MIN XIN HOLDINGS LIMITED
閩信集團有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 222)

ANNOUNCEMENT OF 2009 INTERIM RESULTS

FINANCIAL HIGHLIGHTS

- Profit attributable to equity holders amounted to HK$109 million, a decrease of 24.9%
- Basic earnings per share reached 23.73 HK cents, a decrease of 24.9%
- Total assets grew by 7% to HK$2.69 billion
- Total equity attributable to equity holders increased by 9.4% to HK$2.46 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 2009 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th June 2009

		Unaudited Six months ended 30th June	
		2009	2008
	Note	***HK$'000***	*HK$'000*
Turnover	*2*	**57,252**	55,349
Total revenues	*2*	**43,371**	52,834
Other gains — net	*3*	**3,471**	12,455
Total operating income		**46,842**	65,289
Net insurance claims incurred and commission expenses incurred on insurance business		**(28,219)**	(16,353)
Staff costs		**(14,250)**	(14,251)
Depreciation and amortisation		**(1,150)**	(3,144)
Impairment loss on available-for-sale financial assets		**(28)**	—
Other operating expenses		**(9,774)**	(10,161)
Total operating expenses		**(53,421)**	(43,909)
Operating (loss)/profit	*4*	**(6,579)**	21,380
Finance costs	*5*	**(1,656)**	(3,885)
Share of results of jointly controlled entities		**115,598**	126,474
Share of results of associates		**1,735**	3,735
Profit before taxation		**109,098**	147,704
Income tax expense	*6*	**(97)**	(2,655)
Profit for the period		**109,001**	145,049
		HK CENTS	*HK CENTS*
Earnings per share			
— Basic and diluted	*7*	**23.73**	31.57

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June 2009

	Unaudited Six months ended 30th June **2009**	 2008
	HK$'000	*HK$'000*
Profit for the period	**109,001**	145,049
Other comprehensive income		
Available-for-sale financial assets		
Fair value changes credited/(charged) to equity	**75,852**	(565,290)
Share of changes in equity of jointly controlled entities		
Fair value changes credited/(charged) to equity	**60,685**	(12,062)
Disposal	**247**	(623)
Deferred tax	**(16,432)**	258
	120,352	(577,717)
Leasehold buildings revaluation reserve		
Unrealised surplus on revaluation of leasehold buildings transferred to investment property	**51**	—
Exchange differences arising on translation of the financial statements of foreign subsidiaries, associates and jointly controlled entities	**(3,905)**	57,068
Other comprehensive income for the period, net of tax	**116,498**	(520,649)
Total comprehensive income for the period	**225,499**	(375,600)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June 2009

	Note	**Unaudited 30th June 2009** *HK$'000*	Audited 31st December 2008 *HK$'000*
Non-current assets			
Property, plant and equipment		**5,927**	6,659
Investment properties		**90,313**	86,713
Leasehold land and land use rights		**17,502**	17,748
Jointly controlled entities		**1,299,805**	1,143,062
Associates		**40,709**	36,841
Available-for-sale financial assets		**641,654**	576,576
Deferred income tax assets		**886**	673
		2,096,796	1,868,272
Current assets			
Land use rights		**325,524**	328,440
Properties under development for sale		**15,027**	—
Deferred acquisition costs		**20,311**	15,781
Insurance receivable	*9*	**21,793**	15,858
Reinsurance assets		**5,535**	4,892
Dividend receivable		**8,164**	—
Other debtors		**1,473**	1,347
Prepayment and deposits		**3,898**	11,896
Financial assets at fair value through profit or loss			
— listed equity securities held for trading		**2,043**	1,725
Cash and bank balances		**184,648**	261,309
		588,416	641,248
Current liabilities			
Insurance contracts		**81,786**	70,684
Insurance payable	*10*	**11,547**	9,772
Other creditors and accruals		**11,607**	30,036
Bank borrowings		**98,785**	89,590
Current income tax payable		**360**	109
Dividend payable		**13,783**	—
		217,868	200,191
Net current assets		**370,548**	441,057
Total assets less current liabilities		**2,467,344**	2,309,329

	Unaudited 30th June 2009	Audited 31st December 2008
	HK$'000	*HK$'000*
Non-current liabilities		
Bank borrowings	—	53,946
Deferred income tax liabilities	**7,200**	7,201
	7,200	61,147
Net assets	**2,460,144**	2,248,182
Share capital	**459,429**	459,429
Other reserves	**1,704,857**	1,562,840
Retained profits		
Proposed dividend	—	13,783
Others	**295,858**	212,130
Total equity attributable to equity holders of the Company	**2,460,144**	2,248,182

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 ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

These unaudited condensed consolidated interim financial statements should be read in conjunction with the 2008 annual report.

Except as described below, the accounting policies adopted in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those used in the 2008 annual report.

The following new standards and amendments to standards issued by the HKICPA which are relevant to the operations of the Group and are mandatory for the first time for the financial year beginning 1st January 2009 have been adopted.

— HKAS 1 (Revised) "Presentation of Financial Statements" requires details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such to be presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expenses are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. This change in presentation has no effect on reported profit or loss, total income and expenses or net assets for any period presented.

— HKAS 23 (Revised) "Borrowing Costs" requires borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset to be capitalised as part of the cost of that asset. This requirement has had no impact on the Group's financial statements as the amendment was consistent with the policy already adopted by the Group.

— Amendments to HKFRS 7 "Improving Disclosures about Financial Instruments" require expanded disclosures about the fair value measurement and liquidity risk. The amendments introduce a three-level fair value hierarchy according to the extent to which they are based on observable market data. In addition, the amendments enhance the existing requirements for the disclosure of liquidity risk primarily requiring a separate maturity analysis for derivative and non-derivative financial liabilities. The Group has taken advantage of the transitional provisions set out in the amendments to HKFRS 7, under which comparative information for the newly required disclosures about the fair value measurements of financial instruments has not been provided.

  As the Group's financial instruments measured at fair value are based on quoted price in active markets and the Group did not hold any derivative financial liabilities, the adoption of these amendments did not have a significant impact on the disclosures in these unaudited condensed consolidated interim financial statements.

— HKFRS 8 "Operating Segments" replaces HKAS 14 "Segment Reporting". It requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group ("management approach"), with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group's financial statements into segments based on related products and services and on geographical areas. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's most senior executive management, and has resulted in different reportable segments being identified and presented (Note 2). Corresponding amounts have been provided on a basis consistent with the revised segment information.

— The Group also adopted a number of insignificant amendments to standards and interpretations. These are described under Note 2.2 of the 2008 annual report. These amendments have had no material impact on these unaudited condensed consolidated interim financial statements.

Up to the date of issue of this results announcement, the HKICPA has issued a number of new standards and amendments which are not yet effective for the accounting year ending 31st December 2009 and which have not been early adopted by the Group.

The Group is in the process of making an assessment of what the impact of these new HKFRSs is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

2 Turnover and Segmental Information

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

	Six months ended 30th June	
	2009	2008
	HK$'000	*HK$'000*
Turnover		
Gross insurance premiums	**45,238**	27,198
Insurance brokerage commission	**356**	518
Rental income from investment properties	**3,424**	3,097
Dividend income from available-for-sale financial assets	**8,174**	24,476
Management fees	**60**	60
	57,252	55,349
Movement in unearned insurance premiums	**(9,494)**	(2,522)
Reinsurance premiums ceded and reinsurers' share of movement in unearned insurance premiums	**(5,697)**	(3,323)
Other revenues		
Interest income from bank deposits	**1,044**	3,225
Dividend income from listed equity securities held for trading	**83**	37
Others	**183**	68
	1,310	3,330
Total revenues	**43,371**	52,834

In prior years, the Group had determined the segment information on the basis of business segment, which are distinguishable business divisions of the Group that provide products and services to customers or dealing with the market that are different to those of other business segments (e.g. financial services, property development and investment, investment holding and others, industrial instrument manufacturing and toll road investment). Business segment information is presented as the primary reporting format while geographical segment information, which is grouped by the location of the principal operations and investees as the secondary reporting format (e.g. Hong Kong, Mainland China and Macao).

However, information reported to the chief operating decision maker which includes the Executive Board Committee and Chief Executive, is determined on the basis of business entities, investment held and investees. For business entities and investments held, operating performance evaluation and resources allocation are based on individual business activities operated and investments held by the Group. For investees, operating performance evaluation is based on individual investees of the Group.

On first-time adoption of HKFRS 8 "Operating Segments" and in a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for the purposes of making strategic decisions, resources allocation and performance assessment, the Group has identified the following reportable segments.

Banking Investment includes the Group's 36.75% interest in the Xiamen International Bank Group which conducts banking business in Mainland China and Macao. Insurance includes the Group's general insurance business in Hong Kong and Macao and insurance brokerage business in Hong Kong. Property Development and Investment includes the development and sale of residential properties and leasing of high quality office space in Mainland China. Strategic Investment represents the Group's investment in 72 million A-Share in Huaneng Power International, Inc.. Others include results of operations not directly identified under other reportable segments (mainly industrial instrument manufacturing and toll road investment in Mainland China) and head office. Head office is also considered to be a segment as discrete financial information is available for the head office activities.

(a) Segment result

For the purpose of segment reporting, revenues derived from customers, products and services directly identifiable with individual segments are reported directly under respective segments. All direct costs incurred by different segments are grouped under respective segments. Indirect costs and support functions' costs related to head office activities that cannot be reasonably allocated to other segments, products and services are grouped under head office. Transactions within segments are priced based on similar terms offered to or transacted with external parties. Inter-segment income and expenses are eliminated on consolidation.

	Banking investment		Insurance		Property development and investment		Strategic investment		Others		Inter-segment elimination		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	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														
External customers	**—**	—	**47,401**	29,516	**1,677**	1,357	**8,174**	24,476	**—**	—	**—**	—	**57,252**	55,349
Inter-segments	**—**	—	**—**	—	**—**	—	**—**	—	**1,467**	1,231	**(1,467)**	(1,231)	**—**	—
	—	—	**47,401**	29,516	**1,677**	1,357	**8,174**	24,476	**1,467**	1,231	**(1,467)**	(1,231)	**57,252**	55,349
Movement in net unearned insurance premiums and reinsurance premiums ceded	**—**	—	**(15,191)**	(5,845)	**—**	—	**—**	—	**—**	—	**—**	—	**(15,191)**	(5,845)
Other revenues	**—**	—	**535**	1,088	**36**	23	**—**	—	**739**	2,219	**—**	—	**1,310**	3,330
Total revenues	**—**	—	**32,745**	24,759	**1,713**	1,380	**8,174**	24,476	**2,206**	3,450	**(1,467)**	(1,231)	**43,371**	52,834
Other gains — net	**—**	—	**3,652**	6,107	**(61)**	3,835	**—**	—	**(120)**	2,513	**—**	—	**3,471**	12,455
Total operating income	**—**	—	**36,397**	30,866	**1,652**	5,215	**8,174**	24,476	**2,086**	5,963	**(1,467)**	(1,231)	**46,842**	65,289
Total operating expenses	**—**	—	**(35,418)**	(23,830)	**(3,314)**	(5,198)	**—**	—	**(16,156)**	(16,112)	**1,467**	1,231	**(53,421)**	(43,909)
Operating (loss)/profit	**—**	—	**979**	7,036	**(1,662)**	17	**8,174**	24,476	**(14,070)**	(10,149)	**—**	—	**(6,579)**	21,380
Finance costs	**—**	—	**—**	—	**(1,631)**	(3,851)	**—**	—	**(25)**	(34)	**—**	—	**(1,656)**	(3,885)
Share of results of jointly controlled entities	**111,752**	125,434	**—**	—	**—**	—	**—**	—	**3,846**	1,040	**—**	—	**115,598**	126,474
Share of results of associates	**—**	—	**—**	—	**—**	—	**—**	—	**1,735**	3,735	**—**	—	**1,735**	3,735
Profit/(loss) before taxation	**111,752**	125,434	**979**	7,036	**(3,293)**	(3,834)	**8,174**	24,476	**(8,514)**	(5,408)	**—**	—	**109,098**	147,704
Income tax credit/(expense)	**—**	—	**(54)**	(717)	**1**	(1,765)	**—**	—	**(44)**	(173)	**—**	—	**(97)**	(2,655)
Profit/(loss) for the period	**111,752**	125,434	**925**	6,319	**(3,292)**	(5,599)	**8,174**	24,476	**(8,558)**	(5,581)	**—**	—	**109,001**	145,049
Interest income from bank deposits	**—**	—	**508**	985	**36**	23	**—**	—	**500**	2,217	**—**	—	**1,044**	3,225
Depreciation and amortisation for the period	**—**	—	**141**	146	**550**	2,502	**—**	—	**459**	496	**—**	—	**1,150**	3,144
Impairment loss on available-for-sale financial assets	**—**	—	**—**	—	**—**	—	**—**	—	**28**	—	**—**	—	**28**	—

	Banking investment		Insurance		Property development and investment		Strategic investment		Others		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	***HK$'000***	***HK$'000***	*HK$'000*
At 30th June 2009 and 31st December 2008												
The Company and subsidiaries	**—**	—	**166,962**	152,871	**391,693**	404,300	**649,818**	565,802	**136,225**	206,644	**1,344,698**	1,329,617
Investments in jointly controlled entities	**1,247,719**	1,094,913	**—**	—	**—**	—	**—**	—	**52,086**	48,149	**1,299,805**	1,143,062
Investments in associates	**—**	—	**—**	—	**—**	—	**—**	—	**40,709**	36,841	**40,709**	36,841
Total assets	**1,247,719**	1,094,913	**166,962**	152,871	**391,693**	404,300	**649,818**	565,802	**229,020**	291,634	**2,685,212**	2,509,520
The Company and subsidiaries	**—**	—	**97,380**	84,265	**107,255**	152,254	**—**	—	**6,650**	24,819	**211,285**	261,338
Unallocated liabilities												
Dividend payable											**13,783**	—
Total liabilities	**—**	—	**97,380**	84,265	**107,255**	152,254	**—**	—	**6,650**	24,819	**225,068**	261,338
Capital expenditure incurred during the period	**—**	—	**67**	189	**10**	19	**—**	—	**23**	133	**100**	341

(b) Geographical information

In presenting geographical information, revenues are presented based on the geographical location of principal operations or the investees responsible for reporting the results. Assets, liabilities and capital expenditure are presented based on the geographical location of the assets and liabilities.

	Hong Kong		Mainland China		Macao		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Six months ended 30th June								
Total revenues	**28,663**	22,305	**10,022**	26,584	**4,686**	3,945	**43,371**	52,834
Other gains — net	**3,276**	4,484	**194**	7,974	**1**	(3)	**3,471**	12,455
Total operating income	**31,939**	26,789	**10,216**	34,558	**4,687**	3,942	**46,842**	65,289
Profit/(loss) before taxation	**(15,933)**	(12,228)	**123,399**	158,465	**1,632**	1,467	**109,098**	147,704
At 30th June 2009 and 31st December 2008								
The Company and subsidiaries	**219,222**	239,936	**1,056,453**	1,000,496	**69,023**	89,185	**1,344,698**	1,329,617
Investments in jointly controlled entities	**—**	—	**1,299,805**	1,143,062	**—**	—	**1,299,805**	1,143,062
Investments in associates	**—**	—	**40,709**	36,841	**—**	—	**40,709**	36,841
Total assets	**219,222**	239,936	**2,396,967**	2,180,399	**69,023**	89,185	**2,685,212**	2,509,520
The Company and subsidiaries	**194,106**	230,878	**8,460**	24,315	**8,719**	6,145	**211,285**	261,338
Unallocated liabilities								
Dividend payable	**13,783**	—	**—**	—	**—**	—	**13,783**	—
Total liabilities	**207,889**	230,878	**8,460**	24,315	**8,719**	6,145	**225,068**	261,338

3 Other Gains — Net

	Six months ended 30th June	
	2009	2008
	HK$'000	*HK$'000*
Fair value gains/(losses) on listed equity securities measured at fair value through profit or loss	**206**	(690)
Fair value gains on revaluation of investment properties	**3,285**	8,835
Gain on disposal of investment properties	**—**	1,725
Net exchange (losses)/gains	**(20)**	2,585
	3,471	12,455

4 Operating (Loss)/Profit

	Six months ended 30th June	
	2009	2008
	HK$'000	*HK$'000*
Operating (loss)/profit is stated after crediting and charging the following:		
Crediting		
Net exchange gains	**—**	2,585
Rentals received and receivable from investment properties less direct outgoings	**2,960**	2,607
Charging		
Net exchange losses	**20**	—
Depreciation and amortisation	**1,150**	3,144
Loss on disposal of property, plant and equipment	**64**	12
Impairment loss on available-for-sale financial assets	**28**	—
Operating lease rentals in respect of land and buildings	**617**	609
Management fee	**940**	940
Retirement benefit costs	**364**	338

5 Finance Costs

	Six months ended 30th June	
	2009	2008
	HK$'000	*HK$'000*
Interest on bank loans	**1,656**	3,885

6 Income Tax Expense

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) 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	
	2009	2008
	HK$'000	*HK$'000*
Current tax		
Hong Kong profits tax	**151**	118
Macao taxation	**160**	98
	311	216
Deferred tax		
Relating to the origination and reversal of temporary differences	**662**	2,428
Relating to the recognition of unused tax losses	**(876)**	—
Resulting from a decrease in tax rate	**—**	11
	(214)	2,439
Income tax expense	**97**	2,655

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 2009 of HK$109,001,000 (2008: HK$145,049,000) and the weighted average of 459,428,656 (2008: 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 2009 (2008: 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 2009, the ageing analysis of insurance receivable by invoice date was as follows:

	30th June 2009	31st December 2008
	HK$'000	*HK$'000*
Within 30 days	**6,248**	3,466
31-60 days	**5,514**	4,527
61-90 days	**5,054**	3,880
Over 90 days	**4,977**	3,985
	21,793	15,858

10 Insurance Payable

At 30th June 2009, the ageing analysis of insurance payable by invoice date was as follows:

	30th June 2009	31st December 2008
	HK$'000	*HK$'000*
Within 30 days	**2,697**	3,719
31-60 days	**2,164**	2,059
61-90 days	**2,153**	1,654
Over 90 days	**4,533**	2,340
	11,547	9,772

BUSINESS REVIEW

In the first half of 2009, the plunge of the global economy was controlled due to the economic stimulus packages launched by governments all over the world. Although the international financial markets and global economy began to restore stabilisation and recover gradually, the fundamentals were relatively weak and full recovery was still subject to various uncertainties in light of the ever-changing market conditions.

Operating Results

In the first half of 2009, the Group recorded an unaudited consolidated profit attributable to equity holders of HK$109 million, a decrease of 24.9% from that of the same period in 2008. Basic earnings per share amounted to 23.73 HK cents.

During the period under review, the dividend income of the Group declined by HK$16.3 million since Huaneng Power International, Inc. reduced its dividend payment in light of the loss reported for the year of 2008. In addition, the share of profit after tax of Xiamen International Bank dropped by HK$13.68 million as compared to the same period in 2008.

Banking Business

The Group, through its 36.75% interest in the Xiamen International Bank Group, conducts banking business in Mainland China and Macao.

In the first half of 2009, with the stimulation of the proactive fiscal policy and moderately eased monetary policy implemented by the Central Government, the overall financial industry remained normal and stable, significantly helping stabilised the economy in Mainland China. However, the fundamentals for economic recovery remained fragile while the economic conditions were still rather severe. For the period under review, the banking business of the Group recorded a profit after tax of HK$111.75 million, a decrease of 10.9% from that of the same period in 2008.

In the first half of 2009, the Central Government implemented a series of macroeconomic control measures to maintain economic growth, boost domestic demand and adjust structure, which included successive lending rate cuts by the People's Bank of China. The magnitude of the cut of lending rates was larger than that of deposit rates, causing a relatively larger negative impact on the net profits of the domestic banking industry in Mainland China. For the first half of 2009, Xiamen International Bank's unaudited consolidated net profit prepared under China Accounting Standards decreased by 17% to RMB260.08 million from RMB313.31 million for the same period in 2008 as net interest margin narrowed substantially as a result of the interest rate cuts by the People's Bank of China and the declining market interest rates.

During the period under review, the total assets of the Xiamen International Bank Group grew by about 9.3% to RMB48.21 billion as compared to those at the end of 2008. Loans to customers and customers' deposits stood at RMB25.59 billion and RMB43.32 billion respectively, a decrease of 8.5% and an increase of 15.5% respectively as compared to those at the end of 2008. The net interest income and the net fee and commission income fell by 15.6% and 24.7% respectively as compared to the same period in 2008.

Despite the fact that China's economy saw recovery during the period, the uncertainty of the recovery of the real economy still lingered. The rapid growth of lending would impede the controlling of non-performing loans. Meanwhile, the influx of liquidity from banks would increase pressure on narrowed net interest margin. Asymmetrical rate cuts and interbank competition could reduce the bargaining power of banks, which in turn set higher requirements on banks' operating and management capabilities. In order to cope with new changes in the operating environment, Xiamen International Bank Group will improve its loan-deposit structure, enhance its pricing ability on loans, reduce its funding costs, reinforce the optimization adjustments for the assets and liabilities structure, strengthen its risk management and effectively control various risks.

Insurance Business

Min Xin Insurance Company Limited ("MXIC"), the Group's wholly-owned subsidiary, achieved a net profit after tax of HK$1.02 million for the first half of 2009, a reduction of 83.9% when compared to the result for the first half of 2008. The management team will continue to monitor the market position and endeavour to improve the performance of MXIC.

Property Development and Investment

The property development and investment business of the Group comprises the real estate development business and the leasing of certain investment properties in Mainland China. In the first half of 2009, the property development and investment business reported a loss after taxation of HK$3.29 million, which was HK$2.31 million less than that for the same period in 2008.

Minxin (Suzhou) Property Development Co., Ltd. ("Minxin Suzhou"), a wholly-owned subsidiary of the Group, undertakes the real estate development business in Suzhou, Mainland China (the "Suzhou Project"). For the first half of 2009, Minxin Suzhou recorded a loss of RMB2.22 million (including the amortisation of land use right of RMB0.4 million), as compared to a loss of RMB4.17 million (including the amortisation of land use right of RMB2.12 million) for the same period in 2008. Upon the setting up of Minxin Suzhou, the Group borrowed HK$180 million from a local bank for financing the Suzhou Project, of which HK$99 million still remain outstanding. Owing to the reduction in both the Hong Kong Interbank Offered Rate and the principal of the loans, the interest expenses for the period declined by HK$2.22 million to HK$1.63 million as compared to the same period in 2008.

During the period under review, because of the proactive fiscal policy and moderately eased monetary policy which lead to improved liquidity in financial market, the real estate market continued to pick up, with both transaction volume and selling price reported steady growth. Although the Central Government enforced the second home mortgage policy, we believe that the main purpose of the policy is to deter potential speculation. The Group will pay close attention to the changing macroeconomic policies and the local real estate market in Suzhou in order to set the stage for the future launch of sales. Currently, the construction work of the Suzhou Project is under way as previously planned, and has been progressing satisfactorily. It is targeted to complete the construction of the main structure in the second half. 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.

Apart from generating a steady rental income to the Group, the Group's investment properties and car parks in Fuzhou, Fujian Province (the "Fuzhou Property") represent growing capital value in the long term and can also act as quality securities for acquiring longer term finance. Benefiting from the substantial increase in rental following the renewal of lease in the second half of 2008, the Fuzhou Property recorded an increase of 40.4% in rental income to RMB1.48 million in the first half of 2009, as compared to RMB1.05 million for the same period in 2008. As at 30th June 2009, the fair value of the Fuzhou Property stood at RMB34.09 million, which maintained the same level as at 31st December 2008. However, the Group recorded a fair value loss of HK$0.06 million due to the fluctuation in the exchange rate of Renminbi against Hong Kong Dollars, as compared to a fair value gain of HK$2.07 million for the same period in 2008.

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

Under the implementation of a series of macroeconomic policies by the Central Government, the stock market has rebounded sharply. As at the end of June 2009, the Shanghai Composite Index surged by more than 1,000 points as compared to that at the end of 2008. The closing bid price of Huaneng's A-Share also rose to RMB7.86 per share as at 30th June 2009 over RMB6.92 per share as at 31st December 2008. The fair value of the Group's investment in 72 million Huaneng Shares measured with reference to the closing bid price of Huaneng's A-Share increased by approximately RMB67.68 million (equivalent to approximately HK$75.85 million) to approximately RMB565.92 million (equivalent to approximately HK$641.65 million) as compared to that at the end of 2008. With Huaneng Shares classified as a long term available-for-sale financial asset of the Group, the gain of approximately HK$75.85 million arising from the change in its fair value (2008: fair value loss of approximately HK$575.07 million) was directly recognised in the investment revaluation reserve.

During the period under review, as Huaneng reduced its final dividend payment for 2008 to RMB0.1 per share in light of the loss reported for the year of 2008, the Group recorded a dividend income of HK$8.17 million, as compared to the final dividend payment for 2007 of RMB0.3 per share totaling HK$24.48 million received by the Group for the same period in 2008.

On 11th August 2009, Huaneng announced its results under the China Accounting Standards for the first half of 2009. As a result of a 8.3% growth in its operating revenue when compared to that of the same period in 2008, coupled with lower fuel costs, Huaneng was able to achieve a turnaround, and reported an earnings per share of RMB0.16 as compared to a loss per share of RMB0.04 for the same period in 2008.

High-Tech Investments

Min Faith Investments Limited ("Min Faith"), an investment of the Group engaging in the manufacturing of industrial digital instrumentations and electronic meters through its subsidiaries in Mainland China, has achieved a 269.6% increase in profit after tax in the first half of 2009 to HK$9.61 million as compared to the low base figure in the same period of 2008. In the second half of 2009, Min Faith will grasp the opportunities to ride on the economic recovery in China by strengthening the development and marketing of industrial instrumentations, electronic meters and other auto-control devices with the aim of growing into a stronger and larger manufacturing enterprise.

FINANCIAL REVIEW

Net Asset Value per Share

As a result of the massive economic stimulus policy implemented by the governments around the world, the global financial markets have been stabilised and liquidity has obviously been improved in the period under review. The Group persists in investing prudently as usual and strives to maintain a healthy financial position. Based on 459,428,656 shares in issue (31st December 2008: 459,428,656 shares), the net asset value per share was HK$5.35 (31st December 2008: HK$4.89) at 30th June 2009.

Total Liabilities to Equity Ratio and Current Ratio

As at 30th June 2009, the total liabilities of the Group were HK$225.07 million (31st December 2008: HK$261.34 million) and the ratio of total liabilities to total equity attributable to equity holders of the Company was 0.09 (31st December 2008: 0.12). As at 30th June 2009, the current assets and current liabilities of the Group were HK$588.42 million (31st December 2008: HK$641.25 million) and HK$217.87 million (31st December 2008: HK$200.19 million) respectively with a current ratio of 2.7 (31st December 2008: 3.2).

Borrowings and Charged Assets

For the period under review, the Group has partially repaid the principal of HK$45 million of the three-year floating rate term loans for financing the Suzhou Project drawn down in 2007.

As at 30th June 2009, the outstanding balance of the bank loans drawn down by the Group was HK$99 million which has to be repaid in one year. As at 30th June 2009, the Group had unutilised banking facilities of HK$20 million which could be drawn down at anytime.

As at 30th June 2009, the above bank loans were secured by the Company's bank deposit of approximately HK$8.7 million, certain properties (including the leasehold land component) with a book value of approximately HK$57.33 million and share mortgages of the Company's subsidiaries, namely Min Xin Properties Limited and Minxin Suzhou. Save for the above, the other assets of the Group have not been pledged.

Subsequent to the balance sheet date, Minxin Suzhou drawn down a two-year floating rate term loan of RMB150 million from a bank in Suzhou, Mainland China for financing the construction costs of its property development project. The loan was secured by the land use rights of a parcel of land in Suzhou held by Minxin Suzhou and bearing interest at a spread over RMB lending rate announced by the People's Bank of China.

Gearing Ratio

As at 30th June 2009, the gearing ratio of the Group (total borrowings and advances divided by total net assets) still maintained at a relatively low level and was only 4% (31st December 2008: 6.4%).

Cash Position

The Group's bank deposits are interest bearing at prevailing market rates. As at 30th June 2009, the total bank deposits of the Group amounted to HK$184.64 million (31st December 2008: HK$261.3 million) of which 85.6% were denominated in Hong Kong Dollars, 11.5% in Renminbi and 2.9% in other currencies (31st December 2008: 81.4% in Hong Kong Dollars, 16.5% in Renminbi and 2.1% in other currencies).

Pursuant to the requirements from the Office of the Commissioner of Insurance in Hong Kong, a subsidiary maintains at all times a portion of its funds, being not less than HK$16 million, in bank deposits. That subsidiary has also maintained a bank deposit of approximately MOP2.72 million (equivalent to approximately HK$2.64 million) for fulfilling certain requirements under the Macao Insurance Ordinance.

As at 30th June 2009, pursuant to the regulation issued by the local government of Suzhou, Mainland China, a subsidiary maintained a bank deposit of approximately RMB2 million (equivalent to approximately HK$2.27 million) at designated bank accounts for the fulfillment of payment of construction workers' wages.

Risk of Exchange Rate Fluctuation

The Group's assets, liabilities and receipts and payments are primarily denominated in Hong Kong Dollars and Renminbi. As the exchange rate of Renminbi against Hong Kong Dollars has decreased as compared to that at the end of 2008, the Group's net monetary assets denominated in Renminbi has resulted in translation loss of approximately HK$0.02 million recorded by the Group for the first half of 2009 (2008: translation gain of approximately HK$2.59 million). Save for the above, the Group anticipates that it will not face material risks arising from foreign exchange rates fluctuation.

Commitments

As at 30th June 2009, the commitments of the Group for its real estate development business amounted to RMB157.45 million, equivalent to approximately HK$178.53 million (31st December 2008: RMB158.22 million, equivalent to approximately HK$179.67 million), and the capital commitments relating to property, plant and equipment amounted to approximately HK$0.2 million (31st December 2008: approximately HK$0.2 million).

Contingent Liabilities

As at 30th June 2009 and 31st December 2008, the Group did not have any material contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at 30th June 2009, 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, although the stimulus packages implemented by governments all over the world have attained some achievements, the real economy still faces many challenges and uncertainties. Given that China's economy is at a critical point of stabilisation and recovery, the Central Government will further consolidate the fundamentals for economic recovery and will continue its fiscal policy and monetary policy to boost domestic demand, adjust structure and improve people's welfare. The Board believes that the national economy will continue to be good, thus bringing positive support to the business invested by the Group in Mainland China.

The Group will actively adjust its business strategies, capture market opportunities and increase its investments in Mainland China in a prudent manner. It will also ensure steady and healthy development of its existing business with a view to generate long-term best interests for the shareholders as a whole.

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 2009 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 2009.

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
Weng Ruo Tong
Chairman

Hong Kong, 23rd September 2009

As at the date of this announcement, the Executive Directors of the Company are Messrs Weng Ruo Tong (Chairman), Wang Hui Jin (Vice Chairman), Ding Shi Da, Zhu Xue Lun, Weng Jian Yu and Li Jin Hua; and the Independent Non-Executive Directors are Messrs Ip Kai Ming, Sze Robert Tsai To and So Hop Shing.