MIN XIN HOLDINGS LIMITED

閩信集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 222)

ANNOUNCEMENT OF 2008 INTERIM RESULTS

FINANCIAL HIGHLIGHTS

- Profit attributable to equity holders amounted to HK$145 million, an increase of 25.8%
- Basic earnings per share reached 31.57 HK cents, an increase of 25.8%
- Total assets dropped by 13% to HK$2.61 billion
- Total equity attributable to equity holders decreased by 15.2% to HK$2.23 billion

The Board of Directors of Min Xin Holdings Limited (the "Company") hereby announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th June 2008 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For six months ended 30th June 2008

		Unaudited Six months ended 30th June	
		2008	2007
	Note	***HK$'000***	*HK$'000*
Turnover	2	**58,574**	68,050
Total revenues	2	**52,834**	59,850
Other gains — net	3	**12,455**	10,772
Net insurance claims incurred and commission expenses incurred on insurance business		**(16,353)**	(17,922)
Staff costs		**(14,251)**	(12,598)
Depreciation and amortisation		**(3,144)**	(1,786)
Other operating expenses		**(10,161)**	(8,261)
Total operating expenses		**(43,909)**	(40,567)
Operating profit	4	**21,380**	30,055
Finance costs	5	**(3,885)**	(3,632)
Share of results of jointly controlled entities		**126,474**	88,544
Share of results of associates		**3,735**	2,705
Profit before taxation		**147,704**	117,672
Income tax expense	6	**(2,655)**	(2,367)
Profit for the period		**145,049**	115,305
		HK CENTS	*HK CENTS*
Earnings per share — Basic and diluted	7	**31.57**	25.10

CONDENSED CONSOLIDATED BALANCE SHEET
As at 30th June 2008

	Note	**Unaudited 30th June 2008**	Audited 31st December 2007
	Note	***HK$'000***	*HK$'000*
Non-current assets			
Property, plant and equipment		**7,253**	7,570
Investment properties		**92,347**	90,512
Leasehold land and land use rights		**17,894**	18,041
Jointly controlled entities		**1,087,986**	939,836
Associates		**70,616**	65,106
Available-for-sale financial assets		**575,580**	1,140,870
Deferred income tax assets		**468**	525
		1,852,144	2,262,460
Current assets			
Land use right		**331,298**	313,342
Deferred acquisition costs		**13,313**	12,944
Insurance receivable	*9*	**14,286**	10,293
Reinsurance assets		**9,550**	7,373
Other debtors		**2,623**	15,000
Prepayment and deposits		**3,769**	1,902
Financial assets at fair value through profit or loss — listed equity securities held for trading		**4,556**	5,247
Cash and bank balances		**370,281**	365,007
		749,676	731,108
Non-current asset classified as held-for-sale		**11,099**	11,099
		760,775	742,207
Current liabilities			
Insurance contracts		**71,987**	74,053
Insurance payable	*10*	**9,582**	5,313
Other creditors and accruals		**15,459**	18,656
Deposits received		**79,601**	74,743
Deposits received for disposal of non-current asset held-for-sale		**9,097**	8,542
Bank borrowings		**62,437**	40,422
Current income tax payable		**455**	264
Dividend payable		**27,566**	—
		276,184	221,993
Net current assets		**484,591**	520,214
Total assets less current liabilities		**2,336,735**	2,782,674

	Note	Unaudited 30th June 2008 HK$'000	Audited 31st December 2007 HK$'000
Non-current liabilities			
Bank borrowings		**98,785**	143,588
Deferred income tax liabilities		**9,130**	6,748
		107,915	150,336
Net assets		**2,228,820**	2,632,338
Share capital		**459,429**	459,429
Other reserves		**1,471,972**	1,919,783
Retained profits			
Proposed dividend		**—**	27,566
Others		**296,390**	224,531
Amount recognised directly in equity relating to non-current asset classified as held-for-sale		**1,029**	1,029
Total equity attributable to equity holders of the Company		**2,228,820**	2,632,338

Notes

1 Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

These unaudited condensed consolidated interim financial statements should be read in conjunction with the 2007 annual report.

The accounting policies adopted in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those used in the 2007 annual report.

2 Turnover and segmental information

The Group is principally engaged in financial services, property development and investment, investment holding businesses, industrial instrument manufacturing and toll road investment.

The Group's turnover represents gross insurance premiums, insurance brokerage commission, rental income, dividend income from available-for-sale financial assets, bank interest income and management fee income.

The amount of each significant category of revenue recognised during the period is as follows:

	Six months ended 30th June	
	2008	2007
	HK$'000	*HK$'000*
Turnover		
Gross insurance premiums	**27,198**	30,588
Insurance brokerage commission	**518**	576
Rental income from investment properties	**3,097**	2,867
Dividend income from available-for-sale financial assets	**24,476**	30,996
Interest income from bank deposits	**3,225**	2,963
Management fees	**60**	60
	58,574	68,050
Movement in unearned insurance premiums	**(2,522)**	(2,293)
Reinsurance premiums ceded and reinsurers' share of movement in unearned insurance premiums	**(3,323)**	(5,959)
Other revenues		
Dividend income from listed equity securities held for trading	**37**	27
Others	**68**	25
	105	52
Total revenues	**52,834**	59,850

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is presented as the primary reporting format pursuant to the Group's internal financial reporting system.

Business segments

The Group's activities comprise the following major business segments:

Financial services	—	underwriting of general insurance, insurance brokerage, investing in banking business and trading in securities for short term profit
Property development and investment	—	development and sale of residential properties, leasing of investment properties for rentals and investing in properties to gain from the long term appreciation in their values
Investment holding and others	—	investing in strategic investments and other assets for income and capital appreciation purposes
Industrial instrument manufacturing	—	investing in manufacturers and distributors of digital instruments
Toll road investment	—	investing in toll road projects in Mainland China

	Financial services		Property development and investment		Investment holding and others		Industrial instrument manufacturing		Toll road investment		Unallocated items		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*
Six months ended 30th June														
Turnover	**30,501**	34,365	**1,380**	1,141	**26,693**	32,544	**—**	—	**—**	—	**—**	—	**58,574**	68,050
Movement in net unearned insurance premiums and reinsurance premiums ceded	**(5,845)**	(8,252)	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**(5,845)**	(8,252)
Other revenues	**105**	52	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**105**	52
Total revenues	**24,761**	26,165	**1,380**	1,141	**26,693**	32,544	**—**	—	**—**	—	**—**	—	**52,834**	59,850
Segment results	**8,087**	4,491	**197**	3,364	**27,194**	35,762	**—**	—	**—**	—	**—**	—	**35,478**	43,617
Corporate overheads	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**(14,098)**	(13,562)	**(14,098)**	(13,562)
Operating profit / (loss)	**8,087**	4,491	**197**	3,364	**27,194**	35,762	**—**	—	**—**	—	**(14,098)**	(13,562)	**21,380**	30,055
Finance costs	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**(3,885)**	(3,632)	**(3,885)**	(3,632)
Share of results of jointly controlled entities	**125,434**	86,504	**—**	—	**—**	—	**1,040**	2,040	**—**	—	**—**	—	**126,474**	88,544
Share of results of associates	**—**	—	**—**	—	**—**	(5)	**—**	—	**3,735**	2,710	**—**	—	**3,735**	2,705
Profit / (loss) before taxation	**133,521**	90,995	**197**	3,364	**27,194**	35,757	**1,040**	2,040	**3,735**	2,710	**(17,983)**	(17,194)	**147,704**	117,672
Income tax expense													**(2,655)**	(2,367)
Profit for the period													**145,049**	115,305
Depreciation and amortisation for the period	**146**	123	**2,502**	1,097	**197**	264	**—**	—	**—**	—	**299**	302	**3,144**	1,786
At 30th June 2008 and 31st December 2007														
Segment assets	**167,324**	157,632	**380,260**	355,178	**886,187**	1,465,995	**—**	—	**—**	—	**—**	—	**1,433,771**	1,978,805
Corporate assets	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**20,546**	20,920	**20,546**	20,920
Investments in jointly controlled entities	**1,044,321**	899,248	**—**	—	**—**	—	**43,665**	40,588	**—**	—	**—**	—	**1,087,986**	939,836
Investments in associates	**—**	—	**—**	—	**—**	—	**—**	—	**70,616**	65,106	**—**	—	**70,616**	65,106
Total assets	**1,211,645**	1,056,880	**380,260**	355,178	**886,187**	1,465,995	**43,665**	40,588	**70,616**	65,106	**20,546**	20,920	**2,612,919**	3,004,667
Segment liabilities	**87,167**	84,515	**1,111**	909	**10,844**	10,733	**—**	—	**—**	—	**—**	—	**99,122**	96,157
Unallocated liabilities	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**284,977**	276,172	**284,977**	276,172
Total liabilities	**87,167**	84,515	**1,111**	909	**10,844**	10,733	**—**	—	**—**	—	**284,977**	276,172	**384,099**	372,329
Capital expenditure incurred during the period	**133**	162	**19**	307,094	**114**	44	**—**	—	**—**	—	**—**	2	**266**	307,302

Geographical segments

The Group operates in three principal economic environments, namely Hong Kong, Mainland China and Macao. The Group's insurance and investment activities are mainly conducted in Hong Kong whilst the Group's property development activities and the major investees are located in Mainland China. The Group also carries out certain insurance underwriting activities in Macao.

In presenting geographical segmental information, segment revenue is presented based on the geographical location of customers or the investee. Segment assets and capital expenditure are presented based on the geographical location of the assets.

	Hong Kong		Mainland China		Macao		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Six months ended 30th June								
Turnover	**25,187**	30,478	**26,584**	32,790	**6,803**	4,782	**58,574**	68,050
Movement in net unearned insurance premiums and reinsurance premiums ceded	**(2,980)**	(5,908)	**—**	—	**(2,865)**	(2,344)	**(5,845)**	(8,252)
Other revenues	**98**	48	**—**	—	**7**	4	**105**	52
Total revenues	**22,305**	24,618	**26,584**	32,790	**3,945**	2,442	**52,834**	59,850
Operating profit / (loss)	**(8,343)**	(12,845)	**28,256**	41,770	**1,467**	1,130	**21,380**	30,055
Finance costs	**(3,885)**	(3,632)	**—**	—	**—**	—	**(3,885)**	(3,632)
Share of results of jointly controlled entities	**—**	—	**126,474**	88,544	**—**	—	**126,474**	88,544
Share of results of associates	**—**	—	**3,735**	2,705	**—**	—	**3,735**	2,705
Profit / (loss) before taxation	**(12,228)**	(16,477)	**158,465**	133,019	**1,467**	1,130	**147,704**	117,672
Income tax expense	**(792)**	(743)	**(1,765)**	(1,525)	**(98)**	(99)	**(2,655)**	(2,367)
Profit / (loss) for the period	**(13,020)**	(17,220)	**156,700**	131,494	**1,369**	1,031	**145,049**	115,305
At 30th June 2008 and 31st December 2007								
Segment assets	**243,246**	316,277	**1,123,302**	1,650,299	**67,223**	12,229	**1,433,771**	1,978,805
Corporate assets	**19,847**	20,202	**699**	718	**—**	—	**20,546**	20,920
Investments in jointly controlled entities	**—**	—	**1,087,986**	939,836	**—**	—	**1,087,986**	939,836
Investments in associates	**—**	—	**70,616**	65,106	**—**	—	**70,616**	65,106
Total assets	**263,093**	336,479	**2,282,603**	2,655,959	**67,223**	12,229	**2,612,919**	3,004,667
Capital expenditure incurred during the period	**208**	203	**25**	307,097	**33**	2	**266**	307,302

3 Other gains — net

	Six months ended 30th June	
	2008	2007
	HK$'000	*HK$'000*
Fair value (losses) / gains on listed equity securities measured at fair value through profit or loss	**(690)**	550
Fair value gains on revaluation of investment properties	**8,835**	5,373
Gain on disposal of investment properties	**1,725**	—
Net exchange gains	**2,585**	4,849
	12,455	10,772

4 Operating profit

	Six months ended 30th June	
	2008	2007
	HK$'000	*HK$'000*
Operating profit is stated after crediting and charging the following:		
Crediting		
Net exchange gains	**2,585**	4,849
Rentals received and receivable from investment properties less direct outgoings	**2,607**	2,227
Charging		
Depreciation and amortisation	**3,144**	1,786
Loss on disposal of property, plant and equipment	**12**	6
Operating lease rentals in respect of land and buildings	**609**	251
Management fee	**940**	940
Retirement benefit costs	**338**	320

5 Finance costs

	Six months ended 30th June	
	2008	2007
	HK$'000	*HK$'000*
Interest on bank loans	**3,885**	3,632

6 Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profit for the period. Taxation on Mainland China and Macao profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in Mainland China and Macao.

The amount of taxation charged to the condensed consolidated income statement represents:

	Six months ended 30th June	
	2008	2007
	HK$'000	*HK$'000*
Current tax		
Hong Kong profits tax	**118**	104
Macao taxation	**98**	99
	216	203
Deferred tax		
Relating to the origination and reversal of temporary differences	**2,428**	2,164
Resulting from a decrease in tax rate	**11**	—
	2,439	2,164
Income tax expense	**2,655**	2,367

7 Earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company for the six months ended 30th June 2008 of HK$145,049,000 (2007: HK$115,305,000) and the weighted average of 459,428,656 (2007: 459,428,656) ordinary shares in issue during the period.

The Group has no dilutive potential ordinary shares in issue during the current and prior periods and therefore diluted earnings per share is the same as basic earnings per share for the periods presented.

8 Dividend

The Board of Directors has resolved that no interim dividend be declared for the six months ended 30th June 2008 (2007: Nil).

9 Insurance receivable

The credit period for the majority of insurance receivable normally ranges from 90 to 120 days. The credit terms of insurance receivable, including whether guarantees from third parties are required, are determined by senior management.

At 30th June 2008, the ageing analysis of insurance receivable by invoice date was as follows:

	30th June 2008	31st December 2007
	HK$'000	*HK$'000*
Within 30 days	**4,958**	2,450
31-60 days	**3,369**	2,758
61-90 days	**2,963**	2,238
Over 90 days	**2,996**	2,847
	14,286	10,293

10 Insurance payable

At 30th June 2008, the ageing analysis of insurance payable by invoice date was as follows:

	30th June 2008	31st December 2007
	HK$'000	*HK$'000*
Within 30 days	**3,757**	1,056
31-60 days	**1,605**	1,163
61-90 days	**1,378**	1,138
Over 90 days	**2,842**	1,956
	9,582	5,313

OVERALL RESULTS

Due to the increase in the share of profit after taxation of Xiamen International Bank by HK$38.93 million, the Group achieved an unaudited consolidated profit attributable to equity holders of HK$145.05 million in the first half of 2008, an increase of HK$29.74 million, or 25.8%, from HK$115.31 million for the same period in 2007. Basic earnings per share reached 31.57 HK cents.

BUSINESS REVIEW

Banking Business

In the first half of 2008, the banking business of the Group attained satisfactory growth and reported a rise in the profit after taxation by 45% to HK$125.43 million, which accounted for 86.5% of the overall results of the Group.

The Group, through its 36.75% interest in the Xiamen International Bank Group, conducts banking business in Mainland China and Macao. Despite Mainland China was rather affected by the natural disaster at the beginning of this year, the growth momentum there remains steady and rapid. Even though Hong Kong and Macao were amid the global economic uncertainties, the Xiamen International Bank Group was still able to maintain satisfactory growth for all its businesses, and has achieved sound operating results in the first half of 2008. For the first half of 2008, Xiamen International Bank Group's consolidated net profit as adjusted under the requirements of the Hong Kong Financial Reporting Standards went up by about 33.3% to RMB309.6 million from RMB232.25 million for the same period in 2007.

During the period under review, according to the unaudited management accounts of the Xiamen International Bank Group, its total assets grew by about 4.4% as compared to those at the end of 2007. Loans to customers and customers' deposits went up by about 11.4% and 6.7% respectively as compared to those at the end of 2007 while the annualised return on average equity rose by about 2% to about 20.5%. The net interest income and net fee increased by 34.3% and 9.7% respectively when compared to those for the same period last year.

After years of hard efforts, Xiamen International Bank has obtained consent to set up sub-branches in Beijing, Shanghai and Fuzhou recently, thus accelerating the expansion of its banking network.

Insurance Business

Min Xin Insurance Company Limited ("MXIC"), the Group's wholly-owned subsidiary, achieved a net profit after tax of HK$6.32 million for the first half of 2008, a rise by 19.2% when compares to the same period of 2007.

During the period under review, MXIC has faced the pressure of a competitive industry, and an adverse economic and investment environment. The management team, however, remains vigilant in securing opportunities in insurance underwriting growth through dedication of more resources.

Property Development and Investment

In the first half of 2008, as the Group's property development project in Suzhou (the "Suzhou Project"), which is held by its wholly-owned subsidiary, Minxin (Suzhou) Property Development Co., Ltd. ("Minxin Suzhou"), was still undergoing the commencement stage, its property development and investment business recorded a loss after taxation of HK$1.57 million as compared with the profit after taxation of HK$1.84 million for the same period last year.

In the first half of 2008, Minxin Suzhou recorded a loss of RMB4.17 million (including the amortisation of land use right of RMB2.12 million), as compared with a loss of RMB1.35 million (including the amortisation of land use right of RMB1.06 million) for the same period of 2007.

It has been planned that the Suzhou Project, which has a total construction area of about 81,000 square metres, will build 55 blocks with a total of 218 low-density residential units.

The Group's two floors of the investment properties and car parks in Fuzhou, Fujian Province (the "Fuzhou Property"), continued to generate a steady rental income to the Group. For the first half of 2008, the Fuzhou Property recorded a rental income of RMB1.05 million as compared with RMB1.17 million for the same period of 2007. As at 30th June 2008, the Fuzhou Property reported a rise of 3.4% in its fair value to RMB36.8 million as compared with that at 31st December 2007. Accordingly, the Group recognised a fair value gain of RMB1.2 million, as compared with RMB3 million for the same period of 2007.

Investment in Huaneng Power International Inc. ("Huaneng Shares")

In the first half of 2008, following the volatile A-Share market and the progressively falling index and share prices, the closing bid price of Huaneng's A-Share also fell to RMB7.03 per share as at 30th June 2008 from RMB14.84 per share as at 31st December 2007. Accordingly, the fair value of the Group's investment of 72 million Huaneng Shares estimated with reference to the closing bid price of Huaneng's A-Share reduced by about RMB560 million to RMB510 million (equivalent to approximately HK$580 million) as compared to that at the end of 2007. With Huaneng Shares classified as a long term available-for-sale financial asset of the Group, the loss of about HK$570 million arising from the change in its fair value (31st December 2007: fair value gain of about HK$690 million) was directly recognised in the investment revaluation reserve.

During the first half of 2008, the Group received a final dividend for 2007 of RMB0.3 per share from Huaneng, generating a dividend income of HK$24.48 million (2007: RMB0.28 per share totaling HK$31 million).

On 28th August 2008, Huaneng announced its results under the PRC Accounting Standards for the first half of 2008. Notwithstanding the growth in its operating income by 30.8% when compared to the same period of 2007, the significant increase in the fuel prices has led to a loss of RMB0.04 per share as compared with an earnings per share of RMB0.25 for the same period of 2007.

High-Tech Investments

Min Faith Investments Limited ("Min Faith"), an investment of the Group engaging in the manufacturing of industrial digital instruments in Mainland China, has maintained a steady growth in its core business during the period under review. However, due to the adjustment under the requirement of the Hong Kong Financial Reporting Standards on the unrealised fair value loss on its listed trading securities during the period under review, Min Faith recorded a 49% decrease in profit after tax in the first half of 2008 to HK$2.6 million as compared to the same period of 2007. In the second half of 2008, Min Faith will strive to tap its internal resources and potentials to combat various rising costs as well as the unfavourable environment arising from the macroeconomic adjustment measures in Mainland China.

Toll Road Investments

The Group's 21% indirectly held toll road investment in Maanshan, Anhui Province, registered a revenue of RMB25.42 million during the period under review, a decrease of 2.8% from RMB26.14 million for the same period last year.

FINANCIAL REVIEW

The Group maintained a healthy financial position during the period under review. Based on 459,428,656 shares in issue (31st December 2007: 459,428,656 shares), the net asset value per share was HK$4.85 (31st December 2007: HK$5.73) at 30th June 2008. As at 30th June 2008, the total liabilities of the Group were HK$384.1 million (31st December 2007: HK$372.33 million) and the ratio of total liabilities to total equity attributable to equity holders of the Company was 0.17 (31st December 2007: 0.14). As at 30th June 2008, the current assets and current liabilities of the Group were HK$760.78 million (31st December 2007: HK$742.21 million) and HK$276.18 million (31st December 2007: HK$221.99 million) respectively with a current ratio of 2.8 (31st December 2007: 3.3).

The Hong Kong Dollar denominated bank loans drawn down by the Group in 2007 represented (i) three-year floating rate term loans totaling HK$180 million for financing the Suzhou Project of which HK$18 million was repaid during the period; and (ii) a floating rate revolving loan of HK$5 million for working capital purposes which was fully repaid during the period.

As at 30th June 2008, the outstanding balance of these bank loans drawn down by the Group was HK$162 million, of which HK$63 million has to be repaid within one year, and the balance of HK$99 million in two to five years.

As at 30th June 2008, these bank loans are secured by the Group's bank deposit of approximately HK$52.39 million, certain properties (including the leasehold land component) with a book value of approximately HK$61.08 million and share mortgages of the Company's subsidiaries, namely Min Xin Properties Limited and Minxin Suzhou.

The gearing ratio of the Group (total borrowings and advances divided by total net assets) as at 30th June 2008 was 7.2% (31st December 2007: 7%).

As at 30th June 2008, bank deposits of the Group amounted to HK$370.28 million (31st December 2007: HK$365.01 million) which included deposits of RMB121 million (equivalent to approximately HK$137.59 million) placed with certain banks in Mainland China (31st December 2007: RMB115.31 million, equivalent to approximately HK$123.13 million).

The Group's assets, liabilities and receipts and payments are primarily denominated in Hong Kong Dollars and Renminbi. As the increase in the exchange rate of Renminbi has accelerated steadily, the Group's net monetary assets denominated in Renminbi has resulted in foreign currency translation gain of approximately HK$2.59 million recorded by the Group for the first half of 2008 (2007: HK$4.85 million). Save for the above, the Group anticipates that it will not face material risks arising from foreign exchange rates fluctuation.

As at 30th June 2008, the capital commitments of the Group amounted to HK$4.59 million (including the share of capital commitments of HK$0.34 million of the jointly controlled entities).

As at 30th June 2008, the Group does not have any material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at 30th June 2008, the Group had 72 employees. The remuneration of the employees is based on individual merits and experience. The Group also provides other benefits to the employees including retirement benefits and medical scheme.

PROSPECTS

Looking ahead into the second half of 2008, we believe that Mainland China will continue to implement its stringent macroeconomic adjustment policy. However, the Board remains prudently optimistic of the steady and rapid economic growth of Mainland China, and is confident that the profits of the Group's banking business will continue to boost. As for its property investments in Mainland China, the Group believes that with its sound financial resources, the construction of the Suzhou Project can be proceeded steadily despite the impact already posed on the industry sector arising from the stringent credit policy. In the future, the Group will grasp the development trend, make timely adjustments, and exploit the favourable factors with a view to generate a greater value to the shareholders.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules for the six months ended 30th June 2008 except that the non-executive directors of the Company are not appointed for any specific terms as they are subject to retirement by rotation and re-election at annual general meetings in accordance with the provisions of the Company's Articles of Association.

COMPLIANCE WITH MODEL CODE

The Company has adopted its own code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code. Specific enquiry has been made to all the directors of the Company who confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with management the accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters including a review of the unaudited interim accounts for the six months ended 30th June 2008.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

By Order of the Board
Min Xin Holdings Limited
Ding Shi Da
Chairman

Hong Kong, 25th September 2008

As at the date of this announcement, the executive directors of the Company are Messrs Ding Shi Da (Chairman), Chen Gui Zong (Vice Chairman), Zhu Xue Lun and Weng Jian Yu; the non-executive directors are Messrs Wang Hui Jin and Chen Le; and the independent non-executive directors are Messrs Ip Kai Ming, Robert Tsai To Sze and So Hop Shing.