MIN XIN HOLDINGS LIMITED
閩信集團有限公司

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

ANNOUNCEMENT OF 2010 INTERIM RESULTS

FINANCIAL HIGHLIGHTS

- Profit attributable to equity holders amounted to HK$130 million, an increase of 19.2%
- Basic earnings per share reached 28.29 HK cents, an increase of 19.2%
- Total assets and total equity attributable to equity holders dropped by 4.2% and 1.3% to HK$2.91 billion and HK$2.51 billion respectively, mainly due to decrease in fair value of Huaneng Shares

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 2010 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th June 2010

		Unaudited Six months ended 30th June	
		2010	2009
	Note	***HK$'000***	*HK$'000*
Turnover	*2*	**52,817**	57,252
Total revenues	*2*	**49,647**	43,371
Other gains — net	*3*	**6,071**	3,471
Total operating income		**55,718**	46,842
Net insurance claims incurred and commission expenses incurred on insurance business		**(21,722)**	(28,219)
Staff costs		**(14,346)**	(14,250)
Depreciation		**(692)**	(1,150)
Impairment loss on available-for-sale financial assets		**—**	(28)
Other operating expenses		**(11,958)**	(9,774)
Total operating expenses		**(48,718)**	(53,421)
Operating profit/(loss)	*4*	**7,000**	(6,579)
Finance costs	*5*	**(613)**	(1,656)
Share of results of jointly controlled entities		**117,528**	115,598
Share of results of associates	*6*	**11,449**	1,735
Profit before taxation		**135,364**	109,098
Income tax expense	*7*	**(5,403)**	(97)
Profit for the period		**129,961**	109,001
		HK CENTS	*HK CENTS*
Earnings per share			
— Basic and diluted	*8*	**28.29**	23.73

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June 2010

	Unaudited Six months ended 30th June	
	2010	2009
	HK$'000	*HK$'000*
Profit for the period	**129,961**	109,001
Other comprehensive income		
Available-for-sale financial assets		
Fair value changes (charged)/credited to equity	**(147,752)**	75,852
Share of changes in equity of jointly controlled entities		
Fair value changes (charged)/credited to equity	**(14,481)**	60,685
Disposal	**3,515**	247
Deferred tax	**(1,467)**	(16,432)
	(160,185)	120,352
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	**16,316**	(3,905)
Share of exchange translation reserve released on disposal of non-current assets held-for-sale by an associate	**(6,396)**	—
	9,920	(3,905)
Other comprehensive income for the period, net of tax	**(150,265)**	116,498
Total comprehensive income for the period	**(20,304)**	225,499

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th June 2010

		Unaudited	
		30th June 2010	31st December 2009 (Restated)
	Note	***HK$'000***	*HK$'000*
Non-current assets			
Property, plant and equipment		**22,231**	22,892
Investment properties		**104,413**	98,281
Jointly controlled entities		**1,480,274**	1,367,863
Associates		**10,816**	44,735
Available-for-sale financial assets		**508,888**	656,640
Deferred income tax assets		**453**	658
		2,127,075	2,191,069
Current assets			
Properties under development for sale		**510,868**	432,653
Deferred acquisition costs		**17,730**	18,346
Insurance receivable	*10*	**15,229**	14,207
Reinsurance assets		**4,108**	4,536
Dividend receivable		**17,732**	—
Other debtors		**1,013**	1,879
Prepayment and deposits		**6,937**	3,801
Financial assets at fair value through profit or loss — listed equity securities held for trading		**2,289**	2,605
Cash and bank balances		**205,285**	365,340
		781,191	843,367
Current liabilities			
Insurance contracts		**72,043**	74,266
Insurance payable	*11*	**8,518**	7,562
Other creditors and accruals		**58,629**	45,217
Deposits received on sale of properties under development for sale		**23,520**	—
Deposits received		**—**	125,172
Bank borrowings		**86,484**	109,710
Current income tax payable		**2,231**	358
Dividend payable		**13,783**	—
		265,208	362,285
Net current assets		**515,983**	481,082
Total assets less current liabilities		**2,643,058**	2,672,151

		Unaudited	
		30th June 2010	31st December 2009 (Restated)
	Note	***HK$'000***	*HK$'000*
Non-current liabilities			
Bank borrowings		**115,279**	113,551
Deferred income tax liabilities		**13,836**	10,570
		129,115	124,121
Net assets		**2,513,943**	2,548,030
Share capital		**459,429**	459,429
Other reserves		**1,637,558**	1,728,894
Retained profits			
Proposed dividend		**—**	13,783
Others		**416,956**	345,924
Total equity attributable to equity holders of the Company		**2,513,943**	2,548,030

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 2009 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 2009 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 on 1st January 2010 have been adopted.

— HKAS 27 (Revised) "Consolidated and Separate Financial Statements" requires changes in the ownership interest of a subsidiary that do not result in changes of control to be accounted for within equity, with no goodwill or gain/loss recognised. The revised standard also specifies that when control is lost, any remaining interest in that subsidiary is re-measured to fair value, and a gain or loss is recognised in the income statement. The revised standard has also resulted in the renaming of "minority interests" as "non-controlling interests". The adoption of this revised standard did not have any financial impact on the Group.

— HKFRS 3 (Revised) "Business Combinations" has introduced a number of changes to the accounting for business combinations, including the requirement that where a business combination is achieved in stages, the previously held interest in the acquiree should be re-measured at fair value at the acquisition date when the controlling interest is obtained, with any resulting gain or loss recognised in the income statement. All payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as liabilities subsequently re-measured through the income statement (rather than by adjusting goodwill). All acquisition-related costs will no longer be capitalised as part of the costs of the acquisition but will be expensed immediately. The revised standard also introduces an option to measure non-controlling interests at fair value. The adoption of this revised standard did not have any financial impact on the Group.

— The improvements to HKFRSs 2009 consist of further amendments to existing standards, including an amendment to HKAS 17 "Leases". The amendment to HKAS 17 requires the land element of a property lease to be classified as a finance lease rather than an operating lease if it transfers substantially all risks and rewards of ownership. Before the amendment, HKAS 17 stated that the land element of a property lease would normally be classified as an operating lease unless title to the land was expected to pass to the lessee at the end of the lease term. On adoption of the amendment, the Group has assessed its leases in Hong Kong and Mainland China. As the present value of the minimum lease payments (the transaction price) of the land element held by the Group amounted to substantially all of the fair value of the land element as if it were freehold, the Group has reclassified the land element of its property leases from operating leases to finance leases and stated at cost less accumulated depreciation. The amendment has been applied retrospectively to unexpired leases at the date of adoption of the amendment on the basis of information existing at the inception of the leases. The amendment does not apply to the leasehold land disposed of by the Group in prior years. The effect of the adoption of this amendment on these unaudited condensed consolidated financial statements is detailed as below:

	30th June 2010 *Increase/ (decrease)*	31st December 2009 *Increase/ (decrease)*	1st January 2009 *Increase/ (decrease)*
	HK$'000	*HK$'000*	*HK$'000*
Non-current assets			
Property, plant and equipment	**17,184**	17,345	17,748
Leasehold land and land use rights	**(17,184)**	(17,345)	(17,748)
Current assets			
Land use rights	**(326,144)**	(324,882)	(328,440)
Properties under development for sale	**326,144**	324,882	328,440

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 2010 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	
	2010	2009
	HK$'000	*HK$'000*
Turnover		
Gross insurance premiums	**31,883**	45,238
Insurance brokerage commission	**289**	356
Rental income from investment properties	**3,269**	3,424
Dividend income from available-for-sale financial assets	**17,316**	8,174
Management fees	**60**	60
	52,817	57,252
Movement in unearned insurance premiums	**191**	(9,494)
Reinsurance premiums ceded and reinsurers' share of movement in unearned insurance premiums	**(3,700)**	(5,697)
Other revenues		
Interest income from bank deposits	**273**	1,044
Dividend income from listed equity securities held for trading	**35**	83
Others	**31**	183
	339	1,310
Total revenues	**49,647**	43,371

The Group identifies its operating segments based on the reports reviewed internally by the chief operating decision-makers which include the Executive Board Committee and Chief Executive that are used to make strategic decisions, allocate resources and assess performance.

The reports to the chief operating decision-makers are analysed on the basis of business entities, investments 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 investee of the Group.

The Group has the following reportable operating segments:

— Banking Investment: this segment includes the Group's 36.75% interest in the Xiamen International Bank Group which conducts banking business in Mainland China and Macao.

— Insurance: this segment includes the Group's general insurance business in Hong Kong and Macao and insurance brokerage business in Hong Kong.

— Property Development and Investment: this segment includes the development and sale of residential properties and leasing of high quality office space in Mainland China.

— Strategic Investment: this segment represents the Group's investment in 72 million A-Share in Huaneng Power International, Inc. ("Huaneng").

— Others: this segment includes results of operations not directly identified under other reportable segments (mainly industrial instrument manufacturing and toll road investment in Mainland China) and head office activities. Head office is also considered to be a segment as discrete financial information is available for the head office activities.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision-makers monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

Revenues derived from customers, products and services directly identifiable with individual segment 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 between segments are priced based on similar terms offered to or transacted with external parties. Inter-segment income and expenses are eliminated on consolidation. The measure used for reporting segment profit is "profit for the period", i.e. profit after taxation of the business entities, net income generated from investments held and share of results of investees.

Segment assets include all tangible assets, intangible assets and current assets held by the business entities, net book value of investments held and share of net assets of and loans to investees. Segment liabilities include insurance liabilities, creditors and accruals, income tax payable and deferred tax liabilities attributable to individual segments and bank borrowings managed directly by the segments or directly related to those segments. Dividend payable to equity holders of the Company is treated as unallocated liabilities in reporting segment assets and liabilities.

	Banking investment		Insurance		Property development and investment		Strategic investment		Others		Inter-segment elimination		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
	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	**—**	—	**33,785**	47,401	**1,716**	1,677	**17,316**	8,174	**—**	—	**—**	—	**52,817**	57,252
Inter-segments	**—**	—	**—**	—	**—**	—	**—**	—	**1,472**	1,467	**(1,472)**	(1,467)	**—**	—
	—	—	**33,785**	47,401	**1,716**	1,677	**17,316**	8,174	**1,472**	1,467	**(1,472)**	(1,467)	**52,817**	57,252
Movement in net unearned insurance premiums and reinsurance premiums ceded	**—**	—	**(3,509)**	(15,191)	**—**	—	**—**	—	**—**	—	**—**	—	**(3,509)**	(15,191)
Other revenues	**—**	—	**154**	535	**40**	36	**—**	—	**145**	739	**—**	—	**339**	1,310
Total revenues	**—**	—	**30,430**	32,745	**1,756**	1,713	**17,316**	8,174	**1,617**	2,206	**(1,472)**	(1,467)	**49,647**	43,371
Other gains — net	**—**	—	**540**	3,652	**5,263**	(61)	**105**	—	**163**	(120)	**—**	—	**6,071**	3,471
Total operating income	**—**	—	**30,970**	36,397	**7,019**	1,652	**17,421**	8,174	**1,780**	2,086	**(1,472)**	(1,467)	**55,718**	46,842
Total operating expenses	**—**	—	**(28,469)**	(35,418)	**(6,828)**	(3,314)	**—**	—	**(14,893)**	(16,156)	**1,472**	1,467	**(48,718)**	(53,421)
Operating profit/(loss)	**—**	—	**2,501**	979	**191**	(1,662)	**17,421**	8,174	**(13,113)**	(14,070)	**—**	—	**7,000**	(6,579)
Finance costs	**—**	—	**—**	—	**(326)**	(1,631)	**—**	—	**(287)**	(25)	**—**	—	**(613)**	(1,656)
Share of results of jointly controlled entities	**116,381**	111,752	**—**	—	**—**	—	**—**	—	**1,147**	3,846	**—**	—	**117,528**	115,598
Share of results of associates	**—**	—	**—**	—	**—**	—	**—**	—	**11,449**	1,735	**—**	—	**11,449**	1,735
Profit/(loss) before taxation	**116,381**	111,752	**2,501**	979	**(135)**	(3,293)	**17,421**	8,174	**(804)**	(8,514)	**—**	—	**135,364**	109,098
Income tax (expense)/credit	**—**	—	**(362)**	(54)	**(3,046)**	1	**(1,731)**	—	**(264)**	(44)	**—**	—	**(5,403)**	(97)
Profit/(loss) for the period	**116,381**	111,752	**2,139**	925	**(3,181)**	(3,292)	**15,690**	8,174	**(1,068)**	(8,558)	**—**	—	**129,961**	109,001
Interest income from bank deposits	**—**	—	**96**	508	**40**	36	**—**	—	**137**	500	**—**	—	**273**	1,044
Depreciation for the period	**—**	—	**121**	141	**133**	550	**—**	—	**438**	459	**—**	—	**692**	1,150
Impairment loss on available-for-sale financial assets	**—**	—	**—**	—	**—**	—	**—**	—	**—**	28	**—**	—	**—**	28

	Banking investment		Insurance		Property development and investment		Strategic investment		Others		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
	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 2010 and 31st December 2009												
The Company and subsidiaries	**—**	—	**158,813**	157,668	**643,226**	598,621	**526,321**	656,640	**88,816**	208,909	**1,417,176**	1,621,838
Investments in jointly controlled entities	**1,436,717**	1,320,848	**—**	—	**—**	—	**—**	—	**43,557**	47,015	**1,480,274**	1,367,863
Investments in associates	**—**	—	**—**	—	**—**	—	**—**	—	**10,816**	44,735	**10,816**	44,735
Total assets	**1,436,717**	1,320,848	**158,813**	157,668	**643,226**	598,621	**526,321**	656,640	**143,189**	300,659	**2,908,266**	3,034,436
The Company and subsidiaries	**—**	—	**84,900**	85,894	**257,218**	266,657	**1,743**	—	**36,679**	133,855	**380,540**	486,406
Unallocated liabilities												
Dividend payable											**13,783**	—
Total liabilities	**—**	—	**84,900**	85,894	**257,218**	266,657	**1,743**	—	**36,679**	133,855	**394,323**	486,406
Capital expenditure incurred during the period	**—**	—	**6**	156	**21**	10	**—**	—	**6**	156	**33**	322

(b) Geographical information

The following table sets out the information about the geographical location of (i) the Group's revenues from external customers and (ii) the Group's property, plant and equipment, investment properties and investments in jointly controlled entities and associates ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment and investment properties and the location of operations, in the case of investments in jointly controlled entities and associates.

	Hong Kong		Mainland China		Macao		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Six months ended 30th June								
Revenues from external customers	**26,886**	39,550	**19,037**	9,858	**6,894**	7,844	**52,817**	57,252
At 30th June 2010 and 31st December 2009								
The Company and subsidiaries	**73,587**	73,292	**52,959**	47,769	**98**	112	**126,644**	121,173
Investments in jointly controlled entities	**—**	—	**1,480,274**	1,367,863	**—**	—	**1,480,274**	1,367,863
Investments in associates	**—**	—	**10,816**	44,735	**—**	—	**10,816**	44,735
Specified non-current assets	**73,587**	73,292	**1,544,049**	1,460,367	**98**	112	**1,617,734**	1,533,771

3 Other Gains — Net

	Six months ended 30th June 2010	2009
	HK$'000	*HK$'000*
Fair value (losses)/gains on listed equity securities measured at fair value through profit or loss	**(316)**	206
Fair value gains on revaluation of investment properties	**6,132**	3,285
Net exchange gains/(losses)	**255**	(20)
	6,071	3,471

4 Operating Profit/(Loss)

	Six months ended 30th June 2010	2009
	HK$'000	*HK$'000*
Operating profit/(loss) is stated after crediting and charging the following:		
Crediting		
Net exchange gains	**255**	—
Rentals received and receivable from investment properties less direct outgoings	**2,817**	2,960
Charging		
Net exchange losses	**—**	20
Depreciation	**692**	1,150
Loss on disposal of property, plant and equipment	**7**	64
Impairment loss on available-for-sale financial assets	**—**	28
Operating lease rentals in respect of land and buildings	**463**	617
Management fee	**940**	940
Retirement benefit costs	**382**	364

5 Finance Costs

	Six months ended 30th June 2010	2009
	HK$'000	*HK$'000*
Interest on bank loans	**6,100**	1,656
Interest on short term advance from a substantial shareholder	**80**	—
Interest income (a)	**(530)**	—
	5,650	1,656
Less: Amounts capitalised in properties under development for sale	**(5,037)**	—
	613	1,656

(a) The amount represented interest income from short-term bank deposits placed for unutilised specific borrowings.

6 Share of Results of Associates

The share of results of associates for the six months ended 30th June 2010 included the share of gain of approximately HK$10.69 million for the disposal of the entire 70% equity interest in the Maanshan Huan Tong Highway Development Limited by Hong Kong Vigorous Limited.

7 Income Tax Expense

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 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	
	2010	2009
	HK$'000	*HK$'000*
Current tax		
Hong Kong profits tax	**145**	151
Mainland China taxation	**1,731**	—
Macao taxation	**55**	160
	1,931	311
Under provision in prior years		
Macao taxation	**1**	—
Deferred tax		
Relating to the origination and reversal of temporary differences	**3,471**	662
Relating to the recognition of unused tax losses	**—**	(876)
	3,471	(214)
Income tax expense	**5,403**	97

8 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 2010 of HK$129,961,000 (2009: HK$109,001,000) and the weighted average of 459,428,656 (2009: 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.

9 Dividend

The Board of Directors has resolved that no interim dividend be declared for the six months ended 30th June 2010 (2009: Nil).

10 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 2010, the ageing analysis of insurance receivable by invoice date was as follows:

	30th June 2010	31st December 2009
	HK$'000	*HK$'000*
Within 30 days	**4,602**	3,355
31-60 days	**3,591**	3,666
61-90 days	**3,013**	3,311
Over 90 days	**4,023**	3,875
	15,229	14,207

11 Insurance Payable

At 30th June 2010, the ageing analysis of insurance payable by invoice date was as follows:

	30th June 2010	31st December 2009
	HK$'000	*HK$'000*
Within 30 days	**1,723**	3,533
31-60 days	**1,290**	1,404
61-90 days	**1,264**	1,019
Over 90 days	**4,241**	1,606
	8,518	7,562

BUSINESS REVIEW

In the first half of 2010, although the global economy generally showed signs of steady upturn, the recovery still faced a lot of difficulties. The United States still reported high unemployment rate and weak consumer spending. While in Europe, there were continuous shock from sovereign credit crisis. Moreover, the economic growth in Mainland China was affected by the macroeconomic policies, and there were uncertainties about the growth momentum of other emerging economies.

Operating Results

In the first half of 2010, the Group recorded an unaudited consolidated profit attributable to equity holders of HK$129.96 million, an increase of 19.2% over that of the same period in 2009. Basic earnings per share amounted to 28.29 HK cents.

During the period under review, an indirectly-owned associated company recorded a considerable gain from the disposal of its equity interest in the project company with toll road investment in Mainland China, thus bringing a share of gain of HK$10.69 million to the Group. In addition, the dividend income received from Huaneng Power International, Inc. ("Huaneng") rose by HK$9.15 million. As a result, the Group reported an increase in the unaudited consolidated profit attributable to equity holders by HK$20.96 million as compared to the same period in 2009.

Banking Business

The Group, through its 36.75% interest in the Xiamen International Bank Group, conducts banking business in Mainland China and Macao. During the period under review, the banking business of the Group recorded a profit after tax of HK$116.38 million, an increase of 4.1% over that of the same period in 2009.

For the period under review, Xiamen International Bank's unaudited consolidated net profit prepared under China Accounting Standards went up by 5.2% to RMB273.58 million from RMB260.08 million for the same period in 2009 mainly due to the growth in net interest income during the period under review.

As at the end of June 2010, the total assets of the Xiamen International Bank Group grew by about 11.1% to RMB52.08 billion as compared to those at the end of 2009. Loans to customers and customers' deposits stood at RMB36.62 billion and RMB44.93 billion respectively, an increase of 28% and 7.2% respectively, as compared to those at the end of 2009. The net interest income rose by 19.9% while the net fee and commission income also increased by 41.6% as compared to the same period in 2009.

Looking forward into the second half, the macro economy will continue to face uncertainties, and it is believed that the easing tone will remain unchanged. The Xiamen International Bank Group will closely follow the changes in the economy and policies, and will continue to focus on deposit taking to promote its business, actively improve its loan-deposit structure, enhance the creativity of its intermediary business and fund management, and also strengthen its risk management.

Insurance Business

Min Xin Insurance Company Limited ("MXIC"), the Group's wholly-owned subsidiary, achieved a net profit after tax of HK$2.1 million for the first half of 2010, an increase of 106.3% from that in the same period of 2009.

The increase in net profit has stemmed mainly from the improvement of the underwriting result which in turn is due mainly to the tightening of the underwriting standard since the second half of 2009. Meanwhile, the management team is striving hard to secure opportunity from the market to support business growth in a profitable manner.

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 2010, the property development and investment business reported a loss after taxation of HK$3.18 million, which was HK$0.11 million less than that of the same period of 2009.

Owing to the increase in the advertising expenditure of RMB3.71 million for the pre-sale program, Minxin (Suzhou) Property Development Co., Ltd. ("Minxin Suzhou"), a wholly-owned subsidiary of the Group, recorded a loss of RMB5.34 million for the first half of 2010, an increase of RMB3.11 million as compared to that of the same period in 2009. During the period under review, Minxin Suzhou has capitalised the interest expenses of its construction loan of RMB4.28 million as properties under development for sale.

The Group has fully repaid the outstanding balance of the banking facility of HK$54 million for the setting up of Minxin Suzhou during the period under review. Owing to the reduction in the principal of the loan, the interest expenses for the period declined by HK$1.39 million to HK$0.25 million as compared to the same period in 2009.

During the period under review, in order to strengthen its control on real estate purchase, whether for investment or speculation purpose, the Central Government has launched a series of tightening measures to the property market. The effects of the measures have initially appeared as property transactions in cities with faster rising prices have declined notably in recent months. During the period under review, Minxin Suzhou has obtained the pre-sale permit of certain residential units of the real estate development project in Suzhou ("the Suzhou Project"), and the pre-sale area was about 3,543 square meters. To meet the changes and adjustments in the markets, the Group will adopt an effective sale strategy so as to strive for better market competitiveness in order to minimise the impact from the control measures.

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. For the first half of 2010, the Fuzhou Property recorded a rental income of RMB1.56 million, which is the same as that for the same period in 2009. As at 30th June 2010, the Fuzhou Property reported a rise of 10.4% in its fair value to RMB43.55 million as compared to RMB39.43 million as at 31st December 2009. Accordingly, the Group recognised a fair value gain of HK$5.26 million for the period under review, as compared to a fair value loss of HK$0.06 million for the same period in 2009.

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

Due to the continuous implementation of macroeconomic control measures by the Central Government, as at the end of June 2010, the Shanghai Composite Index fell by more than 800 points as compared to that at the end of 2009. The closing bid price of Huaneng's A-Share also fell to RMB6.13 per share as at 30th June 2010 from RMB8 per share as at 31st December 2009. 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 reduced by approximately RMB134.64 million (equivalent to approximately HK$147.75 million) to approximately RMB441.36 million (equivalent to approximately HK$508.89 million) as compared to that at the end of 2009. With Huaneng Shares classified as a long term available-for-sale financial asset of the Group, the loss of approximately HK$147.75 million arising from the change in its fair value (31 December 2009: fair value gain of approximately HK$90.84 million) was recognised in other comprehensive income and accumulated separately in equity in the investment revaluation reserve.

During the period under review, Huaneng declared a final dividend payment for 2009 of RMB0.21 per share. The Group recorded a dividend income of HK$17.32 million, as compared to the final dividend payment for 2008 of RMB0.1 per share totaling HK$8.17 million received by the Group for the same period in 2009.

On 11th August 2010, Huaneng announced its results under the China Accounting Standards for the first half of 2010. Its operating revenue and operating costs have increased by 37.3% and 41.4% respectively. Its net profit attributable to equity holders have increased by 2.7% with earnings per share of RMB0.17 as compared to RMB0.16 per share for the same period in 2009.

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 recorded a drop in profit after tax in the first half of 2010 as compared to the high base figure in the same period of 2009, mainly due to the adjustment of tendering system for its certain products. In the second half of the year, Min Faith will strive to improve the development and marketing of industrial instrumentations and explore new market opportunities to lay the groundwork for future development at the same time.

FINANCIAL REVIEW

Net Asset Value per Share

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 2009: 459,428,656 shares), the net asset value per share was HK$5.47 (31st December 2009: HK$5.55) at 30th June 2010.

Total Liabilities to Equity Ratio and Current Ratio

As at 30th June 2010, the total liabilities of the Group were HK$394.32 million (31st December 2009: HK$486.41 million) and the ratio of total liabilities to total equity attributable to equity holders of the Company was 0.16 (31st December 2009: 0.19). As at 30th June 2010, the current assets and current liabilities of the Group were HK$781.19 million (31st December 2009: HK$843.37 million) and HK$265.21 million (31st December 2009: HK$362.29 million) respectively with a current ratio of 2.9 (31st December 2009: 2.3).

Borrowings and Charged Assets

As at 30th June 2010, the Group had outstanding bank borrowings of HK$201.76 million. In terms of maturity, the outstanding bank borrowings can be divided into HK$86.48 million (42.9%) to be repaid within one year, HK$115.28 million (57.1%) to be repaid after one year but within two years. In terms of currency denomination, the outstanding bank borrowings can be divided into HK$171.76 million (85.1%) in Renminbi and HK$30 million (14.9%) in Hong Kong Dollars. The outstanding bank borrowings of the Group are subject to floating interest rates. In addition, the Group had undrawn revolving loan facility and overdraft facility totaling HK$30 million.

As at 30th June 2010, the above bank loans were secured by the Group's certain properties and land use right with a book value of approximately HK$345.44 million.

During the period, the Group had fully repaid the outstanding balance of bank loans of HK$54 million. The application for the release of the relevant mortgage on certain properties with a book value of approximately HK$50.21 million and the share mortgage of Minxin Suzhou has been processed but not yet completed at 30th June 2010.

Save for the above, the other assets of the Group have not been pledged as at 30th June 2010.

Gearing Ratio

As at 30th June 2010, 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 8% (31st December 2009: 8.8%).

Cash Position

The Group's bank deposits are interest bearing at prevailing market rates. As at 30th June 2010, the total bank deposits of the Group amounted to HK$205.27 million (31st December 2009: HK$365.33 million) of which 52.8% were denominated in Hong Kong Dollars, 44.5% in Renminbi and 2.7% in other currencies (31st December 2009: 28.7% in Hong Kong Dollars, 69.8% in Renminbi and 1.5% 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 MOP4.93 million (equivalent to approximately HK$4.79 million) for fulfilling certain requirements under the Macao Insurance Ordinance.

According to the guarantees provided by a subsidiary of the Group in respect of mortgage facilities granted by certain banks to certain purchasers of that subsidiary's properties in Mainland China, a sum of approximately RMB0.14 million (equivalent to approximately HK$0.16 million) held by that subsidiary was placed at a designated bank account as deposits for potential default in payment of mortgage loans advanced to those property purchasers. Such deposits will only be released when those property purchasers obtain the "property title certificate" which is then pledged to the relevant banks.

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 increased as compared to that at the end of 2009, the Group's net monetary assets denominated in Renminbi has resulted in a translation gain of approximately HK$0.26 million recorded by the Group for the first half of 2010 (2009: translation loss of approximately HK$0.02 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 2010, the commitments of the Group for its real estate development business amounted to RMB74.41 million, equivalent to approximately HK$85.79 million (31st December 2009: RMB89.91 million, equivalent to approximately HK$102.5 million), and the capital commitments relating to property, plant and equipment amounted to approximately HK$0.2 million (31st December 2009: approximately HK$0.2 million).

Contingent Liabilities

As at 30th June 2010, a subsidiary of the Group provided guarantees in respect of mortgage facilities granted by certain banks to certain purchasers of that subsidiary's properties in Mainland China. The maximum guarantees given to those banks amounted to HK$5.23 million as at 30th June 2010 (31st December 2009: Nil).

Pursuant to the terms of the guarantees, upon default in mortgage payments by those purchasers, that subsidiary is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by those defaulted purchasers to the banks and that subsidiary is entitled to take over the legal title and possession of the related properties. The guarantee period starts from the date of grant of the relevant mortgage loans and ends when the property purchaser obtains the "property title certificate" which is then pledged to the relevant bank. The Group considers that the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty in case of default in payments and therefore no provision has been made for those guarantees.

EMPLOYEES AND REMUNERATION POLICY

As at 30th June 2010, the Group had 67 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, the economic environment in Mainland China will continue to be rather complicated, and the economic development will still face various difficulties. Although the pace of economic growth in Mainland China may slow down, the growth momentum will still exist. It is believed that the Central Government will continue to implement proactive financial policies and moderately eased monetary policies to expedite the transformation of the economic development and adjustment of the economic structure in order to sustain a steady growth.

In the second half, the Group will accelerate the adjustments and optimisation of its internal business structure, and boost its competitive edge. At the same time, the Directors are committed to fostering a favourable environment which allows our senior management and dedicated workforce to strive for the Group's future development so as to provide a reasonable return 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 2010 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 2010.

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, 27th August 2010

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