MIN XIN HOLDINGS LIMITED
閩信集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 222)

ANNOUNCEMENT OF 2013 INTERIM RESULTS

FINANCIAL HIGHLIGHTS

- Profit attributable to equity holders amounted to HK$370 million, an increase of 127.3%
- One-off gain on disposal of 100% equity interest in Minxin Suzhou and dilution of equity interest in Xiamen International Bank totalled HK$164 million
- Basic earnings per share reached 80.61 HK cents, an increase of 127.3%
- Total assets dropped by 1.6% to HK$4.18 billion
- Total equity attributable to equity holders increased by 3.6% to HK$3.94 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 30 June 2013 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2013

		Unaudited Six months ended 30 June	
		2013	2012
	Note	***HK$'000***	*HK$'000*
Turnover	*2*	**36,990**	48,823
Total revenues	*2*	**39,396**	45,593
Other gains — net	*3*	**182,324**	8,898
Total operating income		**221,720**	54,491
Net insurance claims incurred and commission expenses incurred on insurance business		**(15,209)**	(18,155)
Costs of properties sold		**(7,375)**	(14,372)
Staff costs		**(14,589)**	(14,617)
Depreciation		**(399)**	(615)
Other operating expenses		**(6,136)**	(6,375)
Total operating expenses		**(43,708)**	(54,134)
Operating profit	*4*	**178,012**	357
Finance costs	*5*	**(3,430)**	(6,199)
Share of results of joint ventures		**5,556**	172,326
Share of results of associates		**196,344**	53
Profit before taxation		**376,482**	166,537
Income tax expense	*6*	**(6,123)**	(3,591)
Profit for the period		**370,359**	162,946
		HK CENTS	*HK CENTS*
Earnings per share			
Basic and diluted	*7*	**80.61**	35.47

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2013

	Unaudited Six months ended 30 June **2013**	 2012
	HK$'000	*HK$'000*
Profit for the period	**370,359**	162,946
Other comprehensive income		
Item that will not be reclassified to income statement:		
Leasehold buildings revaluation reserve		
Unrealised surplus on revaluation of leasehold building transferred to investment property	**167**	—
Deferred income tax	**(2)**	—
	165	—
Items that may be reclassified subsequently to income statement:		
Available-for-sale investment revaluation reserve		
Fair value changes (charged)/credited to equity	**(150,141)**	89,202
Release on dilution of interest in an associate	**(4,545)**	—
Share of changes in equity of joint ventures and associates		
Fair value changes credited to equity	**11,403**	15,819
Disposal	**(3,492)**	92
Deferred income tax	**(2,310)**	(4,268)
	(149,085)	100,845
Exchange translation reserve		
Exchange differences arising on translation of the financial statements of foreign subsidiaries, joint ventures and associates	**35,527**	(22,654)
Release on disposal of interest in a subsidiary	**(70,034)**	—
Release on dilution of interest in an associate	**(10,473)**	—
	(44,980)	(22,654)
	(194,065)	78,191
Other comprehensive income for the period, net of tax	**(193,900)**	78,191
Total comprehensive income for the period	**176,459**	241,137

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Note	**Unaudited 30 June 2013**	Audited 31 December 2012
	Note	***HK$'000***	*HK$'000*
Non-current assets			
Property, plant and equipment		**19,324**	19,445
Investment properties		**146,770**	136,193
Joint ventures		**—**	64,901
Associates		**2,568,425**	2,237,071
Available-for-sale financial assets		**471,953**	622,094
Reinsurance assets		**2,463**	2,523
Deferred income tax assets		**376**	419
		3,209,311	3,082,646
Current assets			
Deferred acquisition costs		**10,239**	10,811
Insurance receivable	*9*	**13,311**	10,275
Reinsurance assets		**3,900**	3,666
Loan receivable		**116,413**	—
Other debtors		**4,772**	418,438
Other prepayment and deposits		**1,051**	1,171
Financial assets at fair value through profit or loss		**7,473**	6,485
Cash and bank balances		**815,491**	168,132
		972,650	618,978
Assets classified as held for sale	*10*	**—**	547,786
		972,650	1,166,764
Current liabilities			
Insurance contracts		**42,875**	43,466
Insurance payable	*11*	**6,001**	6,061
Other creditors and accruals		**18,089**	20,876
Bank borrowings		**50,000**	50,000
Current income tax payable		**26,763**	62,372
Dividend payable		**41,348**	—
		185,076	182,775
Liabilities associated with assets classified as held for sale	*10*	**—**	209,358
		185,076	392,133
Net current assets		**787,574**	774,631
Total assets less current liabilities		**3,996,885**	3,857,277

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 30 June 2013

	Note	**Unaudited 30 June 2013** *HK$'000*	Audited 31 December 2012 *HK$'000*
Non-current liabilities			
Insurance contracts		**13,416**	14,554
Deferred income tax liabilities		**43,607**	37,972
		57,023	52,526
Net assets		**3,939,862**	3,804,751
Share capital		**459,429**	459,429
Other reserves		**1,735,422**	1,927,830
Retained profits			
Proposed dividend		**—**	41,348
Others		**1,745,011**	1,307,833
Amount recognised in other comprehensive income and accumulated in equity relating to assets held for sale		**—**	68,311
Total equity attributable to equity holders of the Company		**3,939,862**	3,804,751

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 2012 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 2012 annual report.

The Group has adopted the following new standards and amendments to standards issued by the HKICPA which had insignificant or no effect on these unaudited condensed consolidated interim financial statements:

—	HKAS 27 (2011)	Separate Financial Statements
—	HKAS 28 (2011)	Investments in Associates and Joint Ventures
—	HKFRS 10	Consolidated Financial Statements
—	HKFRS 11	Joint Arrangements
—	HKFRS 12	Disclosure of Interests in Other Entities
—	Amendments to HKFRS 7	Financial Instruments: Disclosures — Offsetting Financial Assets and Financial Liabilities
—	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities — Transition Guidance
—	Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities

— Annual Improvements to HKFRSs 2009 - 2011 Cycle

During the period, the Group also adopted the following new standards and amendments to standards issued by the HKICPA which had the following impacts:

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The Amendments to HKAS 1 require the Group to present separately the items of other comprehensive income that would be reclassified to income statement in the future if certain conditions are met from those that would never be reclassified to income statement. The Group's presentation of other comprehensive income in these unaudited condensed consolidated interim financial statements has been modified accordingly.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for all fair value measurements required or permitted by HKFRSs. It clarifies the definition of fair value as an exit price, which is defined as a price at which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date under market conditions, and enhances disclosures about fair value measurement.

The Group has applied the new fair value measurement guidance prospectively. The adoption of HKFRS 13 affects disclosures on investment properties, financial assets and financial liabilities in the Group's and the Company's financial statements. Some of these disclosures are specifically required for financial instruments in these unaudited condensed consolidated interim financial statements. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of these assets and liabilities.

Up to the date of issue of this results announcement, the HKICPA has issued a number of new standards and amendments to standards which are not yet effective for the accounting year ending 31 December 2013 and which have not been early adopted by the Group.

The Group is presently studying the implications of applying these new standards and amendments to standards but it is impracticable to quantify its effect as at the date of issue of this results announcement.

2 Turnover and Segmental Information

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

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Turnover		
Gross insurance premiums	**23,835**	25,146
Proceeds from sale of properties	**8,427**	15,565
Rental income from investment properties	**4,728**	3,725
Dividend income from available-for-sale financial assets	**—**	4,387
	36,990	48,823
Movement in unearned insurance premiums	**(61)**	(1,787)
Reinsurance premiums ceded and reinsurers' share of movement in unearned insurance premiums	**(3,006)**	(3,355)
Other revenues		
Management fees	**60**	60
Interest income from bank deposits	**2,157**	1,775
Interest income from loan receivable	**3,051**	—
Dividend income from listed equity securities held for trading	**46**	36
Others	**159**	41
	5,473	1,912
Total revenues	**39,396**	45,593

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 General Manager 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 interest in Xiamen International Bank and its subsidiaries which conducts banking business in Mainland China and Macao.

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

— 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 A-Share of Huaneng Power International, Inc..

— Others: this segment includes results of operations not directly identified under other reportable segments 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, intangible 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 regarded as unallocated liabilities in reporting segment assets and liabilities.

	Banking investment		Insurance		Property development and investment		Strategic investment		Others		Inter-segment elimination		Consolidated	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	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 30 June														
Turnover														
External customers	**—**	—	**25,603**	26,694	**11,387**	17,742	**—**	4,387	**—**	—	**—**	—	**36,990**	48,823
Inter-segments	**—**	—	**—**	—	**—**	—	**—**	—	**1,908**	1,625	**(1,908)**	(1,625)	**—**	—
	—	—	**25,603**	26,694	**11,387**	17,742	**—**	4,387	**1,908**	1,625	**(1,908)**	(1,625)	**36,990**	48,823
Movement in net unearned insurance premiums and reinsurance premiums ceded	**—**	—	**(3,067)**	(5,142)	**—**	—	**—**	—	**—**	—	**—**	—	**(3,067)**	(5,142)
Other revenues	**—**	—	**698**	672	**3,206**	82	**—**	—	**1,569**	4,513	**—**	(3,355)	**5,473**	1,912
Total revenues	**—**	—	**23,234**	22,224	**14,593**	17,824	**—**	4,387	**3,477**	6,138	**(1,908)**	(4,980)	**39,396**	45,593
Other gains — net	**41,186**	—	**1,627**	3,941	**133,312**	4,364	**—**	9	**6,199**	584	**—**	—	**182,324**	8,898
Total operating income	**41,186**	—	**24,861**	26,165	**147,905**	22,188	**—**	4,396	**9,676**	6,722	**(1,908)**	(4,980)	**221,720**	54,491
Total operating expenses	**—**	—	**(21,415)**	(24,320)	**(8,970)**	(17,177)	**—**	—	**(15,231)**	(14,262)	**1,908**	1,625	**(43,708)**	(54,134)
Operating profit/(loss)	**41,186**	—	**3,446**	1,845	**138,935**	5,011	**—**	4,396	**(5,555)**	(7,540)	**—**	(3,355)	**178,012**	357
Finance costs	**—**	—	**—**	—	**(2,808)**	(8,932)	**—**	—	**(622)**	(622)	**—**	3,355	**(3,430)**	(6,199)
Share of results of joint ventures	**—**	171,476	**—**	—	**—**	—	**—**	—	**5,556**	850	**—**	—	**5,556**	172,326
Share of results of associates	**193,871**	—	**—**	—	**—**	—	**—**	—	**2,473**	53	**—**	—	**196,344**	53
Profit/(loss) before taxation	**235,057**	171,476	**3,446**	1,845	**136,127**	(3,921)	**—**	4,396	**1,852**	(7,259)	**—**	—	**376,482**	166,537
Income tax expense	**—**	—	**(638)**	(55)	**(5,239)**	(2,927)	**—**	(439)	**(246)**	(170)	**—**	—	**(6,123)**	(3,591)
Profit/(loss) for the period	**235,057**	171,476	**2,808**	1,790	**130,888**	(6,848)	**—**	3,957	**1,606**	(7,429)	**—**	—	**370,359**	162,946
Interest income	**—**	—	**566**	555	**3,082**	82	**—**	—	**1,560**	1,138	**—**	—	**5,208**	1,775
Depreciation for the period	**—**	—	**89**	102	**7**	121	**—**	—	**307**	399	**—**	—	**403**	622

	Banking investment		Insurance		Property development and investment		Strategic investment		Others		Consolidated	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	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 30 June 2013 and 31 December 2012												
The Company and subsidiaries	**—**	—	**149,509**	147,910	**216,742**	637,342	**471,953**	622,094	**775,332**	540,092	**1,613,536**	1,947,438
Investments in joint ventures	**—**	—	**—**	—	**—**	—	**—**	—	**—**	64,901	**—**	64,901
Investments in associates	**2,478,365**	2,222,926	**—**	—	**—**	—	**—**	—	**90,060**	14,145	**2,568,425**	2,237,071
Total assets	**2,478,365**	2,222,926	**149,509**	147,910	**216,742**	637,342	**471,953**	622,094	**865,392**	619,138	**4,181,961**	4,249,410
The Company and subsidiaries	**—**	—	**67,851**	69,217	**44,917**	249,786	**—**	—	**87,983**	125,656	**200,751**	444,659
Unallocated liabilities												
Dividend payable											**41,348**	—
Total liabilities	**—**	—	**67,851**	69,217	**44,917**	249,786	**—**	—	**87,983**	125,656	**242,099**	444,659
Capital expenditure incurred during the period	**—**	—	**42**	181	**—**	13	**—**	—	**509**	45	**551**	239

The decrease of assets and liabilities in the segment of property development and investment at 30 June 2013 as compared to that of last year was due to the de-recognition of assets and liabilities of Minxin Suzhou following the completion of the disposal of 100% equity interest in Minxin Suzhou during the period.

(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 joint ventures 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 joint ventures and associates.

	Hong Kong		Mainland China		Macao		Consolidated	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Six months ended 30 June								
Revenues from external customers	**15,433**	17,559	**11,395**	22,129	**10,162**	9,135	**36,990**	48,823
At 30 June 2013 and 31 December 2012								
The Company and subsidiaries	**65,950**	65,236	**100,066**	90,323	**78**	79	**166,094**	155,638
Investments in joint ventures	**—**	—	**—**	64,901	**—**	—	**—**	64,901
Investments in associates	**—**	—	**2,568,425**	2,237,071	**—**	—	**2,568,425**	2,237,071
Specified non-current assets	**65,950**	65,236	**2,668,491**	2,392,295	**78**	79	**2,734,519**	2,457,610

3 Other Gains — Net

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Fair value (losses)/gains on listed equity securities measured at fair value through profit or loss	**(985)**	156
Gain on disposal of a subsidiary (Note 10)	**122,967**	—
Fair value gains on revaluation of investment properties	**10,139**	8,356
Gain on dilution of interest in an associate	**41,186**	—
Net exchange gains	**9,017**	386
	182,324	8,898

4 Operating Profit

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Operating profit is stated after crediting and charging the following:		
Crediting		
Net exchange gains	**9,017**	386
Rentals received and receivable from investment properties less direct outgoings	**3,986**	3,173
Charging		
Cost of completed properties sold	**5,967**	11,555
Depreciation	**403**	622
Loss on disposal of property, plant and equipment	**6**	7
Operating lease rentals in respect of land and buildings	**75**	319
Management fee	**940**	940
Retirement benefit costs	**443**	395

5 Finance Costs

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Interest on bank loans	**622**	622
Interest on short term loan and advance from a substantial shareholder	**2,808**	5,577
	3,430	6,199

6 Income Tax Expense

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

	Six months ended 30 June	
	2013	2012
	HK$'000	*HK$'000*
Current tax		
Hong Kong profits tax	**203**	144
Mainland China land appreciation tax	**147**	40
Mainland China withholding tax	**—**	439
Macao taxation	**97**	55
	447	678
Under provision in prior years		
Mainland China corporate income tax	**—**	3,423
Deferred tax		
Relating to the origination and reversal of temporary differences	**5,676**	(510)
Income tax expense	**6,123**	3,591

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profit for the period.

Mainland China corporate income tax has been calculated at the rate of 25% (2012: 25%) on the estimated taxable profits for the period.

Mainland China land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including costs of land use rights, development and construction expenditures.

Mainland China withholding tax is levied at 10% on dividend income received from investees incorporated in Mainland China when these investees declared dividend out of profits earned after 1 January 2008.

Taxation on Macao profits has been calculated on the estimated taxable profits for the period at the rates of taxation prevailing in Macao.

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 30 June 2013 of HK$370,359,000 (2012: HK$162,946,000) and the weighted average of 459,428,656 (2012: 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 30 June 2013 (2012: 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 30 June 2013 and 31 December 2012, the ageing analysis of insurance receivable by invoice date was as follows:

	30 June 2013	31 December 2012
	HK$'000	*HK$'000*
Within 30 days	**5,359**	3,186
31-60 days	**4,644**	3,233
61-90 days	**2,114**	1,911
Over 90 days	**1,194**	1,945
	13,311	10,275

10 Assets Classified As Held For Sale

In December 2012, the Board of Directors of the Company approved the proposal initiated by the board of Min Xin Properties Limited, an indirect wholly-owned subsidiary of the Company, to dispose of its 100% equity interest ("Equity Interest") in Minxin (Suzhou) Property Development Co., Ltd. ("Minxin Suzhou") to Citichamp Dartong Co., Ltd. ("Citichamp"), an independent third party. On 14 January 2013, Min Xin Properties Limited entered into a conditional sale and purchase agreement with Citichamp for the sale of the Equity Interest ("Disposal") at a cash consideration of RMB227,884,000 (equivalent to approximately HK$284,889,000).

Based on the above facts, the Company considered that the Equity Interest met the criteria to be classified as held for sale because the carrying amount is recovered principally through a sale transaction rather than through a continuing use and the Equity Interest is available for sale in its present condition. Accordingly, the assets and liabilities of Minxin Suzhou were reclassified as held for sale at 31 December 2012.

All the relevant conditions precedent had been satisfied during the period and the Disposal was completed in April 2013. The Group recorded a one-off after-tax gain on disposal of approximately HK$122.97 million (Note 3) during the period, taking into account the release of exchange translation reserve attributable to the Equity Interest of approximately HK$70.03 million.

11 Insurance Payable

At 30 June 2013 and 31 December 2012, the ageing analysis of insurance payable by invoice date was as follows:

	30 June 2013	31 December 2012
	HK$'000	*HK$'000*
Within 30 days	**2,826**	2,624
31-60 days	**1,496**	1,116
61-90 days	**1,067**	1,444
Over 90 days	**612**	877
	6,001	6,061

BUSINESS REVIEW

In the first half of 2013, the global economic recovery was slow and remained volatile. The growth of the emerging markets continued to slow down. The new Chinese government insisted on its keynote policy of steady progression, and continued to implement steady monetary policy. At the same time, it has maintained a proactive fiscal policy, accelerated the adjustment and transformation of economic development, and focused on the promotion of consumption and expansion of domestic demand.

Operating Results

Due to the increase in two items of extraordinary gain during the period, the Group's results achieved a substantial growth in the first half of 2013 as compared with the same period last year. The Group reported an unaudited consolidated profit attributable to equity holders of HK$370.36 million, an increase of 127.3% from HK$162.95 million in the same period last year. Basic earnings per share amounted to 80.61 HK cents.

The two items of extraordinary gain contributing to the substantial growth in the Group's results in the first half of 2013 include:

- The completion of the Group's disposal of its 100% equity interest in Minxin Suzhou (as mentioned in the Company's announcement made on 14 January 2013) during the period, generating a one-off after-tax gain on disposal of HK$122.97 million;

- The completion of the third tranche of the Share Issue by Xiamen International Bank (as mentioned in the Company's announcement made on 21 February 2013) during the period, resulting in the dilution of the shareholding of the Company from approximately 18.7739% to approximately 16.9333%, thereby generating a one-off dilution gain of HK$41.19 million for the Group.

Banking Business

In the first half of 2013, the Group's banking business reported an unaudited net profit after tax of HK$235.06 million, an increase of 37.1% over HK$171.48 million for the same period last year. Excluding the one-off dilution gain of HK$41.19 million, the unaudited net profit after tax amounted to HK$193.87 million, an increase of 13.1% as compared with the same period last year.

The Group, through its associate, Xiamen International Bank, conducts banking business in Mainland China and Macao. Following the successful implementation of two tranches of the Share Issue and the turning into a joint stock limited company in 2012, Xiamen International Bank has also completed the third tranche of the Share Issue on 31 January 2013 with its registered capital being increased to more than RMB2 billion.

During the period under review, with the Central Government's determination to adjust the pace and pattern of economic growth, there were significant stresses in the economy and financial system in Mainland China in the short term. Yet, in the long run, the tightening of excessive investments will get the economy onto a sustainable growth path, thereby changing the major GDP growth factors from investment and exports to domestic consumption. Despite facing the apparent pressure on the banking system, Xiamen International Bank seized the favorable factor of having significant increase in shareholders' funds following the Share Issue. Through the expansion of new products and new business markets, it has once again attained satisfactory performance with total assets boosted by about RMB25.5 billion as compared with that at the end of last year.

Since return on equity remained stable following the Share Issues, the increased shareholder capital has brought a substantial increase in results by 137.4%. Xiamen International Bank registered an unaudited consolidated net profit prepared in accordance with the PRC Accounting Standards of RMB897.26 million in the first half of 2013, an increase of RMB519.29 million over RMB377.97 million reported in the same period last year.

As at the end of June 2013, the total assets of Xiamen International Bank grew by about 12.4% to RMB232.1 billion as compared to those at the end of 2012. Gross loans to customers rose by about 15% to approximately RMB76 billion, and total deposits from customers up about 18% to approximately RMB113.6 billion, as compared to the respective balances at the end of 2012. Driven by the growth of loan portfolio and the effect brought by new business, the net interest income of Xiamen International Bank went up by about 30.8% in the first half of 2013 while investment gain surged by about 386.9% as compared with those for the same period last year.

Looking forward into the second half, Mainland China will continue to adopt consistent macroeconomic policies and maintain its general principle of making progress while maintaining stability. Xiamen International Bank will, amid the turbulent global economy and increased regulatory operating environment, adhere to the fine tradition of risk management and sound operation to develop vast opportunities of new business and new markets, so as to deliver value for its shareholders.

Insurance Business

Min Xin Insurance Company Limited ("MXIC"), the Group's wholly-owned subsidiary, recorded an unaudited net profit after tax of HK$2.81 million for the first half of 2013, an increase of 56.6% from that in the same period of 2012. Such increase was mainly due to the successful adjustment of our business portfolio.

The management team of MXIC will further penetrate into the target business that generates better underwriting return.

Property Development and Investment

The property development and investment business of the Group mainly comprises the real estate development business and the leasing of certain investment properties in Mainland China. In the first half of 2013, the property development and investment business reported an unaudited profit after tax of HK$130.89 million, as compared with an unaudited loss after tax of HK$6.85 million for the same period of 2012.

The persistent control policies in the property market imposed by the Central Government and uncertain economic outlook in Mainland China have created a "wait-and-see" mentality among the potential mid-end to high-end property purchasers. Hence, the sales performance of the real estate development in Suzhou, Mainland China (the "Suzhou Project") undertaken by Minxin (Suzhou) Property Development Co., Ltd. ("Minxin Suzhou"), a wholly-owned subsidiary of the Group, has been adversely affected.

In view of such adverse situation, the Group executed a sale and purchase agreement with an independent third party in early 2013 to dispose of its 100% equity interest in Minxin Suzhou. The Board of the Company considers that the disposal provides the Group with an opportunity to exit the real estate market of Suzhou, Jiangsu Province, and can realise the Suzhou Project in a faster way. The disposal also generates cash flow to the Group, thereby increasing its working capital. Following the shareholders' approval at the extraordinary general meeting held on 28 February 2013, the disposal has been completed during the period, and a one-off after-tax gain on disposal of HK$122.97 million was recognised by the Group.

In the first half of 2013, the Suzhou Project recorded sales revenue of about RMB6.75 million and reported an unaudited loss after tax of RMB1.71 million. For the same period last year, the Suzhou Project recorded sales revenue of about RMB12.7 million and reported an unaudited loss after tax of RMB7.85 million.

A steady and recurrent rental income as well as capital appreciation were generated by the Group's investment properties and car parks in Fuzhou, Fujian Province (the "Fuzhou Property"). The Fuzhou Property recorded a rental income of RMB2.43 million in the first half of 2013, up 34.2% as compared with RMB1.81 million reported for the same period in 2012. At 30 June 2013, the fair value of the Fuzhou Property was RMB76.79 million, 7.1% higher than the fair value of RMB71.71 million at the end of 2012. The Group recognised a fair value gain of HK$7.83 million and a fair value gain after deferred tax of HK$2.74 million in the first half of 2013, as compared to a fair value gain of HK$4.36 million and a fair value gain after deferred tax of HK$1.47 million for the same period in 2012.

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

At the end of June 2013, the Shanghai Composite Index declined by about 13% as compared to that at the end of 2012. The closing bid price of Huaneng's A-share fell from RMB7.15 per share at 31 December 2012 to RMB5.34 per share at 30 June 2013. The fair value of the Group's investment in Huaneng Shares measured with reference to the closing bid price of Huaneng's A-Share decreased to approximately HK$471.95 million (equivalent to approximately RMB373.54 million). The loss of approximately HK$150.14 million arising from the change in its fair value (first half of 2012: fair value gain of approximately HK$89.2 million) was recognised in other comprehensive income and accumulated separately in equity in the investment revaluation reserve.

Being classified as a long term available-for-sale financial asset of the Group, Huaneng Shares generate a steady dividend income to the Group. During the period under review, Huaneng declared a final dividend for 2012 of RMB0.21 per share with the ex-dividend date scheduled for 4 July 2013. Hence, the Group will record such dividend income totaling HK$18.56 million in the second half, as compared to the final dividend payment for 2011 of RMB0.05 per share totaling HK$4.39 million received by the Group for the first half of 2012.

Huaneng recently announced its results under the PRC Accounting Standards for the first half of 2013. Its operating revenue has decreased by 4.6% year-on-year, while its operating expenses have dropped by 14.7% as compared with the same period last year due to effective control. Its net profit attributable to equity holders have boosted by 166.9% to RMB5.89 billion with earnings per share of RMB0.42 for the period under review, as compared to RMB0.16 per share for the first half in 2012, an increase of RMB0.26 per share.

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 (31 December 2012: 459,428,656 shares), the net asset value per share was HK$8.58 (31 December 2012: HK$8.28) at 30 June 2013.

Total Liabilities to Equity Ratio and Current Ratio

At 30 June 2013, the total liabilities of the Group were HK$242.1 million (31 December 2012: HK$444.66 million) and the ratio of total liabilities to total equity attributable to equity holders of the Company was 0.06 (31 December 2012: 0.12). At 30 June 2013, the current assets and current liabilities of the Group were HK$972.65 million (31 December 2012: HK$618.98 million) and HK$185.08 million (31 December 2012: HK$182.78 million) respectively with a current ratio of 5.3 (31 December 2012: 3.4).

Borrowings and Charged Assets

At 30 June 2013, the Group had outstanding bank loans principal of HK$50 million (31 December 2012: HK$50 million) to be repaid within one year. The bank loans of the Group are denominated in Hong Kong Dollars and subject to floating interest rates. The Group had undrawn overdraft facility of HK$10 million at 30 June 2013.

At 30 June 2013, the above bank loans were secured by the Group's property with a book value of approximately HK$11.09 million (31 December 2012: HK$11.22 million).

At 31 December 2012, the Group had entrusted bank loan principal from Fujian Investment & Development Group Co., Ltd., a substantial shareholder of the Company, of RMB90 million (equivalent to approximately HK$111.94 million) with a term to be expired on 24 June 2013. The entrusted bank loan was unsecured and borne interest at 10% per annum. Following the completion of the disposal of 100% equity interest in Minxin Suzhou by the Group during the period, the obligation of the remaining balance of the entrusted bank loan amounting to RMB90 million (equivalent to approximately HK$112.51 million) has been passed to the buyer who will be responsible for repayment.

Save for the above, the other assets of the Group were not pledged at 30 June 2013 and 31 December 2012.

Gearing Ratio

At 30 June 2013, 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 1.3% (31 December 2012: 4.3%).

Cash Position

The Group's bank deposits are interest bearing at prevailing market rates. At 30 June 2013, the total bank deposits of the Group amounted to HK$815.48 million (31 December 2012: HK$183.18 million) of which 45.7% were denominated in Hong Kong Dollars, 53.1% in Renminbi and 1.2% in other currencies (31 December 2012: 61.6% in Hong Kong Dollars, 34% in Renminbi and 4.4% 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 (31 December 2012: HK$16 million), in bank deposits. That subsidiary has also maintained a bank deposit of approximately MOP9.93 million (equivalent to approximately HK$9.64 million) (31 December 2012: MOP7.49 million, equivalent to approximately HK$7.28 million) for fulfilling certain requirements under the Macao Insurance Ordinance.

According to the guarantees provided by Minxin Suzhou, a subsidiary of the Group, in respect of mortgage facilities granted by certain banks to certain purchasers of its properties in Mainland China, at 31 December 2012, Minxin Suzhou has placed deposits of approximately RMB1.32 million (equivalent to approximately HK$1.64 million) at designated bank accounts 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. Such deposits have been passed to the buyer following the completion of the disposal of 100% equity interest in Minxin Suzhou by the Group during the period.

Risk of Exchange Rate Fluctuation

The Group mainly operates in Hong Kong, Mainland China and Macao, the exposure in exchange rate risks mainly arises from fluctuations in the Hong Kong Dollars and Renminbi exchange rates. As the Hong Kong Dollars and Renminbi are both under managed floating systems, the Group, after reviewing its existing exposure, did not enter into any derivative contracts aimed at minimising exchange rate risks during the period. However, the Group will monitor foreign currency exposure and consider hedging significant foreign currency exposure should the need arise.

Commitments

At 30 June 2013, the Group's capital commitments relating to property, plant and equipment amounted to approximately HK$0.21 million (31 December 2012: approximately HK$0.21 million).

Contingent Liabilities

A subsidiary of the Group, Minxin Suzhou, provided guarantees in respect of mortgage facilities granted by certain banks and financial institutions to certain purchasers of its properties in Mainland China. At 31 December 2012, the maximum guarantees given to those banks and financial institutions amounted to RMB46.21 million (equivalent to approximately HK$57.48 million). Pursuant to the terms of the guarantees, upon default in mortgage payments by those purchasers, Minxin Suzhou is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by those defaulted purchasers to the relevant banks and financial institutions, and Minxin Suzhou 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 banks and financial institutions. Such maximum guarantees have been passed to the buyer following the completion of the disposal of 100% equity interest in Minxin Suzhou by the Group during the period.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2013, the Group had 53 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 forward into the second half, it is believed that the Central Government will continue to implement the proactive fiscal policy and prudent monetary policy in order to accelerate the transformation of economic structure, and maintain stable and healthy economic operation in Mainland China. However, as many uncertainties still exist in the economic environment of the developed countries, and the growth of the emerging markets continued to slow down, the economy in Mainland China will be affected by such uncertainties. Accordingly, it is anticipated that the Central Government will strive to enhance consumption growth and stabilise the overall price level. It will also resolutely curb investment and speculative demand for real estate, and maintain a stable market development so as to ease pressure from the economic downturn.

As an investment-based company, the Group will continue to maintain a prudent and stable investment strategy. With its sound financial position, the Group will also look for investment opportunities with steady return. During the period under review, the Fujian Provincial Government has agreed to the Group's setting up a wholly-owned subsidiary in Sanming City to carry out micro credit business. Once the other necessary application procedures for the setting up of the wholly-owned subsidiary have been completed, a micro credit enterprise operation license will be granted to the wholly-owned subsidiary. The Group will also continue to look for other sustainable development projects, with the persistent view of attaining long-term interest for our shareholders as the primary objective.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the six months ended 30 June 2013 save as disclosed below:

Code provision A.4.1 provides that non-executive directors should be appointed for a specific term, subject to re-election. The Non-executive Directors of the Company are not appointed for a specific term, but they are subject to retirement by rotation and re-election at annual general meetings in accordance with the Company's Articles of Association.

Code provision A.6.7 provides that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Independent Non-executive Director Mr Ip Kai Ming and the then Non-executive Director, Mr Zhang Rong Hui, were unable to attend the extraordinary general meeting of the Company held on 28 February 2013 as they had overseas engagements.

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 Appendix 10 - Model Code for Securities Transactions by Directors of Listed Issuers (the"Model Code") of the Listing Rules. 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 30 June 2013.

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, 29 August 2013

As at the date of this announcement, the Executive Directors of the Company are Messrs Weng Ruo Tong (Chairman), Peng Jin Guang (Vice Chairman), Li Jin Hua and Zhang Rong Hui; the Non-Executive Director is Mr Liu Cheng; and the Independent Non-Executive Directors are Messrs Ip Kai Ming, Sze Robert Tsai To and So Hop Shing.