XIN CORPORATION LIMITED
新創綜合企業有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 1141)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

The board of directors (the "Board") of Xin Corporation Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2007, which are prepared in accordance with the basis set out in note 1 below. These condensed consolidated interim financial statements have not been audited, but have been reviewed by the Company's Audit Committee.

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 September 2007

	Notes	Six months ended 30 September 2007 (Unaudited) *HK$'000*	2006 (Unaudited) *HK$'000*
REVENUE	3	**75,300**	93,237
Cost of sales		**(65,218)**	(80,971)
Gross profit		**10,082**	12,266
Other income and gains		**1,221**	877
Selling and distribution costs		**(89)**	(653)
Administrative expenses		**(11,661)**	(5,820)
Other expenses		**(542)**	(466)
Finance costs		**(1,011)**	(2,191)
PROFIT/(LOSS) BEFORE TAX	4	**(2,000)**	4,013
Tax	5	**(1,484)**	(2,094)
PROFIT/(LOSS) FOR THE PERIOD		**(3,484)**	1,919
Attributable to:			
Equity holders of the Company		**(5,174)**	(2,186)
Minority interests		**1,690**	4,105
		(3,484)	1,919
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	6		
Basic		**(HK0.9 cent)**	(HK2.1 cents)
Diluted		**N/A**	N/A
DIVIDEND	7	**NIL**	NIL

* *For identification only*

CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 September 2007

	30 September 2007 (Unaudited) *HK$'000*	31 March 2007 (Audited) *HK$'000*
NON-CURRENT ASSETS		
Property, plant and equipment	**101**	163
Investment properties	**19,032**	20,188
Prepaid land lease payments	**31,123**	31,124
Goodwill	**6,478**	6,478
Total non-current assets	**56,734**	57,953
CURRENT ASSETS		
Inventories	**2,219**	1,970
Accounts receivable	**75,132**	75,869
Prepaid land lease payments	**390**	779
Prepayments, deposits and other receivables	**3,534**	1,105
Cash and cash equivalents	**100,564**	29,255
Total current assets	**181,839**	108,978
CURRENT LIABILITIES		
Accounts and bills payable	**13,804**	21,019
Tax payable	**2,988**	3,659
Other payables and accruals	**26,957**	22,982
Interest-bearing bank and other borrowings	**9,484**	12,079
Loan from a minority shareholder	**653**	644
Due to a minority shareholder	**49,051**	48,241
Due to a related company	**127**	18
Total current liabilities	**103,064**	108,642
NET CURRENT ASSETS	**78,775**	336
TOTAL ASSETS LESS CURRENT LIABILITIES	**135,509**	58,289
NON-CURRENT LIABILITY		
Convertible notes	**–**	19,536
Total non-current liability	**–**	19,536
Net assets	**135,509**	38,753

CONDENSED CONSOLIDATED BALANCE SHEET *(continued)*
As at 30 September 2007

	30 September 2007 (Unaudited) ***HK$'000***	31 March 2007 (Audited) *HK$'000*
EQUITY		
Equity attributable to equity holders of the Company		
Issued capital	**9,270**	4,747
Equity component of convertible notes	**–**	6,035
Reserves	**123,821**	27,283
	133,091	38,065
Minority interests	**2,418**	688
Total equity	**135,509**	38,753

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2007

1. ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The condensed consolidated interim financial statements of the Group for the six months ended 30 September 2007 are prepared in accordance with the Hong Kong Accounting Standard ("HKAS") No. 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The accounting policies and basis of preparation adopted in the preparation of these condensed consolidated interim financial statements are the same as those used in the audited consolidated financial statements for the year ended 31 March 2007, except for the adoption of the following Hong Kong Financial Reporting Standards ("HKFRSs") for accounting periods beginning on or after 1 April 2007.

HKAS 1 Amendment	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 *Financial Reporting in Hyperinflationary Economies*
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment

The adoption of the above HKFRSs has had no material impact on the Group's results of operations for the current period or financial position at 30 September 2007 in the Group's condensed consolidated interim financial statements.

2. SEGMENT INFORMATION

Segment information is presented by way of business segment, which is the primary reporting segment of the Group.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products they provide. Each of the Group's business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. Summary details of business segments are as follows:

- the supply and procurement segment supplies office equipment and office supplies, machinery, machinery parts, lubricating oil and bunkerage for vessels; and

- the corporate and others segment consists of corporate income and expense items and holding of property.

2. SEGMENT INFORMATION *(continued)*

Business segments

The following tables present revenue and profit/(loss) for the Group's business segments.

	Six months ended 30 September 2007 (Unaudited)		
	Supply and procurement *HK$'000*	Corporate and others *HK$'000*	Consolidated *HK$'000*
Segment revenue:			
Sales to external customers	**75,300**	**–**	**75,300**
Other revenue and gains	**31**	**200**	**231**
	75,331	**200**	**75,531**
Segment results	**8,271**	**200**	**8,471**
Interest income and unallocated revenue and gains			**990**
Unallocated expenses			**(10,450)**
Finance costs			**(1,011)**
Loss before tax			**(2,000)**
Tax			**(1,484)**
Loss for the period			**(3,484)**

	Six months ended 30 September 2006 (Unaudited)		
	Supply and procurement *HK$'000*	Corporate and others *HK$'000*	Consolidated *HK$'000*
Segment revenue:			
Sales to external customers	93,237	–	93,237
Other revenue and gains	286	–	286
	93,523	–	93,523
Segment results	10,472	–	10,472
Interest income and unallocated revenue and gains			591
Unallocated expenses			(4,859)
Finance costs			(2,191)
Profit before tax			4,013
Tax			(2,094)
Profit for the period			1,919

3. **REVENUE**

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts during the period.

4. **PROFIT/(LOSS) BEFORE TAX**

The Group's profit/(loss) before tax is arrived at after charging:

	Six months ended 30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Depreciation	**1,233**	965
Amortisation of prepaid land lease payments	**390**	375
Staff costs	**957**	862

5. **TAX**

No Hong Kong profits tax has been provided as the Group did not generate any assessable profits arising in Hong Kong during both periods. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Six months ended 30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current – elsewhere and tax charge for the period	**1,484**	2,094

6. **LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY**

The calculation of basic loss per share amounts is based on the unaudited net loss for the period attributable to equity holders of the Company for the six months ended 30 September 2007 of HK$5,174,000 (Six months ended 30 September 2006: HK$2,186,000) and the weighted average of 579,131,376 (Six months ended 30 September 2006: 105,861,138 restated to reflect the open offer during the year ended 31 March 2007) ordinary shares in issue during the period.

Diluted loss per share amounts for the six months ended 30 September 2007 and 2006 have not been disclosed as the convertible notes and share options outstanding during the periods had anti-dilutive effect on the basic loss per share for both periods.

7. **DIVIDEND**

The directors do not recommend the payment of any interim dividend for the six months ended 30 September 2007 (Six months ended 30 September 2006: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the six months ended 30 September 2007, the turnover of the Group was approximately HK$75,300,000, representing a decrease of 19.2% as compared to the corresponding period of last year (2006: HK$93,237,000). Unaudited loss attributable to equity holders of the Company for the period was HK$5,174,000 (2006: HK$2,186,000). Basic loss per share was HK0.9 cent (2006: HK2.1 cents).

For the period under review, the Group's core business was on the supply and procurement business in the Asia Pacific Region. The business has continuously provided the Group with a stable source of income. However, due to keen competition, its turnover decreased from HK$93,237,000 to HK$75,300,000, representing a decrease of 19.2% and its profit also dropped from HK$10,472,000 to HK$8,271,000, representing a decrease of 21.0% as compared to the corresponding period of last year. Upon acquisition of a further 24% equity interest completed on 28 February 2007, the Group holds 75% equity interest in the supply and procurement business. During the period under review, the supply and procurement business contributed the Group a profit of HK$5,071,000 to the Group (2006: HK$4,273,000) and still maintained stable return to the Group.

Riding on the rapid development of the economy and local tourism industry in the People's Republic of China ("PRC"), the Board considers that there will be more travellers and tourists in the PRC and thereby increasing demand for hotel services. The Group, on 5 September 2007, placed a great step to diversify its business into the hotel industry by entering into a conditional joint venture agreement (as supplemented on 3 December 2007) with independent third parties for the establishment of a joint venture company in the PRC which will be principally engaged in the operation of budget hotels in the PRC. All the conditions for the formation of the joint venture company shall be fulfilled on 3 March 2008. Otherwise, the joint venture agreement will terminate. For details, please refer to the announcements dated 13 September 2007 and 3 December 2007 and the circular dated 4 October 2007.

Charge on the Group's Assets

Certain investment properties and prepaid land lease payments of the Group in the PRC with an aggregate carrying value of HK$16,867,000 as at 30 September 2007 (31 March 2007: HK$17,769,000) were pledged to secure bank borrowing advanced to the Group.

Contingent Liabilities

In the opinion of the directors, there was no significant contingent liabilities noted as at 30 September 2007.

Liquidity and Financial Resources

As at 30 September 2007, the Group's total indebtedness (representing the total interest-bearing borrowings and convertible notes from banks and loan providers) was approximately HK$9,484,000 (31 March 2007: HK$31,615,000) will be repayable within one year. All borrowings of the Group are at fixed interest rates and are mainly denominated either in Renminbi or Singapore dollars. As at 30 September 2007, the Group has current ratio of 1.76 (31 March 2007: 1.00) based on current assets of HK$181,839,000 and current liabilities of HK$103,064,000.

As at 30 September 2007, the Group had neither unutilised banking facilities nor any hedging financial instruments. The Group's net current assets were HK$78,775,000 (31 March 2007: HK$336,000) and its gearing ratio (total indebtedness divided by equity attributable to equity holders of the Company) was 0.07 as at balance sheet date (31 March 2007: 0.83).

On 20 June 2007, the Company entered into (i) a conditional placing agreement with Interchina Securities Limited (the "Placing Agent") in relation to the placing by the Placing Agent, on a best effort basis, of the Company's convertible notes ("Convertible Notes") up to HK$100,000,000; and (ii) a conditional option agreement with Vision Century Group Limited ("Vision Century") to subscribe for convertible notes ("New Vision Century Notes") up to HK$100,000,000. The initial conversion price for both convertible notes is HK$0.28 per share. For details, please refer to the announcement dated 28 June 2007 and the circular dated 19 July 2007.

On 17 September 2007, the Company issued the Convertible Notes in the aggregate principal amount of HK$40,000,000 to six subscribers and the New Vision Century Notes in the principal amount of HK$40,000,000 to Vision Century. For the six months ended 30 September 2007, all those convertible notes were converted into 285,714,283 shares and there was not any outstanding balance of the Convertible Notes and the New Vision Century Notes as at 30 September 2007. Details of the transactions were summarised in the announcements dated 17 September 2007 and 19 September 2007.

Subsequent to the balance sheet date, on 7 November 2007, the Company issued the Convertible Notes in the aggregate principal amount of HK$60,000,000 to ten subscribers and the New Vision Century Notes in the principal amount of HK$60,000,000 to Vision Century. Details of the transactions were summarised in an announcement dated 7 November 2007. On 8 November 2007, conversions in an aggregate principal amount of HK$10,000,000 of the Convertible Notes were made by the subscribers, which resulted in the issue of 35,714,285 shares. For details, please refer to the announcement dated 6 December 2007.

Capital Structure

During the period, the issued share capital of the Company has been increased due to (i) the exercise of share options granted to directors; (ii) conversions of the convertible notes; and (iii) subscription of newly-issued shares from placing.

In April and May 2007, certain directors of the Group exercised the granted options at an exercise price of HK$0.23 per share and 4,096,000 shares were issued.

In April and July 2007, convertible notes in the principal amount of HK$7,126,560 and HK$17,000,000 were converted at conversion price of HK$0.17 per share and HK$0.141 per share and resulted in the issues of 41,920,941 shares and 120,567,375 shares respectively.

In September 2007, several conversions in an aggregate principal amount of HK$80,000,000 of the Convertible Notes and the New Vision Century Notes issued on 17 September 2007 were converted at a conversion price of HK$0.28 per share, resulting in the issue of 285,714,283 shares.

Consequent to the aforesaid events, the issued share capital of the Company was increased by HK$4,523,000 (represented by 452,298,599 shares) to HK$9,270,000 (represented by 927,006,625 shares).

Post Balance Sheet Events

On 7 November 2007, the Company issued the Convertible Notes in the aggregate principal amount of HK$60,000,000 to ten subscribers and the New Vision Century Notes in the principle amount of HK$60,000,000 to Vision Century. Details of the transactions were summarised in an announcement dated 7 November 2007. On 8 November 2007, the Convertible Notes in an aggregate principal amount of HK$10,000,000 were converted by the subscribers, resulting in the issue of 35,714,285 shares by the Company.

On 20 November 2007, Vision Century has disposed 142,895,286 shares of the Company, representing approximately 14.8% of the entire issued share capital of the Company, and the New Vision Century Notes in the principal amount of HK$60,000,000 to Global Wealthy Limited ("GWL"). Mr. Suen Cho Hung, Paul, being the beneficial owner of GWL, was appointed as the chairman and executive director of the Company. Details of the transaction were summarised in an announcement dated 20 November 2007.

On 28 November 2007, the Company entered into a sale and purchase agreement with an independent third party to dispose of its entire equity interest in a group of subsidiaries, whose principal assets are the land and buildings located in Dongguan, Guangdong Province, the PRC. Details of the transaction were summarised in an announcement dated 28 November 2007 and the circular dated 12 December 2007.

Foreign Currency Exposure

All borrowings of the Group are denominated either in Renminbi or Singapore dollars. The Group currently does not have a foreign currency hedging policy. However, management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Human Resources

As at 30 September 2007, the Group employed a total of 14 employees, among which, 6 staff were based in Hong Kong and 8 were in Singapore. Remuneration packages are structured by reference to market terms and individual performance. Staff benefits plans maintained by the Group include mandatory provident fund scheme, medical insurance and discretionary bonuses.

Prospects

Looking ahead, the Group will continue its strength in the supply and procurement business and explore ways to boost cost effectiveness and growth of its business. Simultaneously, in view of the rapid development of the economy in the PRC, the Board is looking for any new investment opportunities and diversifies its business in the PRC.

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

During the six months ended 30 September 2007, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the principles and complied with all the applicable provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2007 except the following deviations:

Code Provision A.2.1

Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual and the division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

On 20 November 2007, Mr. Suen Cho Hung, Paul was appointed as the chairman of the Company and Mr. Lo Ming Chi, Charles was re-designated from the chairman of the Company to the deputy chairman and the chief executive officer of the Company. The division of responsibilities between the chairman and chief executive officer have been clearly established and set out in writing.

Code Provision A.4.1

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

The existing independent non-executive directors of the Company are not appointed for a specific term but shall retire from office by rotation at least once every three years as referred to the Bye-Law 87 of the Company where provides that at each annual general meeting one-third of the directors of the Company for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry of all directors of the Company, all of them confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 September 2007.

AUDIT COMMITTEE

As at 30 September 2007, the Audit Committee comprised three independent non-executive directors, namely Mr. Wong Kwok Tai (Chairman), Mr. Lau Pok Lam and Mr. Ko Kwong Woon, Ivan. Subsequent to the balance sheet date, Mr. Ko Kwong Woon, Ivan and Mr. Lau Pok Lam resigned from the Company on 15 October 2007 and 25 October 2007 respectively. Mr. Weng Yixiang was appointed on 15 October 2007 and Mr. Lu Xinsheng and Mr. Xiong Wei were appointed on 25 October 2007 respectively as independent non-executive directors and members of Audit Committee. The principal duties of the Audit Committee are to review and supervise the Group's financial reporting process and internal controls. The Audit Committee has also reviewed the unaudited interim financial statements for the six months ended 30 September 2007.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 13 July 2005 with specific terms of reference. As at 30 September 2007, it comprised five members, including two executive directors, namely Mr. Lo Ming Chi, Charles (Chairman) and Mr. Yu Wai Man, and three independent non-executive directors of the Company, namely Mr. Wong Kwok Tai, Mr. Ko Kwong Woon, Ivan and Mr. Lau Pok Lam. Subsequent to the balance sheet date, Mr. Ko Kwong Woon, Ivan and Mr. Lau Pok Lam resigned from the Company on 15 October 2007 and 25 October 2007 respectively. Mr. Weng Yixiang was appointed on 15 October 2007 and Mr. Lu Xinsheng and Mr. Xiong Wei were appointed on 25 October 2007 respectively as independent non-executive directors and members of Remuneration Committee. The principal duties of the Remuneration Committee are to review and determine the remuneration package of the directors and senior management of the Group.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at (www.hkex.com.hk) under "Latest Listed Company Information" and on the website of the Company at (www.xincorp.com.hk). The interim report of the Company for the six months ended 30 September 2007 will be despatched to the shareholders of the Company and will be published on the same websites in due course.

On behalf of the Board
Suen Cho Hung, Paul
Chairman

Hong Kong, 24 December 2007

As at the date of this announcement, the Board comprises Mr. Suen Cho Hung, Paul (Chairman), Mr. Lo Ming Chi, Charles (Deputy Chairman and Chief Executive Officer), Mr. Yu Wai Man, Mr. Zhang Zhidong and Mr. Sue Ka Lok as executive directors and Mr. Wong Kwok Tai, Mr. Weng Yixiang, Mr. Lu Xinsheng and Mr. Xiong Wei as independent non-executive directors.