

Chairman's Statement

On behalf of the board of directors (the "Board"), I am pleased to announce to all our shareholders ("Shareholders") that Minth Group Limited (hereafter referred to as Minth) achieved excellent results in this first year after listing ("Listing") of shares ("Shares") on the main board of the Stock Exchange of Hong Kong Limited ("Stock Exchange") on 1 December, 2005. I would attribute this year's success to: our foresight in marketing and other strategies, prudent management skills of the senior executives and the great support and trust given by the Shareholders and business partners.

FINANCIAL PERFORMANCE

Minth continued to grow rapidly in 2005, turnover amounted to RMB678,606,000, representing a growth of 46.2% from RMB464,178,000 in 2004.

Gross profit also increased by 45.8% from RMB186,538,000 in 2004 to RMB271,965,000 in 2005. Profit margin remained fairly stable at 40.1%.

Net profit attributable to the Shareholders amounted to RMB195,067,000, representing a growth of 58.5% from 2004.

Turnover ('000 RMB)

02		311,761
03		298,776
04		464,178
05		678,606

Earnings per Share (RMB)

02		0.13
03		0.16
04		0.21
05		0.32

Net profit attributable to shareholders of the Company ('000 RMB)

02		79,655
03		98,741
04		123,091
05		195,067

REVIEW ON OPERATIONS

Earnings exceeded expectations

Over the past year, in line with the expected growth of the Chinese auto industry, Minth also further strengthened its market share, product qualities and reputation within its key product categories. As a result, Minth achieved better performance than it was disclosed in the profit forecast in the prospectus of Minth dated 22 November 2005.

Consolidation in the China's market

Minth established another wholly-owned subsidiary in Wuhan in the past year and used part of the proceeds from the IPO to accelerate the implementation of its business plan, including further investments in existing production facilities in several subsidiaries, i.e. Jiaxing Minhui (Jiaxiang Minhui Auto Parts Co Ltd), Guangzhou Minhui (Guangzhou Minhui Auto Parts Co Ltd) and Fuzhou Xintai (Fuzhou Xintai Auto Parts Co Ltd). Minth has also maintained close relationships with other Chinese automakers which are not clients yet. I believe this will place Minth in a strong position as the Chinese domestic market continues to undergo a process of rationalization and consolidation.

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Penetration of overseas markets

In the past year, Minth began a joint venture with Sankei Giken Holding (a Japanese company) in Guangzhou, and a joint-controlled plant with Carl Kittel Autoteile GmbH (a German company) in Jiaxing. It also established a representative office in Tokyo to handle more commercial trades and strengthened its position in the global procurement systems of GM and Ford. While fulfilling the requirements of China based clients, Minth actively pursued new markets in Europe, North America, Australia and Japan.

Improvements in technological capabilities, particularly on R&D of new products

Minth continued to strengthen its research and development ("R&D") with con-current design capabilities. While improving its production process management by optimizing the organizational structure of its technology center, Minth stepped up more activities on the evaluation and R&D of new product types, new materials and new craftsmanship in its core product categories. Over time, Minth will continue to expand and extend its product lines and offer more value-added new products and new product types.

Open communication channels with investors

Since Minth's Listing, Minth set up a new department that is dedicated for open communication channels with Hong Kong and international investors, so as to ensure that investors receive timely and accurate information on the latest developments of Minth.

Future prospect

The Chinese passenger car market recovered from moderate growth in 2004 and rapid growth in 2005 with approximately 19% increase in production and approximately 21% increase in sales over last year. In the future, although there may still be fluctuations in governmental and industrial policies and consumption patterns, the overall growth momentum will remain strong in China. It is also generally believed that China will remain the world's fastest growth automobile market for the next ten years.

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Leveraging on our market position and choiced clients, Minth's profitability will continue to outperform the industry average for the next few years. In the coming years, Minth will establish and maintain close contacts with certain Chinese automakers that are not currently clients with an aim to establish future business relationships. A move to ensure Minth will secure more premium clients at an more opportune time.

In the future, Minth will continue to utilize China's low production costs and our own high quality standards and leadership position in the industry, to transform certain subsidiaries with logistic advantages into export manufacturing bases. Minth will also further establish representative offices and production facilities in key Chinese and international centers, to provide excellent client interface points with full integration of all our resources in sales, marketing, services and management capabilities. In so doing, we aim to increase our exports to the Australian, European, North American, Japan and Southeast Asian markets.

In line with industrial and market trends as well as the developments of our target clients, Minth will actively monitor for potential merger and acquisition opportunities that could potentially maximize shareholder values and improve our overall competitiveness.

Moving forward, I believe by integrating our comprehensive capabilities and technical know-how in developing and manufacturing a wide range of automotive parts and while continuously improving our overall management system, Minth will further distinguish itself from the competition. Minth will continue to strive as an enterprise that focuses on designs and manufacturing of exterior automotive parts for a diversified clientele. One that provides an integrated and full range solutions to the industry.

ACKNOWLEDGMENT

On behalf of the Board and the management team, I would like to thank all our managers and staff for their diligent services. We also want to thank all the shareholders who have extended to us their trust and support. We believe that with the cooperation and support of all, we will create and deliver greater value for our investors in the future.

Chin Jong Hwa

Chairman

10 April 2006