaps

At 30 June 2013, the Group had a number of outstanding interest rate swaps. Derivative financial liabilities of RMB1,212,000 (31 December 2012: RMB1,717,000) have been recognised in accordance with the fair value of the above interest rate swaps.

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17. Trade and Other Payables

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Trade payables		
– associates	**17,060**	12,422
– joint venture	**55,215**	42,590
– non-controlling interests of subsidiaries	**16,166**	12,903
– third parties	**539,745**	463,620
	628,186	531,535
Payroll and welfare payables	**103,812**	112,313
Advance from customers	**15,059**	14,456
Consideration payable for acquisition of property, plant and equipment	**45,878**	60,088
Technology support service fees payable	**9,801**	14,587
Freight and utilities payable	**49,145**	31,044
Others	**97,741**	72,706
	949,622	836,729

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

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Age		
0 – 90 days	597,748	491,211
91 – 180 days	17,246	33,940
181 – 365 days	8,668	4,715
1 – 2 years	3,918	864
Over 2 years	606	805
	628,186	531,535

18. Borrowings

During the current interim period, the Group obtained new borrowings amounting to RMB2,000,062,000 (RMB1,291,854,000 for the six months ended 30 June 2012). The loans bear interest at fixed rate and variable market rates and are repayable within one year. Repayments of bank loans amounting to RMB949,366,000 (RMB969,542,000 for the six months ended 30 June 2012) were made in line with the relevant repayment terms. The proceeds were used to provide additional working capital for the Group. In addition, there was addition of borrowings of RMB3,272,000 arising from the acquisition of a wholly-owned subsidiary during the period as detailed in note 24.

19. Share Capital

	Number of shares '000	Share capital HK$'000
Ordinary shares of HK$0.1 each		
Authorised:		
At 1 January 2012, 30 June 2012, 31 December 2012 and 30 June 2013	5,000,000	500,000

	Number of shares '000	Share capital RMB'000
Issued and fully paid:		
As at 1 January 2012	1,076,647	109,139
Exercise of share options	474	38
At 30 June 2012	1,077,121	109,177
As at 1 January 2013	1,077,473	109,206
Exercise of share options	7,033	565
At 30 June 2013	1,084,506	109,771

20. Share-Based Payment Transactions

The Company adopted a share option scheme (the "Scheme") pursuant to a resolution passed on 13 November 2005 for the primary purpose of providing incentives to directors and eligible employees, the term of the Scheme was 10 years. The Scheme has been terminated and replaced by a new share option scheme, which was approved in the annual general meeting held on 22 May 2012 and will be valid for 10 years from the date of its adoption (the "New Scheme").

There was no new share options granted to directors and eligible employees during the period. For the six months ended 30 June 2012, share options were granted under the New Scheme on 31 May 2012. The fair values of the options determined at the date of grant using the Binomial model was HK$7,104,000 (equivalent to RMB5,796,000). The vesting period of the share options are as follows: 30% from 31 May 2012 to 30 May 2013, 30% from 31 May 2012 to 30 May 2014 and 40% from 31 May 2012 to 30 May 2015.

The closing price of the Company's shares immediately before 31 May 2012, the date of grant, was HK$9.14.

The table below discloses movement of the Company's share options held by the Group's employees:

	Number of share options
Outstanding as at 1 January 2013	48,942,000
Exercised during the period	(7,033,000)
Forfeited during the period	(1,448,000)
Outstanding as at 30 June 2013	40,461,000

During the six months ended 30 June 2013, the weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK$12.88.

The following assumptions were used to calculate the fair value of share options granted during the six months ended 30 June 2012:

	Option type 2012A	2012B	2012C
Grant date share price	HK$9.10	HK$9.10	HK$9.10
Exercise price	HK$9.13	HK$9.13	HK$9.13
Expected volatility	48%	48%	48%
Expected life	1 years	2 years	3 years
Risk-free rate	0.49%	0.49%	0.49%
Expected dividend yield	2.71%	2.71%	2.71%
Early exercise multiple	1.5	1.5	1.5

The Binomial model had been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options were based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

The Group recognised the total expenses of RMB10,558,000 for the six months ended 30 June 2013 (RMB18,964,000 for the six months ended 30 June 2012) in relation to share options granted by the Company.

21. Commitments

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Capital expenditure contracted for but not provided in the financial statements in respect of:		
Acquisition of property, plant and equipment	268,710	203,568
Prepaid rentals for lease premium for land	8,108	38,894

For the six months ended 30 June 2013

22. Related Party Transactions and Connected Transactions

Save as disclosed in note 14, note 15 and note 17, the Group has the following significant transactions with related/connected parties during the period:

Relationship with related/ connected party	Nature of transactions	Six months ended 30 June 2013 RMB'000	2012 RMB'000
Joint venture, in which the Group has a 49% equity interest	Sales of finished goods	8,724	8,675
	Sales of moulds	–	157
	Sales of raw materials	32	720
	Purchase of finished goods	78,079	46,882
	Purchases of raw materials	14,666	30,980
	Property rentals income	1,155	1,143
	Utilities income	4,883	4,305
Joint venture, in which the Group has a 49.82% equity interest	Sales of finished goods	99,329	46,449
	Sales of raw materials	–	128
	Purchase of finished goods	5,025	16
	Interest income	359	538
	Consulting service income	9,749	4,864
	Property rentals expense	–	3,594
Associates, in which the Group has a 48% and 49% equity interest	Sales of finished goods	32,331	32,904
	Sales of raw materials	5,200	4,086
	Sales of moulds	–	1,615
	Purchase of raw materials	14,390	22,869
	Property rentals income	673	668
	Technology support services charges	79	174
	Interest income	–	152
	Purchase of finished goods	11,630	12,755
	Purchase of moulds & fixed assets	4,173	19,701
	Utilities income	1,107	841
	Consulting services income	846	–
Non-controlling interests of subsidiaries (*)	Sales of finished goods	53,547	106,630
	Purchase of raw materials	30,503	45,208
	Technology support services charges	7,033	6,579
	Purchase of moulds	846	–
	Purchase of intangible assets	187	223

The transactions mentioned above also include connected transactions or continuing connected transactions (denoted as *) as defined in Chapter 14A of the Listing Rules.

The directors represented that they considered the above transactions were carried out in the Group's ordinary and usual course of business and in accordance with the term of agreements governing these transactions.

The remuneration of directors and other members of key management during the period were as follows:

	Six months ended 30 June	
	2013 RMB'000	2012 RMB'000
Short-term benefits	6,985	3,769
Post-employment benefits	13	10
Share-based payments	2,778	4,562
	9,776	8,341

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

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23. Fair Value Measurements of Financial Instruments

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets/ financial liabilities	Fair value as at 30/6/13	Fair value as at 31/12/12	Fair value hierarchy	Basis of fair value measurement/ valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
1) Available– for-sale investments	Listed equity securities in A shares listed on the Shanghai stock exchange: – Automobile manufacturing industry – Assets – RMB132,652,000	Listed equity securities in A shares listed on the Shanghai stock exchange: – Automobile manufacturing industry – Assets – RMB190,134,000	Level 1	Quoted bid prices in an active market.	N/A	N/A
2) Foreign currency forward contracts classified as derivative financial assets in the statement of financial position	Assets – RMB19,057,000	Assets – RMB30,768,000	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A
3) Swap derivative contracts classified as derivative financial assets and liabilities in the statement of financial position	Assets – RMB205,000; and Liabilities – RMB6,422,000	Assets – RMB538,000; and Liabilities – RMB2,953,000	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward exchange rates under pre-determined condition of actual exchange rate on each maturity date, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A
4) Interest rate swaps classified as derivative financial liabilities in the statement of financial position	Liabilities – RMB1,212,000	Liabilities – RMB1,717,000	Level 2	Discounted cash flow. Future cash flows are estimated based on applicable yield curves derived from quoted interest rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

24. Acquisition of a Subsidiary

On 25 March 2013, the Group acquired 100% equity interest in CST GmbH, Germany ("CST"), from an independent third party, for a cash consideration of EUR2,839,000 (equivalent to approximately RMB22,815,000). CST is principally engaged in polishing and bright anodisation of aluminum and was acquired with the objective of improving the Group's polishing technology.

Pursuant to the share transfer agreement, the cash consideration amounting to EUR2,320,000 (equivalent to approximately RMB18,642,000) shall be paid at the acquisition date and the remaining amount of EUR519,000 (equivalent to approximately RMB4,173,000) shall be paid within one year after the date of acquisition.

This transaction had been accounted for as business combination using the acquisition accounting.

Acquisition-related costs amounting to RMB1,203,000 have been excluded from the cost of acquisition and have been recognised directly as an expense in the period and included in the "other expenses" line item in the condensed consolidated statement of profit or loss and other comprehensive income.

Assets and liabilities recognised at the date of acquisition as follows:

	RMB'000
Non-current assets	
Property, plant and equipment	56,058
Other intangible assets	7,550
Derivative financial assets	426
Deferred tax assets	2,791
Current assets	
Inventories	849
Trade and other receivables (note)	5,148
Bank balances and cash	1,727
Current liability	
Trade and other payables	(42,933)
Non-current liabilities	
Deferred tax liabilities	(5,529)
Borrowings	(3,272)
	22,815

Note: The receivables acquired (which principally comprised trade receivables) with a fair value of RMB5,148,000 at the date of acquisition had gross contractual amounts of RMB5,241,000. The best estimate at acquisition date of the contractual cash flows not expected to be collected amounted to RMB93,000.

For the six months ended 30 June 2013

Consideration transferred

	RMB'000
Cash	18,642
Consideration payables	4,173
	22,815

Net cash outflow arising on acquisition

	RMB'000
Consideration paid in cash	(18,642)
Less: cash and cash equivalent balances acquired	1,727
	(16,915)

Impact of acquisition on the results of the Group

Included in the profit for the interim period is loss of RMB191,000 attributable to CST. Revenue for the interim period includes RMB7,764,000 is attributable to CST.

Had the acquisition of CST been effected at the beginning of the interim period, the total amount of revenue of the Group from continuing operations for the six months ended 30 June 2013 would have been RMB2,478,196,000, and the amount of the profit for the interim period from continuing operations would have been RMB521,562,000. The proforma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the interim period, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had CST been acquired at the beginning of the interim period, the directors calculated depreciation and amortisation of plant and equipment based on the recognised amounts of plant and equipment at the date of the acquisition.