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MINTH GROUP LIMITED
敏 實 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 425)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 12.8% to approximately RMB23,147.1 million (2023: approximately RMB20,523.7 million).
- Gross profit increased by approximately 19.1% to approximately RMB6,698.1 million (2023: approximately RMB5,622.0 million).
- Profit attributable to owners of the Company increased by approximately 21.9% to approximately RMB2,319.3 million (2023: approximately RMB1,903.2 million).
- Basic earnings per share increased to approximately RMB2.019 (2023: approximately RMB1.654).
- Proposed final dividend was HK$0.435 per share (2023: nil).
- Capital expenditure decreased by approximately 40.9% to approximately RMB1,911.7 million (2023: approximately RMB3,235.4 million).
- Consolidated net asset value increased by approximately 11.1% to approximately RMB21,258.9 million (2023: approximately RMB19,139.9 million).

The board (the "Board") of directors (the "Directors") of Minth Group Limited (the "Company") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2024 (the "Review Year"), together with the comparative figures for the year ended 31 December 2023 reviewed by the Audit Committee of the Company (the "Audit Committee") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	NOTES	***RMB'000***	*RMB'000*
Revenue	3	**23,147,123**	20,523,674
Cost of sales		**(16,449,053)**	(14,901,683)
Gross profit		**6,698,070**	5,621,991
Investment income		**325,291**	356,131
Other income		**459,511**	414,571
Impairment losses under expected credit loss model, net of reversal		**(16,369)**	(22,283)
Other gains and losses	5	**(7,201)**	83,038
Distribution and selling expenses		**(1,047,605)**	(791,910)
Administrative expenses		**(1,638,404)**	(1,449,490)
Research expenditure		**(1,449,444)**	(1,396,622)
Interest expenses		**(521,020)**	(515,499)
Share of results of joint ventures		**37,716**	37,930
Share of results of associates		**(33,606)**	(22,382)
Profit before tax		**2,806,939**	2,315,475
Income tax expense	6	**(431,179)**	(351,482)
Profit for the year	7	**2,375,760**	1,963,993

	NOTE	2024 RMB'000	2023 RMB'000
Other comprehensive income:			
Item that will not be reclassified to profit or loss:			
Gain on remeasurement of plan assets		**156**	1,150
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(133,958)**	69,735
Fair value loss on debt instruments measured at fair value through other comprehensive income		**(670)**	(1,116)
Other comprehensive (expense) income for the year, net of income tax		**(134,472)**	69,769
Total comprehensive income for the year		**2,241,288**	2,033,762
Profit for the year attributable to:			
Owners of the Company		**2,319,300**	1,903,231
Non-controlling interests		**56,460**	60,762
		2,375,760	1,963,993
Total comprehensive income for the year attributable to:			
Owners of the Company		**2,208,801**	1,979,753
Non-controlling interests		**32,487**	54,009
		2,241,288	2,033,762
Earnings per share	9		
Basic		**RMB2.019**	RMB1.654
Diluted		**RMB2.019**	RMB1.654

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

	NOTES	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment		**15,798,496**	15,475,982
Right-of-use assets		**1,034,728**	1,057,581
Goodwill		**98,030**	98,030
Other intangible assets		**91,523**	112,323
Interests in joint ventures		**288,678**	274,546
Interests in associates		**95,211**	132,746
Deferred tax assets		**482,985**	418,768
Prepayment for acquisition of property, plant and equipment		**460,998**	944,330
Derivative financial assets		**863**	2,361
Contract assets	12	**1,003,741**	943,395
Contract costs		**92,920**	107,460
Financial assets at fair value through profit or loss ("FVTPL")	13	**1,075,344**	29,578
Plan assets		**2,446**	3,519
Time deposits		**1,063,624**	453,293
		21,589,587	20,053,912
Current assets			
Inventories	10	**4,640,941**	3,982,201
Trade and other receivables	11	**7,476,017**	6,609,980
Contract assets	12	**289,026**	263,034
Financial assets at FVTPL	13	**189,542**	–
Derivative financial assets		**21,558**	19,804
Debt instruments at fair value through other comprehensive income		**314,881**	584,837
Loan receivable		**26,037**	27,777
Pledged bank deposits and time deposits		**1,770,568**	1,840,456
Cash and cash equivalents		**2,440,779**	4,165,305
		17,169,349	17,493,394

	NOTES	**2024** *RMB'000*	2023 *RMB'000*
Current liabilities			
Trade and other payables	14	**7,260,369**	7,004,330
Tax liabilities		**206,248**	226,173
Borrowings		**5,893,775**	5,851,363
Lease liabilities		**21,918**	19,604
Contract liabilities		**162,728**	139,650
Derivative financial liabilities		**20,577**	1,773
Other long-term liabilities due within one year	15	**1,011,176**	874,500
		14,576,791	14,117,393
Net current assets		**2,592,558**	3,376,001
Total assets less current liabilities		**24,182,145**	23,429,913
Capital and reserves			
Share capital		**116,269**	116,269
Share premium and reserves		**20,328,883**	18,202,228
Equity attributable to owners of the Company		**20,445,152**	18,318,497
Non-controlling interests		**813,779**	821,382
Total equity		**21,258,931**	19,139,879
Non-current liabilities			
Deferred tax liabilities		**196,651**	222,853
Borrowings		**2,525,281**	3,836,960
Lease liabilities		**62,261**	66,574
Derivative financial liabilities		**14,054**	6,265
Contract liabilities		**104,898**	–
Deferred income		**20,069**	44,553
Other long-term liability		**–**	112,829
		2,923,214	4,290,034
		24,182,145	23,429,913

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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

The Company was incorporated under the Companies Law of the Cayman Islands on 22 June 2005 and registered as an exempted company with limited liability. Its registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 1 December 2005. The Company acts as an investment holding company with its subsidiaries engaged in the design, development, manufacture, processing and sales of automobile body parts and moulds.

Mr. Chin Jong Hwa ("Mr. Chin"), the single largest shareholder of the Company, held 450,072,000 shares of the Company through his wholly-owned company, Minth Holdings Limited, representing approximately 38.73% of the total issued shares (including the treasury shares). Minth Holdings Limited, a limited company incorporated in the British Virgin Islands on January 7, 2005, was previously known as Linkfair Investments Limited.

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

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

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

2.1 Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

The Group has applied the amendments for the first time in the current year.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The following is the impact of the application of the amendments:

Borrowings which are subject to meeting certain conditions/covenants within 12 months from reporting date

The Group's right to defer settlement for borrowings of RMB1,459,425,000 and RMB1,101,960,000 as at 1 January and 31 December 2023, respectively are subject to compliance with certain financial ratios only after the reporting period. Upon the application of the 2022 Amendments, such borrowings are still classified as non-current as the covenants which the Group is required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting date.

Except as described above, the application of the 2020 and 2022 Amendments has no other material impact on the classification of the Group's other liabilities. The change in accounting policy does not have impact to the Group's profit or loss or earnings per share for the current and prior years presented.

New and amendments to HKFRSs in issue but not yet effect

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS mentioned below, the Directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2.2 HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. REVENUE

	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
Customer category				
The People's Republic of China (the "PRC")	**9,323,157**	**40.3**	9,204,126	44.8
Other countries	**13,823,966**	**59.7**	11,319,548	55.2
Total	**23,147,123**	**100.0**	20,523,674	100.0

Since the year ended 31 December 2024, information about the Company's revenue was presented on the ultimate geographical delivery destinations of the customers, whilst in prior years such information was presented on the geographical locations of the Company's customers. Meanwhile, corresponding comparative figures have been updated to conform to the current year presentation.

4. SEGMENT INFORMATION

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

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

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

FOR THE YEAR ENDED 31 DECEMBER 2024

	Plastic *RMB'000*	Metal & Trim *RMB'000*	Battery-housing *RMB'000*	Aluminium *RMB'000*	Others *RMB'000*	Elimination *RMB'000*	Consolidated *RMB'000*
Revenue	5,865,183	5,488,146	5,337,514	4,917,171	2,921,190	(1,382,081)	23,147,123
Segment profit	1,472,124	1,525,553	1,143,917	1,638,561	922,805	(4,890)	6,698,070
Investment income							325,291
Other unallocated income, gains and losses							435,941
Unallocated expenses							(4,135,453)
Interest expenses							(521,020)
Share of results of joint ventures							37,716
Share of results of associates							(33,606)
Profit before tax							2,806,939
Income tax expense							(431,179)
Profit for the year							2,375,760

FOR THE YEAR ENDED 31 DECEMBER 2023

	Plastic *RMB'000*	Metal & Trim *RMB'000*	Battery-housing *RMB'000*	Aluminium *RMB'000*	Others *RMB'000*	Elimination *RMB'000*	Consolidated *RMB'000*
Revenue	5,625,554	5,463,692	3,536,029	4,328,137	2,389,869	(819,607)	20,523,674
Segment profit	1,351,232	1,447,438	685,282	1,624,719	519,073	(5,753)	5,621,991
Investment income							356,131
Other unallocated income, gains and losses							475,326
Unallocated expenses							(3,638,022)
Interest expenses							(515,499)
Share of results of joint ventures							37,930
Share of results of associates							(22,382)
Profit before tax							2,315,475
Income tax expense							(351,482)
Profit for the year							1,963,993

5. OTHER GAINS AND LOSSES

	2024 *RMB'000*	2023 *RMB'000*
Net foreign exchange gains	**31,355**	7,817
Gains on fair value changes of derivative financial instruments	**15,152**	44,848
Loss on fair value changes of other financial assets at FVTPL (note 13(iii))	**(27,909)**	–
Gain on disposal of other financial assets at FVTPL (note 13(ii))	**6,344**	–
Impairment loss for property, plant and equipment	**(12,291)**	(4,603)
(Losses) gains on disposal of property, plant and equipment and other intangible assets	**(24,509)**	16,464
Gain on termination of a lease arrangement (note)	**–**	12,947
Reversal on over-provision of Mexico customs dispute	**–**	16,162
Others	**4,657**	(10,597)
Total	**(7,201)**	83,038

Note: During the prior year, the Group, as a lessor, entered into a termination agreement with a third party in respect of a long-term operating lease arrangement with rental consideration of RMB15,712,000 which has been settled in full. For the year ended 31 December 2023, termination compensation amounting to RMB12,947,000 has been received by the Group.

6. INCOME TAX EXPENSE

	2024 *RMB'000*	2023 *RMB'000*
Current tax:		
PRC Enterprise Income Tax	**395,722**	367,845
Other jurisdictions	**133,196**	101,929
	528,918	469,774
Over provision in prior years:		
PRC Enterprise Income Tax	**(7,320)**	(10,569)
Deferred tax:		
Current year credit	**(90,419)**	(107,723)
	431,179	351,482

7. PROFIT FOR THE YEAR

	2024 *RMB'000*	2023 *RMB'000*
Profit for the year has been arrived at after charging:		
Directors' remuneration	**6,985**	4,955
Other staff's salaries and allowances	**4,348,176**	3,865,713
Other staff's related welfares and benefits	**326,043**	302,286
Other staff's retirement benefits scheme contributions	**276,928**	229,476
Other staff's share-based payments	**47,017**	22,568
Total staff costs	**5,005,149**	4,424,998
Depreciation of property, plant and equipment	**1,452,180**	1,302,281
Depreciation of right-of-use assets	**45,268**	46,665
Amortisation of other intangible assets	**46,820**	44,964
Amortisation of contract costs	**14,593**	29,792
Total depreciation and amortisation	**1,558,861**	1,423,702

8. DIVIDENDS

	2024	2023
	RMB'000	*RMB'000*
Dividends recognised as distribution during the year:		
2023 Final – Nil (2022 final dividend – HK$0.578 per share)	**–**	608,578

No final dividend has been paid by the Company for the year ended 31 December 2023 whilst for the year ended 31 December 2022, a final dividend of HK$0.578 per share totalling HK$671,542,000 (equivalent to RMB608,578,000) was approved by the shareholders and subsequently paid to the shareholders of the Company.

A final dividend of HK$0.435 per share totalling HK$500,907,000 (equivalent to RMB463,860,000) for the year ended 31 December 2024 has been proposed by the Board and is subject to approval by the shareholders in the annual general meeting to be held on 30 May 2025.

As of 31 December 2024, there were a total of 10,244,000 shares (either in the Company's own name or are deposited with Central Clearing and Settlement System ("CCASS")), which will not receive any final dividend.

9. EARNINGS PER SHARE

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

	2024	2023
	RMB'000	*RMB'000*
Earnings		
Earnings for the purpose of calculating basic earnings per share	**2,319,300**	1,903,231
Effect of dilutive potential ordinary shares:		
Adjustment to the share of profit of subsidiaries based on dilution of their earnings per share	**(1)**	–
Earnings for the purpose of diluted earnings per share	**2,319,299**	1,903,231

	2024	2023
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share (note)	**1,148,623**	1,150,383
Effect of dilutive potential ordinary shares:		
Options	**–**	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,148,623**	1,150,383

Note: The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted by the number of ordinary shares purchased by the trustee for the 2020 Share Award Scheme and the number of shares repurchased during the year ended 2024.

10. INVENTORIES

	2024 *RMB'000*	2023 *RMB'000*
Raw materials	**2,238,022**	1,680,471
Work in progress	**750,657**	666,124
Finished goods	**1,652,262**	1,635,606
	4,640,941	3,982,201

11. TRADE AND OTHER RECEIVABLES

	2024 *RMB'000*	2023 *RMB'000*
Trade receivables		
– associates	**11,515**	11,320
– joint ventures	**10,671**	31,437
– other related parties*	**810**	3,873
– third parties	**5,420,359**	4,743,969
Less: Allowance for credit losses	**(58,755)**	(50,571)
	5,384,600	4,740,028
Bills receivables	**559**	–
Other receivables	**157,035**	101,870
Less: Allowance for credit losses	**–**	(951)
	157,035	100,919
	5,542,194	4,840,947
Prepayments to suppliers	**895,439**	867,904
Utilities and rental prepayments	**37,158**	39,815
Prepaid value-added tax recoverable and refundable	**829,000**	634,756
Consideration receivable for disposal of subsidiaries	**–**	2,160
Interest receivable	**172,226**	224,398
Total trade and other receivables	**7,476,017**	6,609,980

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

The Group normally grants to customers a credit period of 60 days to 90 days (2023: 60 days to 90 days) effective from the invoice date. The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	2024	2023
	RMB'000	*RMB'000*
Age		
0 to 90 days	**4,783,627**	4,245,889
91 to 180 days	**429,407**	353,866
181 to 365 days	**125,932**	98,771
1 to 2 years	**38,202**	35,547
Over 2 years	**7,432**	5,955
	5,384,600	4,740,028

12. CONTRACT ASSETS

	2024	2023
	RMB'000	*RMB'000*
Moulds development	**1,300,783**	1,214,445
Less: Allowance for credit losses	**(8,016)**	(8,016)
	1,292,767	1,206,429
Analysed for reporting purposes as:		
Current	**289,026**	263,034
Non-current	**1,003,741**	943,395
	1,292,767	1,206,429

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

13. FINANCIAL ASSETS AT FVTPL

	2024	2023
	RMB'000	*RMB'000*
Listed equity investments	**204,217**	–
– Equity shares in a PRC A share listed entity (note i)	**189,542**	–
– Equity shares in a non-PRC listed entity (note ii)	**14,675**	–
Unlisted equity investments (note ii)	**–**	29,578
Structured deposit (note iii)	**1,060,669**	–
	1,264,886	29,578
Analysed for reporting purposes as:		
Current	**189,542**	–
Non-current	**1,075,344**	29,578
	1,264,886	29,578

Notes:

As at 31 December 2024, the financial asset at FVTPL held by the Group are composed of:

(i) The above listed equity investments represent ordinary shares of an entity listed in PRC A share stock market which are held for trading and measured at fair value through profit or loss.

(ii) The above listed equity investments represent ordinary shares of an entity listed in Finland NASDAQ HELSINKI ("NASDAQ") stock market which is established in Finland and primarily engaged in producing and sales of nano-material. The Group made an initial investment of EUR3,000,000 in 2022 on the entity when it was a private entity. During the year ended 31 December 2024, the Group disposed partially of its equity share on the entity before it became listed in NASDAQ with a gain of RMB6,344,000 as disclosed in Note 5 and continuously measures the remaining shares at fair value through profit or loss. Additionally, the Group disposed its equity investment in a limited partnership with a consideration of RMB6,000,000 which approximates its initial investment cost.

(iii) During the year ended 31 December 2024, the Group entered into structured deposit agreements with two banks with an amount of USD150,000,000 (equivalent to approximately RMB1,073,015,000). The loss on fair value changes of RMB 17,481,000 were recognized during the current year.

14. TRADE AND OTHER PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Trade payables		
– associates	**25,494**	24,896
– joint ventures	**60,973**	57,289
– non-controlling shareholders of subsidiaries	**–**	112
– other related parties*	**11,986**	6,594
– third parties	**3,886,885**	3,244,514
	3,985,338	3,333,405
Bills payables	**868,761**	1,014,233
Other payables		
– associates	**61**	61
– joint ventures	**395**	430
– non-controlling shareholders of subsidiaries	**2,528**	1,753
– other related parties*	**843**	1,702
	3,827	3,946
	4,857,926	4,351,584
Payroll and welfare payables	**808,094**	765,074
Consideration payable of acquisition of property, plant and equipment	**560,130**	846,827
Technology support services fees payable	**11,804**	21,516
Freight and utilities payable	**119,140**	80,093
Other tax payable	**114,168**	112,353
Deposits received	**9,012**	5,366
Dividend payables	**17,936**	10,621
Others	**762,159**	810,896
Total trade and other payables	**7,260,369**	7,004,330

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

The average credit period on purchases of goods is 30 days to 90 days (2023: 30 days to 90 days).

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

	2024	2023
	RMB'000	*RMB'000*
Age		
0 to 90 days	**3,220,295**	2,631,211
91 to 180 days	**486,325**	447,812
181 to 365 days	**199,883**	180,444
1 to 2 years	**67,045**	64,009
Over 2 years	**11,790**	9,929
	3,985,338	3,333,405

Bills payables held by the Group as at 31 December 2024 will mature within 6 months (2023: within 6 months).

15. OTHER LONG-TERM LIABILITIES DUE WITHIN ONE YEAR

During the year ended 31 December 2019, the Group entered into an agreement with local government funds in the PRC to establish a partnership Jiaxing Minth Equity Investment Partnership Enterprise (Limited Partnership)* (嘉興敏實定向股權投資合夥企業(有限合夥)) ("Jiaxing Partnership") with a period of 5 years, whose only investment target is Jiaxing Minhua Automotive Parts Co., Ltd.* (嘉興敏華汽車零部件有限公司) ("Jiaxing Minhua"), a subsidiary of the Group. Pursuant to the agreement, the local government funds would contribute capital amounting to RMB800,000,000 into the Jiaxing Partnership. The local government funds would neither participate in Jiaxing Partnership's nor Jiaxing Minhua's operation and management. The local government funds would require the Group and the Group is obligated to redeem RMB800,000,000 of the capital contributed by the local government funds together with interest calculated based on the market interest rate, no later than the expiry of the operation period of Jiaxing Partnership. The interest could be recognised as a reduction of interest expenses incurred under the terms of the agreement when certain conditions are fulfilled during the operation period of Jiaxing Partnership. During the year ended 31 December 2022, the Group met certain conditions stipulated in the agreement under which corresponding government subsidies were recognised as a reduction of interest expenses incurred. The Group treats the capital contribution by the local government funds together with interest payable as a long-term liability and measures corresponding interest payable based on its best estimate. As at 31 December 2024, the carrying amount of this long-term liability together with the interest payable of RMB893,100,000 (31 December 2023: RMB874,500,000) was due, among which, the Group has subsequently redeemed RMB600,000,000 prior to the report day, and the remaining part is still under negotiation with local government on redemption method. Therefore, the whole balance of RMB893,100,000 was disclosed in "Other long-term liabilities due within one year".

* The English names are for identification purposes only.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

During the Review Year, the national and local governments actively implemented timely policies in the Chinese automobile market, such as vehicle scrapping subsidies and vehicle trade-ins, resulting in steady progress in production and sales throughout the year. According to the statistics from the China Association of Automobile Manufacturers ("CAAM"), the production and sales of China's passenger vehicles during the Review Year were approximately 27,477,000 units and approximately 27,563,000 units respectively, representing an increase of approximately 5.2% and approximately 5.8% year-on-year. During the Review Year, under the combined effects of favorable policies, ample supply, price reduction, and continuous improvement of infrastructure, the new energy vehicle ("NEVs") segment continued to thrive, and its market share among new vehicles sales had reached approximately 40.9%, with its sales amounting to approximately 12,866,000 units, representing a year-on-year increase of approximately 35.5%, out of which sales of plug-in hybrid vehicles increased by approximately 83.3% year-on-year, evidencing significant growth.

As to the Chinese market, during the Review Year, with its leading position in the field of electric vehicles ("EVs"), Chinese OEMs delivered stellar result with their passenger vehicles reaching a market share of approximately 65.2%, representing a year-on-year increase of approximately 9.2 percentage points. At the same time, intelligent and new energy transformation enabled Chinese auto brands to gradually enter the high-end market. As for joint venture OEMs, the market share of German, Japanese and American OEMs were approximately 14.6%, approximately 11.2% and approximately 6.4% respectively, representing a year-on-year drop of approximately 3.2 percentage points, approximately 3.2 percentage points and approximately 2.4 percentage points respectively. The market share of Korean OEMs amounted to approximately 1.6%, which remained basically flat with that of the same period in the previous year. According to the statistics of CAAM, during the Review Year, the export of passenger vehicles hit another new high, with sales of approximately 4,955,000 units, representing a year-on-year growth of approximately 19.7%, which has become one of the important driving forces for the growth of automobile production and sales.

As to the international market, during the Review Year, despite the increasingly stabilized supply chain and the substantial improvement in inventory, the global sales of light vehicles merely recorded a slight increase due to factors such as the geopolitical tension, the uneven economic growth across the globe and the slowdown in the growth of EVs. According to the statistics of GlobalData, during the Review Year, global sales of light vehicles were approximately 88,640,000 units, representing a year-on-year increase of approximately 2.1%. During the Review Year, among major mature markets, sales in the United States (the "US") amounted to approximately 15,977,000 units, representing a year-on-year growth of approximately 2.3%; sales in Western Europe amounted to approximately 11,550,000 units, which is basically flat when compared with that in 2023;

and sales in Japan amounted to approximately 4,421,000 units, representing a year-on-year decrease of approximately 7.5%. As to major emerging markets, during the Review Year, sales in Brazil, Mexico and India increased by approximately 13.2%, approximately 9.8% and approximately 4.5% year-on-year respectively, while sales in Thailand dropped by approximately 26.2% year-on-year.

COMPANY OVERVIEW

The Group is primarily engaged in two major businesses, namely the research and development ("R&D"), production and sales of auto parts, as well as that of toolings and moulds. The auto part business of the Group mainly includes metal and trim products, plastic products, aluminium products and battery housing products. The tooling and mould business mainly includes various moulds, gauges and fixtures for the development, processing and production of automobile exterior decorative parts and body structural parts. As a globalized supplier, the Group has established worldwide presence through the development of R&D, design, production and sales networks in China, the US, Mexico, Germany, the United Kingdom, Serbia, the Czech Republic, Thailand, Japan, South Korea, France and Poland. Together with the new base in Canada that is under planning and construction, the Group is committed to continuously providing customers with quality services and products.

During the Review Year, the four product business units ("BUs") of the Group, namely plastic products, aluminium products, metal and trim products, and battery housing products, continued to maintain effective collaboration with cross-functional departments and production plants to further improve operational efficiency. In line with the product characteristics of different BUs, the Group optimised the operation model of regional "major hubs" in tandem with satellite factories worldwide according to local conditions to achieve synergy in global production capacity while maintaining independent regional operations; and by continuing to enhance the "GLOCAL" (global + local) business philosophy, utilising the Group's global resources and best practices in operations, and optimising localised operations and supply chain layout, the Group strengthened its advantages in globalization and continuously built its core competitiveness in terms of layout, technology, product, resource and talent. During the Review Year, the Group implemented a differentiated management model in its production capacity layout, and established a systematic management process for its assets throughout the life cycle, thereby achieving a production capacity layout that is most in line with Minth's global operations. On the one hand, the Group moderately expanded production capacity in accordance with the actual needs of its business development, while exercising stringent control over the rationality and effectiveness of related investments and actively promoting equipment reuse with a remarkable result in effective control. On the other hand, the Group continuously monitored the operational efficiency of each factory, optimised and consolidated factories and production lines that have a lack of scale or with lower capacity utilisation rate, in order to further enhance its operations and profitability. In light of the past new business intakes and potential new orders demand in the future, the Group plans to increase capital expenditure in North America and

Southeast Asia in an orderly manner, aiming at accelerating the business growth in these markets as well as further improving the Group's GLOCAL presence. The source of funding for such investment is expected to be mainly from operating cash inflow.

During the Review Year, the Group continued to deepen the implementation of Minth Operation Excellence System (敏實卓越運營系統), remained committed to fully advancing lean operation and management, and pushed forward a number of cost reduction projects, resulting in a significant uptick in gross profit margin. Meanwhile, the Group continued to boost the overall competitiveness of its products through enhancing processes, manufacturing technologies and production models, and strived for a thorough penetration of these products at customers' end. Through frequent exchange and interaction with its customers, the Group remained committed to the provision of optimal and systematic solutions to customers' internal combustion engine ("ICE") vehicle models and NEV models by perceiving customer demands in relation to product, technology and material innovation. Building on its diversified customer base, the Group closely monitored the business development of its OEM customers to timely adjust its business structure. During the Review Year, the Group continued to focus on the business development of Chinese OEMs and NEV start-ups, while playing an active role in supporting Chinese OEMs' overseas expansion strategy with its GLOCAL business philosophy and global layout advantages. During the Review Year, the Group strived to seize new business from international OEMs in the global market and secured multiple orders for battery housings, subframes, stiffener sills, grilles, etc. During the Review Year, the Group continued to grow its revenue from battery housing business, body and chassis structural parts and intelligent exterior decorative parts at a rapid pace, while achieving a steady growth in traditional products. This, coupled with the cultivation of new fields such as battery cell structural parts which have already been under planning, as well as the business expansion of sealing systems in new markets, will serve as the driving force of the Group's sustainable development in the medium to long term.

The Group continues to promote digital transformation and is ever-closer to digital operation and decision-making. Through the in-depth application of multiple digital systems, the Group has carried out the design and development of digitalization products covering the entire life cycle in relation to production, fixed assets and R&D data. This has laid a solid foundation for enhancing the digital management of its entire operation process and improving the efficiency of its corporate operations comprehensively. During the Review Year, the Group further strengthened its digital construction, continuously optimised SAP and its related systems, and implemented information input through AI means to better support its management and decision-making. Meanwhile, in terms of digital operations, the Group was committed to building benchmark factories and replicating them reasonably, thereby effectively facilitating the Group's agile operations.

During the Review Year, the Group continued to improve its sustainability performance based on its environmental, social and governance (ESG) framework. In terms of environmental issues, the Group has continued to steadily promote energy conservation and carbon reduction at the operational level through process improvements and the deployment of renewable energy in its factories around the world. At product level, with battery housing as an outset, the Group has closely monitored the changes in the market as well as the electrification of automobile manufacturers from all over the world, and endeavoured to meet the comprehensive needs of its customers through R&D efforts, thus continuously contributing to achieving the goal of carbon neutrality. In terms of social issues, the Group continued to improve the construction of a sustainable supply chain by strengthening supplier training and auditing, and in order to enhance competitiveness of its employer brand, the Group reduced risks in labour management through refinement of regulations, optimization of management as well as cultural consensus. In terms of governance issues, Minth has conducted trainings on business ethics throughout the Group, which is supported by systematic policies and monitored at the Board level. In addition, the Group has strictly followed the requirements of the Stock Exchange for information disclosure and shall proactively disclose climate risk assessment in advance starting from its 2024 ESG report in accordance with the "Implementation Guidance for Climate Disclosures under HKEX ESG Reporting Framework" so as to be fully prepared for further compliance requirements in the future.

During the Review Year, the Group continued to build on its environment, safety and occupational health ("EHS") system with the goal of "Green Manufacturing with Intelligence and Sustainable Development" to continuously deepen EHS management, continuously improve the construction of energy system and carbon emission management system, fulfil corporate social responsibilities, and continuously promote and create an excellent Minth EHS management system.

During the Review Year, the Group carried out ISO50001 energy management internal audit, management review and certification, with a certification coverage rate of around 86%. The Group has established energy management functions, annual performance targets, energy-saving management technical solutions and daily review systems at the plants, BUs and group levels. During the Review Year, the Group witnessed continuous improvement in energy conservation and carbon reduction, with energy consumption per RMB10,000 of output reduced by approximately 5.0% year-on-year. During the Review Year, the Group continued to enhance its digital EHS management and carbon emission management. With the eight modules launched on the Group's digital EHS system, namely the workplace accident management system, construction management system, EHS red line management system, EHS hidden-danger management system, EHS outstanding case library, carbon emission management system, EHS honours and awards system and STOP management system (safety training observation program management system), the Group has comprehensively improved its EHS management efficiency, EHS risk prevention capability and emergency handling capability in its global factories. In particular, the carbon emission management system is able to measure and verify carbon emission intensity, carbon footprint and energy consumption of large production lines, as well as to manage energy-saving and low-carbon projects, in a bid to facilitate the Group to achieve its goals of carbon peaking and carbon neutrality. The STOP management system has improved EHS leadership and employees' safety awareness by monitoring the safety level of employees' behaviours.

During the Review Year, the Group constantly introduced advanced technologies for wastewater, emissions and hazardous waste treatment to effectively reduce pollutant discharge and emission; increased investment in waste recycling facilities so as to reduce procurement of raw materials and supplies as well as operating costs; enhanced operation management of emission treatment facilities to ensure that the pollutant discharge of the Group is up to standards. During the Review Year, the Group continued to strengthen its safety management across all BUs on a uniform basis with a focus on on-site operations, and updated and refined its EHS red lines in line with the changes in relevant regulations. Based on a set of criteria called the "fourteen major red lines" and centering around "list management & process control", the Group put forward the EHS management principle of "clear communication, precise implementation, closed loop management and complete evidence chain" to enhance the safety awareness of employees and reinforce the management's awareness of risk identification, which will ensure operational safety at the factory level. The Group's EHS team continued to implement EHS red lines internal audit against each factory in Asia-Pacific, Europe and North America regions, commenced corporate compliance evaluation from 45 dimensions, identified and reduced on-site key risks, and comprehensively enhanced its capability in management and control of EHS risks, which facilitated the Group to reduce the risks of the occurrence of fire accident and work-related injury and enhanced its EHS performance, so as to ensure safety and health in its operations eventually. The Group has formulated the "EHS Comprehensive Management Evaluation Criteria" to strengthen process management and enhance its EHS systematic management level through feedback and continuous improvement. The Group has passed 100% of renewal audits of the ISO45001 and ISO14001 Systems. During the Review Year, work-related injury or accident rate per million working hours of the Group was 1.00. The Group has always attached great importance to the development and management of occupational health by optimising management mechanisms for jobs exposed to occupational hazards, improving the working environment for staff and ensuring comprehensive implementation of the occupational health check systems to safeguard the general health and well-being of the employees.

As of the end of the Review Year, 4 subsidiaries of the Company were awarded "National Green Factory of China", 3 subsidiaries of the Company were awarded "National Green Supply Chain Management Enterprise of China", and 14 subsidiaries of the Company were awarded "Provincial and Municipal Green Factory of China". At the same time, the Group was awarded the title of China's "Top Runner for Industrial Carbon Peaking " in 2024, and was selected as one of the first "Waste-Free Groups" at the provincial level in Zhejiang Province.

During the Review Year, in strict compliance with the "Minth Group Internal Control and Risk Management System" and the "Minth Group Internal Control and Risk Management Guidelines", and fully leveraging its risk management online platform, the Group conducted comprehensive and in-depth upgrade and optimisation on its risk assessment mechanism. With its various functional departments and operating units carrying out ongoing risk assessments in a practical and effective manner, the Group has developed a comprehensive risk list and formulated targeted risk response strategies, fostering the in-depth integration of risk management into daily operation. These measures have enabled the visualised and dynamic management of risks, allowing the Group to timely and effectively monitor and respond to all types of risks. Adhering to its development strategy, the Group continuously strengthened its efforts in building and improving its internal control and risk management systems to ensure a clear definition of authority and responsibility. At the same time, by leveraging its advanced digital management platform, the Group has made every effort to expedite the construction of a framework system that facilitates process-centred internal control and management. This has resulted in a significant leap in its business processes, transitioning from standardisation to automation, which has greatly enhanced its operating efficiency and risk prevention and control capabilities. Based on its globalisation strategy, the Group conducted a comprehensive audit across regions including Asia-Pacific, Europe and North America, which effectively reduced both internal and external compliance risks and improved its operational efficiency and conversion rates of its business results. Jiaxing Minhui Automotive Parts Co., Ltd.* (嘉興敏惠汽車零部件有限公司), Ningbo Shintai Machines Co., Ltd.* (寧波信泰機械有限公司) and Zhejiang Minneng Technology Co., Ltd.* (浙江敏能科技有限公司), all being subsidiaries of the Company, have successfully completed annual supervisory audit for the ISO37001 anti-bribery management system, reflecting the Group's ongoing and effective implementation of its anti-bribery management system. During the Review Year, the Group also completed the updates of the "Minth Group Anti-Money Laundering Management System" and the "Minth Group Anti-Unfair Competition Code of Conduct". Meanwhile, in accordance with the "Minth Group Limited Code of Business Conduct and Ethics" and the "Minth Group Limited Whistleblowing Procedures for Ethics and Compliance", along with other policy documents outlining standards and requirements on business ethics and compliance, the Group has optimised the reporting and feedback mechanism. These protocols encourage the Group and all stakeholders to continuously work toward creating a transparent and incorruptible business environment that safeguards their lawful rights and interests. Based on the above relevant measures, the Group will continue to uphold the core values of integrity and improve its audit and supervision, internal control and risk management models, thereby ensuring that potential risks are contained within acceptable limits. These measures will safeguard and promote the sustainable and steady development of the Group.

BUSINESS AND OPERATION LAYOUT

During the Review Year, the Group's revenue was approximately RMB23,147,123,000, representing an increase of approximately 12.8% compared with approximately RMB20,523,674,000 in 2023. In particular, the Group's revenue from China was approximately RMB9,323,157,000, representing an increase of approximately 1.3% compared with approximately RMB9,204,126,000 in 2023. During the Review Year, the business of joint venture OEMs was impacted by fluctuations in production and sales, but driven by the continuous and rapid development of the business with Chinese OEMs as well as the NEV market in China, the Group's revenue from China continued to grow. The Group's international revenue during the Review Year was approximately RMB13,823,966,000, representing an increase of approximately 22.1% compared to approximately RMB11,319,548,000 in 2023, which was primarily attributable to the rapid ramp-up of the Group's battery housing business and the steady growth of its traditional product lines.

During the Review Year, the Group continued to witness a solid development of its new business intakes, with notable achievements in battery housing and body and chassis structural parts businesses.

In terms of battery housing business, the Group made a significant breakthrough in China by securing battery housing assembly orders from Changan and Volkswagen in Anhui for the first time. Meanwhile, the Group's presence in the battery housing business with multiple key customers has been steadily expanding. The Group successfully secured battery housing business from Hyundai-Kia in Europe, and further consolidated its partnership with Stellantis and other customers. The Group has also secured its first battery housing business order from Ford in North America and from Toyota in Japan. The continued expansion of its customer base not only demonstrates the Group's comprehensive competitiveness and brand influence, but has also laid a solid foundation for its long-term development. In respect of body and chassis structural parts business, the Group achieved its first breakthrough in the subframe as well as electronic control case and electronic motor housing businesses, securing orders from Volvo and Hyundai-Kia in Europe respectively. In addition, the Group received its first orders for structural products from Toyota in Japan and continued to expand its market share of structural components with Honda and Stellantis in North America.

During the Review Year, the Group continued to strengthen its position in the field of intelligent exterior components, expanding both its product offerings and market share. Following the successful intake of orders from Harmony Intelligent Mobility Alliance in 2023, the Group further deepened its cooperation with Huawei during the Review Year, securing orders for various products such as flush door handles, illuminated emblems, illuminated panels as well as structural components. The Group also successfully secured orders from Geely for multiple intelligent B pillars and quarter windows. In addition, the Group achieved its first breakthrough in the electronic controller business by securing orders for tailgate controllers from SAIC. This achievement not only enriches the

Group's product mix but also demonstrates strong market recognition of its technological strength in automotive electronics, providing solid support for future expansion into more electronics-related businesses. Meanwhile, the Group made its first breakthrough in BYD's drone cabin business, further expanding the scope of its cooperation with BYD.

During the Review Year, the Group continued its efforts to expand the intake of new business for its traditional products. The Group further enhanced its collaboration with multiple Chinese brands, including BYD, Geely, and GAC, while strategically expanding its market share with Japanese brands in the international market, achieving significant progress across multiple product segments. Meanwhile, the Group optimised its business presence in North America, making continuous progress in its local production and supply chain management capabilities. By securing grille assembly business from Stellantis in North America, the Group moved from component supply to module assembly. It also obtained the roof rack business for one of the best-selling vehicle models in North America. During the Review Year, the Group suitably identified customer technology trends and leveraged favourable changes in the competitive landscape for trim products in North America, securing multiple orders from a leading EV manufacturer in the region, solidifying its position as a core global supplier for trim products to this customer. Additionally, building on its product experience in sealing systems in China market, the Group achieved its first breakthrough in the international market for this product during the Review Year, securing an order from Renault in Europe. The diversified product portfolio and balanced customer base not only enhance the Group's market competitiveness, but also strengthen its resilience to market risks, providing strong support for the Group's long-term and stable development.

During the Review Year, the Group continued to implement the GLOCAL philosophy in its operational practices through ongoing cultivation and retainment of global technical and managerial talents. At the same time, through the delegation of training to exemplary factories within the same BUs, the Group enhanced the comprehensive skills of core employees in local factories, thereby strengthening the flexibility and rapid response capabilities of its global factories to handle new mass production projects and unexpected situations. With the rapid growth of international revenue, the Group made strategical and continuous improvements to the localisation rate of its operations in North America and Europe, and a majority of the orders for these regions had been locally produced as of the end of the Review Year. This has helped keep the impact and uncertainties caused by tariffs and geopolitical factors within manageable limits. The Group continued to enhance the management standard of its factories globally, built benchmark factories and promoted their management models, and employed its experience from the benchmark factories in terms of operation, technology and innovation to empower its global operations. During the Review Year, the Group's global factories made comprehensive use of the advantageous resources of various locations to pursue local excellence, prioritizing to improve the process planning, production efficiency, product yield, and capacity utilisation rate for products with more complex processes, so as to achieve a comprehensive improvement in technology, quality, and processes.

During the Review Year, the Group continued to optimise the operational efficiency of its factories around the globe. The profitability of factories in Tianjin, Xianning, Qingyuan, and Jiaxing, China has significantly improved through technological enhancements, quality improvements, and the optimisation of inventory, packaging and logistics management. During the Review Year, the teams at Qingyuan and Thailand factories worked closely together to promote cultural integration, achieving overall efficiency improvements and quality enhancements through close collaboration and resource sharing. Building on the significant and steady improvements in the overall capabilities of its factories in Mexico and Thailand, the Group leveraged its resource advantages in North America, Thailand, and China to reduce local operating costs in North America. During the Review Year, the Group continued to consolidate the vertical integration of processes in its factories at different locations. The smelting and casting production lines in Serbia were officially put into operation, which not only enhances the competitiveness of its processes, but also provides green aluminium materials for the Group's battery housing and aluminium BUs, contributing to the Group's gradual realisation of its carbon neutrality target. During the Review Year, the Group's battery housing factories in France and Poland successively kicked off mass production, with the French factory turning profitable within the year. During the Review Year, the Group's factory in South Korea officially commenced production, further optimising the Group's localised supply capabilities and global layout. Additionally, during the Review Year, the Group further strengthened its working capital management, focusing on sorting out abnormal inventories, and implementing target-driven inventory management, while supporting the improvement of the production planning and warehouse management capacity of its international factories.

During the Review Year, the Group made stringent control over its capital expenditures and continued to implement its asset-light strategy. It rigorously assessed the rationality and necessity of new capacity investments, while also utilizing used equipment, reducing dedicated production lines, and enhancing production line flexibility. These measures improved capacity utilisation and, as a result, reduced overall investments. Given the volatility of the global economy and business environment, the Group has swiftly adjusted its investment pace, pursuing a dynamic balance between resource investment and operating results. In addition, the Group continued to implement measures to reduce costs and increase efficiency, as well as to save energy and reduce consumption. During the Review Year, the Group increased the recycling and reuse of scrap and waste materials, including aluminium, stainless steel, plastics, and chemicals used in the surface treatment production lines, and carried out reuse as far as practicable to reduce waste. Meanwhile, the Group has vigorously promoted photovoltaic power generation to gradually reduce the consumption of thermal power and enhance the proportion of green energy.

The global macro environment and the development of the automobile industry are undergoing constant changes. During the Review Year, a number of European countries and OEMs have announced a slowdown in the electrification process of automobiles, and the lifecycle and iteration speed of existing models may be adjusted accordingly. In view of this, the Group continues to expand other product categories while stabilising the customer coverage of battery housings and related products, aiming to reducing potential risks by increasing market share and content value per vehicle. In addition, the Red Sea crisis had far-reaching impacts on the global logistics industry during the Review Year. The Group, in collaboration with its customers, logistics providers and other parties, made concerted efforts to effectively ensure the delivery of its products and keep the overall logistics costs at a relatively reasonable level by making timely adjustments to the production arrangements, improving packaging solutions and loading rates, and negotiating agreements on reasonable logistic solutions. The Group's quick response has been well recognised by its customers. During the Review Year, the Group achieved stable growth in results despite various uncertainties. The Group has always been committed to creating stable returns for its shareholders and other stakeholders, building a sustainable development path, and at the same time striving to minimise operational risks.

RESEARCH AND DEVELOPMENT

R&D and innovation are important pillars to corporate development and the Group attaches great importance to R&D planning. The Group had actively responded to the changes and developments in the automotive industry by laying down an innovation-driven strategy, optimising the structure of R&D organisations, strengthening the self-initiated R&D and innovative research capability in respect of basic materials, products and technologies, and continuing its investments in R&D. Through in-depth exchange with customers such as traditional OEMs, NEV start-ups and battery makers, the Group strived to firmly grasp the differences in product and technology requirements of various customers and the development trend; and through proactive self-innovation and cooperation with leading enterprises globally, to promote technical breakthrough of processing technology. The Group prospectively improved the R&D capability and management efficiency as a whole to further solidify its presence in core components for NEVs and ICE vehicles and to promote the integration of intelligent products and exterior decorative parts, thus consolidating its position as a core strategic partner to OEM customers. The Group will continue to engage in innovative R&D and deployment, devote itself to the business development of products including battery housings, body and chassis structural parts and intelligent integrated exterior decorative parts, and contribute to the evolution of the automotive industry towards low carbon and intelligence. The Group has achieved tremendous milestones in these fields, which lays a solid foundation for the Group's future sustainable development.

During the Review Year, the Group continued to win nominations from traditional OEMs, NEV start-ups and battery makers, further consolidating the Group's leading position as one of the largest battery housing suppliers in the world. The Group paid close attention to the development of battery housing and its technology and conducted independent R&D. In view of the market trend and on the back of its advantages in processing technology, the Group has launched roll-forming battery housings and successfully won nominations from Chinese and European OEM customers. The Group continued to carry out R&D from different perspectives, such as structure, battery adaptability, application and materials and offer multiple cell-to-body (CTB) solutions for battery housings, providing innovative solutions to customers on a continuous basis. Based on its customer advantage in battery housings and deep cooperation with battery manufacturers, the Group successfully made a breakthrough in the orders for battery cell structural parts, which was gradually becoming another growth driver for the Group. The Group has been proactively tapping into complementary parts of battery housing and successfully developed products such as front and rear crash management systems, subframes and die casting structural parts, which has started to see order inflows. The Group has obtained orders of die-casting electric control case, which would facilitate the Group to achieve integration of battery housings and body and chassis structure progressively, while also promoting a significant increase in the Group's content value per vehicle.

As for intelligent exterior decorative products, the Group focused on the product R&D and expansion of intelligent front and rear modules and intelligent door systems to fully realise intelligent upgrade for exterior decorative products. During the Review Year, the Group prioritized the development of front and rear face assemblies, door assemblies and composite body structural parts. The Group has prospectively carried out R&D and planning for solutions of integrated intelligent front modules, which combine functions such as illumination, heating, wave transparency and automatic cleaning, and multiple industry-leading patents have already been authorised for those products and could be used for level 4 and above autonomous driving. The Group experienced increasing market penetration for several products, won nomination of a fully enclosed intelligent front module panel from a European OEM, and successfully achieved mass production of LiDAR compatible radomes on the first vehicle model of a well-known technology company which also straddles the car manufacturing industry. The Group has successfully achieved a breakthrough in its integrated roof module project, and offered systematic solutions for leading Chinese NEV manufacturers in this regard. The Group has also actively deployed in the field of intelligent door systems, including application scenarios such as intelligent access and automatic opening, by which the doors are able to open automatically through contactless biometric identification of car owner, and the Group's self-developed technologies, such as intelligent pillar cover with face recognition function, electric side door system and ultralight door assemblies, have started to see order inflows. The Group attaches great importance to customers' needs in forward-looking technology and has signed a cooperation agreement with a European OEM to jointly develop future-oriented intelligent door solutions. The Group has made significant breakthroughs in the field of composite material application and body weight reduction in respect of door systems, the product solution of which, backed by the Group's unique VarinTech® technology, has been recognised by multiple customers in the NEV industry, and preliminary R&D projects have been gradually carried out to accelerate the commercial application and promotion of composite materials in the automotive industry.

The Group is also actively exploring new sectors and products to develop a second growth curve. In consideration of the developments in autonomous driving and future charging technology, the Group has been proactively cultivating EV wireless charging systems, and signing a strategic partnership framework agreement with Siemens of Germany to jointly carry out a wireless charging project. In light of market and policy trends, the Group has also ventured into the low-altitude economy and biorobotics fields, and has been actively attracting talents and effectively leveraging the advantages of lean manufacturing from the automotive industry to be well-prepared for large-scale commercialisation in these areas in the future. In the low altitude economy field, the Group focuses on the planning, R&D and production of two major product systems, namely the airframe and rotor system of low altitude aircraft. The design, development and delivery of over one hundred components have been completed for the first model of a customer. At the same time, the Group, together with multiple leading Chinese players of flying vehicle/eVTOL (electric Vertical Take-off and Landing), has initiated in-depth cooperation, and it also deeply participates in projects involving the certified models and airworthy depth of these customers. In the biorobotics field, the Group is focused on the independent R&D of integrated joint designs, motor drive technology, intelligent electronic skin and intelligent panels for robots, wireless charging system for robots and limb structural parts. The Group has established strong partnerships with multiple robotics customers for concurrent design of solutions and completed small batch delivery of samples during the Review Year.

The Group also attaches great importance to technological R&D of new materials and has continuously increased its R&D investment in materials, mastering the technologies of four core materials, namely high-performance collision aluminium, high performance elastomer materials, functional plastics and green materials, as well as the related surface treatment technologies. In particular, the Group has developed the Minal®-S636 aluminium alloy with 360Mpa ultra-high yield strength and excellent collision resistance, which has successfully passed the vehicle crash performance test and reached advanced level in the global market. As of 31 December 2024, the Group has over 60 core patents in terms of material formula and processing technology in relation to aluminium alloy, which have been widely applied in the battery housings and body and chassis structural parts of OEMs such as BMW, Benz and Volkswagen, demonstrating the Group's comprehensive technological capability in both product and material, as well as its role as a leading player in Asia-Pacific or even the global market. Meanwhile, in response to the carbon neutrality targets in various markets in the world, the Group developed its proprietary ECO-ALUMIN® S series, a type of environment-friendly collision aluminium, with a carbon emission of less than 2.5Kg.CO_2/Kg.AL. In the meantime, the Group values the R&D and innovation of polymer materials and has completed the development of various green and low carbon materials, including but not limited to EcoSupElast® green elastomer materials, EcoOleCom® green plastics and bio-based materials, which have obtained technological certification from a number of OEMs and have been successfully put into mass production and application. These materials could reduce carbon emission by over 30% comprehensively, contributing to the Group's realisation of its carbon neutrality goal.

The Group puts strong emphasis on the protection of intellectual property rights. It has initiated a comprehensive deployment in patents and trademarks for innovative products, and is focused on exploring and protecting high-value patents. The Group also actively improved the patent development globally, and enhanced the evaluation criteria for international patents as well as achieved systematic evaluation. During the Review Period, 449 new patent applications were filed by the Group, among which 63 applications were prioritized and related to high-value patents, and 43 applications were related to international patents. The applications for international patents cover various countries or regions including the European Union, the US, the United Kingdom, Japan, Mexico and Australia. During the Review Year, the Group was granted 400 new patents by competent authorities and 38 trademark registrations. The Group actively protects its intellectual property rights and carries out risk prevention management. It has conducted dozens of analyses in respect of patent right defences and infringement prevention, and filed a number of patent invalidation lawsuits to firmly safeguard its intellectual property rights and interests.

FINANCIAL REVIEW

Results

During the Review Year, the Group's revenue was approximately RMB23,147,123,000, representing an increase of approximately 12.8% from approximately RMB20,523,674,000 in 2023. During the Review Year, with the gradual mass production of undertaken projects and the steady increase in the sales of NEVs, the Group's battery-housing business continued to grow rapidly. Meanwhile, the Group's excellent performance in the sales of major vehicle models in the international market, coupled with the continuous balance and optimisation of customer mix, enabled the Group to achieve considerable revenue growth.

During the Review Year, the profit attributable to owners of the Company was approximately RMB2,319,300,000, representing an increase of approximately 21.9% from approximately RMB1,903,231,000 in 2023. This was mainly due to the better growth in gross profit compared to 2023 which was attributable to factors such as the economies of scale driven by the revenue growth of the Group, the continuous improvement in the capacity utilisation rate of the battery-housing product line and the promotion of measures to reduce cost and boost efficiency for each product line during the Review Year, which enabled the Group to further improve its profitability.

Sales of Products

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

A breakdown on revenue by ultimate geographical delivery destinations of the customers is as follows:

	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
Customer category				
The PRC	**9,323,157**	**40.3**	9,204,126	44.8
Other countries	**13,823,966**	**59.7**	11,319,548	55.2
Total	**23,147,123**	**100.0**	20,523,674	100.0

Revenue from International Markets

During the Review Year, the Group's revenue from international markets amounted to approximately RMB13,823,966,000, representing an increase of approximately 22.1% from approximately RMB11,319,548,000 in 2023. It accounted for approximately 59.7% of the total revenue of the Group in the Review Year, representing an increase when compared to approximately 55.2% in 2023.

Gross Profit

During the Review Year, the Group's gross profit was approximately RMB6,698,070,000, representing an increase of approximately 19.1% from approximately RMB5,621,991,000 in 2023. The gross profit margin for the Review Year was approximately 28.9%, representing an increase of approximately 1.5% from approximately 27.4% in 2023. It was mainly due to the fact that during the Review Year, the Group continuously enhanced the management standard of its factories globally, and by leveraging the advantages and resources of its global factories to pursue local excellence, the Group achieved comprehensive improvements in production efficiency and capacity utilisation, together with the improved economies of scale driven by the revenue growth, which contributed to a significant increase in the overall gross profit margin compared to 2023.

Investment Income

During the Review Year, investment income of the Group was approximately RMB325,291,000, representing a decrease of approximately RMB30,840,000 from approximately RMB356,131,000 in 2023. It was mainly due to a decrease in the interest income of the Group.

Other Income

During the Review Year, other income of the Group amounted to approximately RMB459,511,000, representing an increase of approximately RMB44,940,000 from approximately RMB414,571,000 in 2023. It was mainly attributable to the increases in indemnity income and government grants related to income.

Other Gains and Losses

During the Review Year, the Group's other gains and losses amounted to a net loss of approximately RMB7,201,000, representing a decrease of approximately RMB90,239,000 as compared to a net gain of approximately RMB83,038,000 in 2023. It was mainly attributable to the Group's settlement of insurance compensation and related penalties in 2023, while there were no such gains during the Review Year, as well as an increase in loss from the disposal of fixed assets during the Review Year.

Distribution and Selling Expenses

During the Review Year, the Group's distribution and selling expenses were approximately RMB1,047,605,000, representing an increase of approximately RMB255,695,000 from approximately RMB791,910,000 in 2023. It accounted for approximately 4.5% of the Group's revenue, representing an increase of approximately 0.6% from approximately 3.9% in 2023. It was mainly due to the increase in the Group's unit transportation cost, which was driven by a continuous rise in the global shipping market prices due to factors such as the Red Sea Crisis during the Review Year.

Administrative Expenses

During the Review Year, administrative expenses of the Group amounted to approximately RMB1,638,404,000, representing an increase of approximately RMB188,914,000 from approximately RMB1,449,490,000 in 2023. It accounted for approximately 7.1% of the Group's revenue, remaining basically the same as compared to approximately 7.1% in 2023. The increase in Group's administrative expenses as compared to that in 2023 was primarily attributable to the recruitment and retention of relevant personnel to meet international management needs due to the continuous expansion of global business scale, as well as the increase in other administrative expenses in companies located in North America, Europe and other regions because of their higher business volume during the Review Year. Meanwhile, the increase in the Group's revenue basically offset the impact of the increase in administrative expenses on its percentage of revenue.

Research Expenditure

During the Review Year, research expenditure of the Group amounted to approximately RMB1,449,444,000, representing an increase of approximately RMB52,822,000 from approximately RMB1,396,622,000 in 2023. It accounted for approximately 6.3% of the

Group's revenue, representing a decrease of approximately 0.5% from approximately 6.8% in 2023. The increase in the Group's research expenditure as compared to that in 2023 was mainly attributable to the fact that the Group proactively responded to the reform and development of the automobile industry and strived to develop the second growth curve by actively exploring new sectors and products, as well as continuously invested in the R&D of innovative products and new material technologies including battery housings, body and chassis structural parts, intelligent integrated exterior parts, biorobotics and eVTOL during the Review Year. The Group also introduced senior R&D talents and strengthened technological breakthrough with a view to promoting long-term sustainable growth of the Group's performance with innovative R&D. Meanwhile, the increase in the Group's revenue offset the impact of the increase in research expenditure on its percentage of revenue.

Share of Results of Joint Ventures

During the Review Year, the Group's share of results of joint ventures amounted to a net profit of approximately RMB37,716,000, representing a decrease of approximately RMB214,000 from a net profit of approximately RMB37,930,000 in 2023.

Share of Results of Associates

During the Review Year, the Group's share of results of associates amounted to a net loss of approximately RMB33,606,000, representing an increase of approximately RMB11,224,000 from a net loss of approximately RMB22,382,000 in 2023, which was mainly due to an increase in loss incurred by one of the associates during the Review Year, as it had not yet commenced mass production.

Income Tax Expense

During the Review Year, the Group's income tax expense was approximately RMB431,179,000, representing an increase of approximately RMB79,697,000 from approximately RMB351,482,000 in 2023.

During the Review Year, the effective tax rate was approximately 15.4%, representing an increase of approximately 0.2% from approximately 15.2% in 2023.

Profits Attributable to Non-controlling Interests

During the Review Year, the Group's profits attributable to non-controlling interests were approximately RMB56,460,000, representing a decrease of approximately RMB4,302,000 from approximately RMB60,762,000 in 2023, which was mainly due to the decreases in net profits caused by the decreases in revenue of certain non-wholly owned subsidiaries during the Review Year as compared to 2023.

Liquidity and Financial Resources

As of 31 December 2024, the Group's total amount of cash and cash equivalents, pledged bank deposits and time deposits was approximately RMB5,274,971,000, representing a decrease of approximately RMB1,184,083,000 from approximately RMB6,459,054,000 as of 31 December 2023. As of 31 December 2024, the Group's low-cost borrowings in aggregate amounted to approximately RMB8,419,056,000, among which the equivalent of approximately RMB3,230,713,000, approximately RMB2,304,971,000, approximately RMB1,868,984,000, approximately RMB523,213,000, approximately RMB250,868,000, approximately RMB240,307,000 were denominated in RMB, Euro ("EUR"), US Dollar ("USD"), New Taiwan Dollar ("NTD"), Thai Baht, Hong Kong Dollar ("HKD"), respectively, representing a decrease of approximately RMB1,269,267,000 as compared to approximately RMB9,688,323,000 as of 31 December 2023. It was mainly attributable to borrowings made by the Group having considered the consolidated gains from exchange rates, interest rates and capital management.

During the Review Year, the Eurozone and the US dollar zone have started interest rate cuts, and the market expects further interest rate cuts. The Group will seize the opportunities arising from the interest rate and exchange rate window to continue to optimise its debt structure and reduce high-interest debts, so as to maintain the overall debt level of the Group within a reasonable and healthy range.

During the Review Year, the net cash flow from the Group's operating activities was approximately RMB3,274,402,000, indicating a sound cash flow condition.

During the Review Year, the Group's trade receivables turnover days were approximately 77 days, which were approximately 3 days shorter than approximately 80 days in 2023. This was mainly due to the increase in the revenue contribution from customers in international markets with shorter trade receivables cycles, coupled with the Group's enhanced management and control of payback during the Review Year. The combined effect of the above led to a decrease in the Group's trade receivables turnover days.

During the Review Year, the Group's trade payables turnover days were approximately 91 days, representing an increase of approximately 5 days from approximately 86 days in 2023, which was mainly due to the extended payment cycles upon active negotiations with suppliers based on the Group's growth in scale, as well as the changes in suppliers' settlement methods.

During the Review Year, the Group's inventories turnover days were approximately 96 days, representing an increase of approximately 3 days from approximately 93 days in 2023, which was mainly due to the increase in shipping cycles as a result of the Red Sea Crisis, as well as the increase in the Group's relevant inventory stocks as an active response to the demand for synergy in global production capacity, which was driven by the continuous progress of the global deployment of localised production during the Review Year. The combined effect of the above led to an increase in the inventory turnover days.

The Group's current ratio was approximately 1.2 as of 31 December 2024, which remained at the similar level as that of approximately 1.2 as of 31 December 2023. As of 31 December 2024, the Group's gearing ratio was approximately 24.3% (31 December 2023: approximately 28.4%), which was a percentage based on interest-bearing borrowings divided by total assets.

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

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

The Group is of the view that the favourable performance in sales, production, R&D, and a healthy cash reserve during the Review Year have provided a solid guarantee for sustainable development in the future.

COMMITMENTS

As of 31 December 2024, the Group had the following commitments:

	RMB'000
Capital commitments	
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:	
Acquisitions of property, plant and equipment	468,437

INTEREST RATE AND FOREIGN EXCHANGE RISKS

As of 31 December 2024, the balance of the Group's bank borrowings was approximately RMB8,419,056,000, of which approximately RMB1,878,086,000 was bearing at fixed interest rates, and approximately RMB6,540,970,000 was bearing at floating interest rates. The aforesaid borrowings had no seasonality features. In addition, approximately RMB4,259,711,000 of the borrowings was denominated in currencies other than the functional currencies of the Group's related entities, of which the equivalents of approximately RMB2,304,971,000, approximately RMB1,714,433,000 and approximately RMB240,307,000, were denominated in EUR, USD and HKD, respectively.

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

As of 31 December 2024, the Group's total amount of cash and cash equivalents, pledged bank deposits and time deposits denominated in currencies other than the functional currencies was approximately RMB1,934,448,000, of which approximately RMB1,214,152,000 was denominated in USD, approximately RMB506,162,000 was denominated in EUR, approximately RMB171,965,000 was denominated in Japanese Yen, approximately RMB22,795,000 was denominated in Mexican Peso, approximately RMB19,200,000 was denominated in HKD, and the remainder of approximately RMB174,000 was denominated in other foreign currencies.

As a result of the constant expansion of international sales and the drastic fluctuations in the currency market, the management of the Group is highly concerned about the foreign exchange risks, and would take the exchange rate expectations of relevant currencies into full consideration when deciding the billing currencies for relevant businesses. The Group controls and mitigates foreign exchange risks by closely monitoring the size of its assets and liabilities denominated in foreign currencies in day-to-day operations and by selecting local currencies as settlement currencies appropriately according to the Group's international strategic deployment to reduce the size of businesses denominated in foreign currencies. Meanwhile, the Group also uses forward exchange contracts, currency swaps, options, interest rate swaps and other financial derivative products to further prevent interest rate risks and foreign exchange risks.

CONTINGENT LIABILITIES

As of 31 December 2024, the Group had no contingent liabilities (31 December 2023: Nil).

MORTGAGED ASSETS

As of 31 December 2024, the Group had borrowings of NTD60,000,000 (equivalent to RMB13,374,000) and approximately RMB2,807,000, which were mortgaged by land use rights with carrying value of approximately RMB6,093,000 and property, plant and equipment with carrying value of approximately NTD47,708,000 (equivalent to approximately RMB10,634,000) and approximately RMB10,912,000 (31 December 2023: the Group had borrowings of approximately RMB22,066,000, which were mortgaged by land use rights with carrying amounts of approximately RMB4,560,000 and property, plant and equipment with carrying amounts of approximately NTD49,134,000 (equivalent to approximately RMB11,370,000) and approximately RMB8,680,000).

As of 31 December 2024, the Group had borrowings of NTD144,000,000 (equivalent to RMB32,098,000), issued bills payables of approximately RMB779,194,000 due within 6 months, and issued letters of guarantee of approximately EUR22,226,000 (equivalent to approximately RMB167,268,000) and RMB121,680,000, which were pledged by bills receivables with fair value of approximately RMB6,932,000 and bank deposits of approximately RMB412,070,000, USD23,000,000 (equivalent to approximately RMB165,333,000), approximately EUR5,117,000 (equivalent to approximately RMB38,507,000) and approximately NTD6,118,000 (equivalent to approximately RMB1,364,000). The borrowings are to be settled in NTD and RMB (31 December 2023: the Group had borrowings of RMB50,000,000, and issued bills payables of approximately RMB985,396,000 due within 6 months and letters of guarantee of RMB136,680,000, which were mainly pledged by bills receivables with fair value of approximately RMB283,530,000 and bank deposits of USD65,230,000 (equivalent to approximately RMB462,005,000) and RMB365,000,000. The borrowings are to be settled in RMB).

CAPITAL EXPENDITURE

Capital expenditure includes the acquisition of property, plant and equipment, the increase in construction in progress and the addition of land use rights. During the Review Year, the Group's capital expenditure amounted to approximately RMB1,911,728,000 which was mainly invested to deploy production capacity in the international market and expand production capacity of innovative products such as battery-housing and body and chassis structural parts. During the Review Year, the Group's capital expenditure decreased by approximately 40.9% from approximately RMB3,235,375,000 in 2023, which was mainly because the Group achieved the parallel development of synergy in global production capacity and independent regional operations, while exercising stringent control over the investment in fixed assets, actively promoting the renovation and reuse of old equipment, and continued to promote effective collaboration between its factories around the world in order to further improve production capacity utilisation efficiency and reduce unnecessary production capacity expansion.

PLACING AND SUBSCRIPTION

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

MATERIAL ACQUISITIONS AND DISPOSALS

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

EMPLOYEES

As of 31 December 2024, the Group had a total of 25,663 employees, representing an increase of 3,352 employees as compared to that of 31 December 2023, which was mainly attributable to the steady growth in the Group's revenue during the Review Year, as well as the Group's ongoing effort in pushing forward its strategies of diversified development in different business regions as well as market risk diversification, the consistent mass production of new projects in North America and Europe, and the investment in human resources related to the deepening of governance of various functions based on stable and sustainable development.

During the Review Year, the Group fully strengthened and continuously upgraded its organisational and synergistic capabilities at both the Group and regional levels to enhance the Group's overall operational capabilities and facilitate the achievement of operational results. The Group continued to deepen its efforts in Asia, North America and Europe, rapidly improving the operational system and management of the regional organisations of each BU, effectively promoting the efficiency improvement and long-term governance of regional shared functions, and fully implementing the Group's empowerment and supervision toward regions; at the same time, by strengthening the traction of performance on the Group's strategy, the Group strives to ensure that its overall strategic business targets are steadily progressing while promoting the achievement of performance targets in each region. Looking ahead to 2025, the Group will further enhance its organisational capabilities at the Group and regional level, and enhance the synergy between the Group and its regions in terms of resources and practices, in order to build a solid organisational foundation for Minth's global operations so as to maintain a steady and sustainable development.

During the Review Year, as the globalization strategy and layout continued to be implemented, the Group continued to focus on the improvement, iteration and digitization of the evaluation and development system, and continued to carry out the early-stage discovery and cultivation of high-potential talents integrating scenarios of both trainings and practices: (1) the talent assessment platform was optimized to accurately evaluate and recruit high-potential middle and senior management talents internally and externally to reserve a talent pool for the continued realization of the Group's global business strategies; (2) the long-term and short-term mechanisms for global talent development were upgraded and global rotation and exchange of talents were sealed up to strengthen managers' overall operational awareness and capabilities, optimising their mindset, and enhancing their leadership and management skills in the global cross-cultural environment; (3) a global learning resource system was established to promote the rapid dissemination, learning and mastering of concepts, knowledge, and skills among all types of talents; and (4) a global talent development system platform was established to provide guarantee for the improvement of talent development efficiency. Looking ahead to 2025, the Group will continue to deepen the construction of the global talent evaluation and development system, accelerate and expand the scale in respect of the discovery and training of global potential talents to build a solid talent foundation for Minth's global operations so as to maintain a steady and sustainable development.

During the Review Year, the Group has been actively practicing the GLOCAL concept based on a culture of love, focusing on the key strategic objectives of "Global Governance, Global Integration, All in to Fulfill", and has continued to strengthen the practice of the Group's values and continuously accelerate the cultural integration of the Group's global operations. During the Review Year, the Group conducted multiple "Values As One" camps and team culture integration workshops around the world to promote the Group's global sharing and strengthening of the same core values. The Group pioneered in the cross-border cultural exchange project and implemented two Sino-Serbian youth international cultural exchange camps with a total of 200 participants, which actively promoted the cultural awareness and understanding of the two countries and promoted the improvement of corporate branding. At the same time, the Group continued to improve and strengthen employees' overall health and family happiness globally, carried out projects such as "Overall Wellness Workshops" and "Emotional Intelligence Workshops", and provided employees with personalized services such as one-on-one care, so as to empower employees' holistic health; in respect of the families of employees, the Group continued to carry out special programs such as "Love Enrichment Camp for Couples", "Parent Enlightening Course", "Family Drawing Room", and "Youth Summer Camp", especially in Serbia, the US, Thailand and other regions, to continuously empower the holistic health of employees' family members and enhance employees' sense of family happiness. Looking ahead to 2025, the Group will continue to embrace the culture of love, closely focus on the GLOCAL concept, deepen corporate culture and global governance of overall wellness to create a solid cultural foundation for Minth's global operations so as to maintain a steady and sustainable development.

During the Review Year, the Group launched multiple system projects, optimised multiple business processes, and continued to promote global governance and synergies of human resources. During the Review Year, the Group reviewed and updated remuneration and welfare policies in multiple major operating locations around the world, and continued to enhance the market competitiveness of its employees. Adhering to the orientation of "high value creates high returns", the Group has updated and implemented a number of long-term and short-term incentive policies to encourage employees to create comprehensive operational value, engage in new business development, and implement cost reduction and efficiency improvement measures.

Looking ahead to 2025, the Group will further focus on achieving long-term and short-term business goals, emphasizing on efficient organisational upgrades, comprehensive incentive and reward measures, global talent development, multi-cultural integration, and global branding enhancement on a global scale. With more pragmatic actions and closer cooperation, the Group endeavours to achieve future-oriented and sustainable "revenue growth, efficiency optimisation, and cost reduction."

SHARE OPTION SCHEME

On 22 May 2012, the Company adopted a conditional share option scheme for a period of ten years (which was renewed on 31 May 2022, collectively, the "Share Option Schemes") which aims at granting share options (the "Share Options") to qualified persons who have contributed or will contribute to the Group as a reward or incentive in accordance with the terms of the Share Option Schemes. Details of the above Share Option Schemes are set out in the circular of the Company dated 25 April 2022 in relation to its annual general meeting.

On 2 May 2024, the Board of Directors of the Company approved the grant of share options to a group of eligible participants (the "Grantees") to subscribe for an aggregate of 30,000,000 shares of the Company. The Grantees are permitted to exercise such share options from 5 May 2025 to 31 December 2029 (both dates inclusive). The price per share to be paid by the Grantees upon exercise of the share options was determined in compliance with the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and in accordance with, among others, the closing price as stated in the daily quotation sheet issued by the Stock Exchange as at 2 May 2024, being the date of grant. The directors of the Company are of the opinion that the grant of such share options did not have a material adverse impact on the financial position of the Group. Details of the aforementioned grant of share options are set out in the announcement of the Company dated 2 May 2024.

SHARE AWARD SCHEME

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

On 22 January 2025 (the "Date of Grant"), the Group granted a total of 895,000 Awarded Share to certain grantees under the Share Award Scheme, representing approximately 0.08% of the total number of issued shares (excluding treasury shares) as of the Date of Grant. The details of the aforementioned grant of share awards are set out in the announcement of the Company dated 22 January 2025.

FUTURE PROSPECTS AND STRATEGIES

During the Review Year, most of the industry characteristics, such as price wars and new models becoming important catalysts, have continued, which led to the underperformance of China's automobile market in the first half of the year. However, in the second half of the year, driven by the scrappage subsidies and trade-in policies, the production and sales of the automobile market observed a rebound, with a more remarkable performance in the end market, effectively driving the overall growth of the automobile industry, and this growth momentum is expected to continue in 2025. According to the forecast of CAAM, China's total sales of automobiles are expected to reach 32.9 million units in 2025, representing a year-on-year increase of 4.7%, among which total sales of passenger vehicles are expected to reach 28.9 million units, representing a year-on-year increase of 4.9%; total sales of NEVs are expected to reach around 16 million units, representing a year-on-year increase of 24.4%; and total exports are expected to reach 6.2 million units, representing a year-on-year increase of 5.8%.

Although the overall market has shown a steady upward trend, and the appeal to prevent involution has begun to emerge, the competitive situation regarding "price involution" and "configuration involution" remains difficult to change within a short period of time due to the intensification of product homogeneity. The involution situation urges automobile enterprises in China to overcome challenges through strategic innovation, so as to achieve a leading competitive position. Against this backdrop, it is expected that the market structure of the industry will continue to change, and the accompanying industry consolidation will emerge successively. Meanwhile, international market serves as an important growth engine for Chinese OEMs. Many of Chinese OEMs are sparing more efforts in their development in overseas markets, gradually transitioning from vehicle export to building local factories, which is also in response to the global trade barriers and volatile geopolitical situations.

As for international markets, the recovery of the global economy has continued to bring positive impact over the Review Year. According to S&P Global, during the Review Year, global sales of automobiles amounted to 88.17 million units, representing a year-on-year increase of 2%, among which sales in North America reached 19.34 million units, representing a year-on-year increase of 3.3%, while sales in Europe reached 18.45 million units, representing a year-on-year increase of 3.6%. Despite the widespread uncertainty over global trade policy brought about by the new U.S. administration taking office, global sales of automobiles are expected to maintain growth momentum in 2025 considering the growth of emerging markets such as India and South America.

The Chinese market with intensified competition, and the international market with ever-changing policies, have brought uncertainty to the development of the automobile industry. However, at the same time, continuing changes toward electrification and intelligent technologies are reconfiguring the entire supply chain. The growth trend of NEVs is expected to remain unchanged, bringing more development opportunities for the industry as a whole. The Group will continue to focus on the development opportunities of the global market, grasp the development trend of new technologies and products in the industry, actively promote the innovation of new technologies and products, and utilise operational excellence to continuously reduce costs and improve quality with a view to creating value for its customers and the industry with better localised services.

The Group will actively respond to the challenges and opportunities brought about by the changes in the automobile and parts industry, and will continue to build up its comprehensive competitiveness in areas such as technology, quality and cost, focusing on the customers' concerns to become a leading global and trust worthy supplier to its customers. The Group will maintain a keen insight and fully leverage favorable policy conditions, respond to trends such as electrification, intelligence and lightweighting. The Group will also carry out strategic planning and technological innovations underpinned by its R&D repository stemming from the end-market and vehicle requirements, along with the advantages brought by the Group's global platform. Meanwhile, the Group will continue to deepen its cooperation with customers, enhance its local supply capability, and respond swiftly to external changes. The Group will adjust its global production capacity flexibly to match customers' globalisation strategies in order to explore more business development opportunities.

In terms of operational improvement, the Group will further optimise strategic planning of all BUs, continue to enhance its operational capabilities, especially for its international factories, select model factories in different regions for management replication and cost benchmarking, establish comprehensively competitive strengths in technology, cost, personnel efficiency and resource utilisation, and utilise global resources to achieve local excellence, thereby achieving effective enhancement in profitability. In the meantime, the Group will continue to improve the global layout of its BUs, reinforce its GLOCAL management capabilities, enhance its local supply level and maximise the global replication or sharing of the advantages of its different factories in technologies, management, cost, resources and talents, thereby comprehensively enhancing the Group's global competitiveness.

After the new U.S. administration took office, multiple plans regarding the imposition of tariffs on imported products have been issued successively, which are expected to have a far-reaching impact on the automobile industry. From an overall perspective, high tariffs will increase the cost of global automobile production and weaken the profitability of enterprises, especially those operating across borders. The Group will closely monitor the latest status of the tariff policy, fully consider and flexibly tune the global production layout in order to provide customers with the most optimised solutions. In order to achieve value positioning with a more flexible manner, the Group will balance and optimise its investment layout and value chain layout in the global market, cultivate its capability toward operational excellence, manage risks and respond to uncertainties in the macro environment. The Group has always adhered to globalisation in its business expansion, paid attention to changes in the global situation, and promoted diversified development in business regions and customer base. At the same time, the Group ensures that it builds a relatively independent operating space and realises large-scale production in each major market region, thus achieving a parallel layout of globalisation and regionalisation, ensuring the sound development of the Group while reducing the potential risks caused by the changes in the external environment and geopolitical factors. Meanwhile, the Group will continue to strengthen the construction of its global operation team, thereby solidifying the Group's core competitiveness in technology, products and talents, and provide customers with more systematic product solutions as well as customised product services, striving to become a global leader in the automobile parts industry.

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

During the Review Year, no Share Options were exercised by the grantees of the Company's Share Option Schemes in accordance with the rules and terms thereof, and 1,596,400 Share Options lapsed as a result of the resignation of grantees.

During the Review Year, the trustee of the Share Award Scheme did not purchase any shares of the Company ("Awarded Shares") on the Stock Exchange, and the Group did not grant any Awarded Shares to the grantees pursuant to the rules of the Share Award Scheme and the terms of the Trust Deed. 226,000 Awarded Shares were forfeited during the Review Year due to the resignation of grantees.

During the Review Year, the Company repurchased a total of 10,244,000 shares of the Company, all of which were held as treasury shares.

Save as disclosed above, there was no purchase, sale or redemption by the Company or any of its subsidiaries of any listed securities of the Company (including sale or transfer of treasury shares) during the Review Year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE AND THE MODEL CODE

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "Corporate Governance Code") set out in Appendix C1 to the Listing Rules. Save as disclosed below, none of the Directors is aware of any information that would reasonably indicate that the Company did not comply with the Corporate Governance Code at any time during the Review Year.

As provided in the code provision C.1.6, independent non-executive Directors and other non-executive Directors should attend the general meeting and develop a comprehensive and balanced understanding of the views of shareholders. Ms. Chin Chien Ya, being a non-executive director of the Company, and Dr. Wang Ching, Mr. Tatsunobu Sako and Professor Meng Li Qiu, each being an independent non-executive Director of the Company, attended the 2024 annual general meeting of the Company through electronic means, Mr. Mok Kwai Pui Bill, being an independent non-executive Director of the Company attended the meeting in person, while Professor Chen Quan Shi (the then independent non-executive Director) was unable to attend the meeting due to his other business commitments.

As provided in the code provision C.2.1, the roles of the chairman and the chief executive officer ("CEO") should be separate and should not be performed by the same individual. As announced on 13 June 2022, the Company has been in search for a new chief executive officer following the resignation of the then CEO and, in the meantime, Ms. Wei Ching Lien (an executive Director and the Chairperson) assumed (and remained as at the date of this announcement) the role of CEO. Taking into account Ms. Wei's in-depth understanding of the Group's business and that major decisions are being made in consultation with members of the Board and relevant Board committees, the Board considers that the deviation from code provision C.2.1 is appropriate in such circumstances and allows for more effective planning and execution of long-term business strategies and enhances efficiency in decision-making during the interim period prior to the next appointment of CEO.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as the Company's code of conduct and the code for dealing in the Company's securities by all Directors. Having made specific enquiries to all Directors, the Directors confirmed that they had strictly complied with the standards stipulated under the Model Code during the Review Year.

Notwithstanding the above, the Board is of the view that the Group has an effective management structure for its operations and sufficient checks and balances are in place. The Board will continue to review its corporate governance practices in order to enhance its corporate governance standard and to comply with regulatory requirements.

MATERIAL LITIGATION AND ARBITRATION

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

REVIEWED BY THE AUDIT COMMITTEE

The Audit Committee of the Company consists of four independent non-executive Directors, namely Mr. Mok Kwai Pui Bill (chairperson of the Audit Committee), Dr. Wang Ching, Mr. Tatsunobu Sako and Professor Meng Li Qiu. The committee reviews the Group's internal control systems, the completeness and accuracy of the Group's financial statements and liaises on behalf of the Directors with the external auditor. Members of the committee will meet regularly with the management and external auditor and review the audit reports as well as the interim and annual financial reports of the Group. The Audit Committee has reviewed the annual results for the year ended 31 December 2024, which have been approved by the Board for publication.

PROPOSED FINAL DIVIDEND

The Board has proposed to pay a final dividend of HK$0.435 per share to shareholders whose names appear on the Company's register of members on Monday, 9 June 2025. The proposed final dividend is expected to be paid on or around Wednesday, 25 June 2025. The payment of the dividend is subject to approval by shareholders at the forthcoming annual general meeting to be held on Friday, 30 May 2025.

The Company remains committed to delivering shareholder returns while ensuring long-term sustainable development. Taking into account factors such as earnings scale, cash flow position, and capital expenditure requirements, the Company plans to steadily increase the dividend payout ratio.

The Company holds a total of 10,244,000 treasury shares (either in its own name or are deposited with CCASS) and such treasury shares will not receive any final dividend. As such, the Company will withdraw the treasury Shares from CCASS, and either re-register them in its own name as treasury shares or cancel them, before the record date for the final dividend.

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

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong

Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

CLOSURE OF REGISTER OF MEMBERS

Shareholders whose names appear on the Company's register of members on Tuesday, 27 May 2025, will be eligible to attend and vote at the annual general meeting. The register of members of the Company will be closed from Tuesday, 27 May 2025 to Friday, 30 May 2025 (both days inclusive) during which no transfer of shares will be registered. In order to attend and vote at the annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 26 May 2025.

Shareholders whose names appear on the Company's register of members on Monday, 9 June 2025 will be entitled to receive the proposed final dividend. To determine the shareholders' entitlement to the final dividend, the register of members of the Company will be closed from Thursday, 5 June 2025 to Monday, 9 June 2025 (both days inclusive). In order to qualify for the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 4 June 2025. The proposed final dividend (payment of which is subject to approval by shareholders at the forthcoming annual general meeting) is expected to be paid on or around Wednesday, 25 June 2025 to shareholders whose names appear on the Company's register of members on Monday, 9 June 2025. The Company's shares will be traded ex-dividend on Tuesday, 3 June 2025.

APPRECIATION

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

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

Hong Kong, 24 March 2025

As at the date of this announcement, the Board of the Company comprises Ms. Wei Ching Lien, Mr. Ye Guo Qiang and Ms. Zhang Yuxia, being executive Directors; Ms. Chin Chien Ya, being non-executive Director; and Dr. Wang Ching, Mr. Mok Kwai Pui Bill, Mr. Tatsunobu Sako and Professor Meng Li Qiu being independent non-executive Directors.