MIN XIN HOLDINGS LIMITED
閩信集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 222)

ANNOUNCEMENT OF 2015 INTERIM RESULTS

FINANCIAL HIGHLIGHTS

- Profit attributable to equity holders amounted to HK$356 million, an increase of 82.2%
- Basic earnings per share reached 77.39 HK cents, an increase of 82.2%
- Excluding the extraordinary gains of HK$73 million in the first half of 2015, an increase of 44.6% in both profit attributable to equity holders and basic earnings per share
- Total assets and total equity attributable to equity holders were up 15.8% and 16.1% to HK$6.46 billion and HK$5.59 billion respectively

The Board of Directors (the "Board") 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 2015 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2015

		Unaudited Six months ended 30 June	
		2015	2014
	Note	***HK$'000***	*HK$'000*
Turnover	*2*	**63,612**	50,477
Total revenues	*2*	**72,867**	58,893
Other gains/(losses) – net	*3*	**90,111**	(8,651)
Total operating income		**162,978**	50,242
Net insurance claims incurred and commission expenses incurred on insurance business		**(20,447)**	(15,997)
Impairment loss on loans to customers		**(52,883)**	(6,695)
Staff costs		**(15,388)**	(15,608)
Depreciation		**(697)**	(642)
Other operating expenses		**(9,387)**	(8,654)
Total operating expenses		**(98,802)**	(47,596)
Operating profit	*4*	**64,176**	2,646
Finance costs	*5*	**(7,153)**	(2,366)
Share of results of associates		**294,359**	209,603
Profit before taxation		**351,382**	209,883
Income tax credit/(expense)	*6*	**4,190**	(14,744)
Profit for the period		**355,572**	195,139
		HK CENTS	*HK CENTS*
Earnings per share			
Basic and diluted	*7*	**77.39**	42.47

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Unaudited Six months ended 30 June **2015**	 2014
	HK$'000	*HK$'000*
Profit for the period	**355,572**	195,139
Other comprehensive income		
Items that may be reclassified subsequently to income statement:		
Available-for-sale investment revaluation reserve		
Fair value changes credited to equity	**454,707**	41,622
Release on disposal	**–**	(109)
Release on dilution of interest in an associate	**(18,043)**	–
Share of changes in equity of associates		
Fair value changes credited to equity	**44,201**	220,247
Disposal	**(4,352)**	1,176
Deferred income tax	**(10,708)**	(55,369)
	465,805	207,567
Exchange translation reserve		
Exchange differences arising on translation of the financial statements of foreign subsidiaries and associates	**(216)**	(67,675)
Release on dilution of interest in associates	**(22,566)**	–
	(22,782)	(67,675)
Other comprehensive income for the period, net of tax	**443,023**	139,892
Total comprehensive income for the period	**798,595**	335,031

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note	**Unaudited 30 June 2015** *HK$'000*	Audited 31 December 2014 *HK$'000*
Non-current assets			
Property, plant and equipment		**19,558**	20,122
Investment properties		**181,638**	165,762
Associates		**3,266,255**	2,945,890
Available-for-sale financial assets		**1,224,836**	770,129
Loans to customers	*10*	**1,934**	–
Reinsurance assets		**6,641**	3,402
Deferred income tax assets		**12,968**	4,281
		4,713,830	3,909,586
Current assets			
Deferred acquisition costs		**15,043**	12,738
Insurance receivable	*9*	**21,065**	10,644
Reinsurance assets		**3,822**	2,265
Loans to customers	*10*	**261,300**	272,604
Other debtors		**24,277**	8,068
Prepaid taxes		**1,312**	–
Other prepayments and deposits		**56,222**	905
Financial assets at fair value through profit or loss		**11,022**	7,194
Cash and bank balances		**1,339,655**	1,353,943
		1,733,718	1,668,361
Assets classified as held for sale		**13,299**	–
		1,747,017	1,668,361
Current liabilities			
Insurance contracts		**53,091**	44,479
Insurance payable	*11*	**8,098**	6,059
Other creditors and accruals		**25,854**	29,411
Bank and other borrowings		**494,618**	579,097
Current income tax payable		**26,999**	26,955
Dividend payable		**22,971**	–
		631,631	686,001
Net current assets		**1,115,386**	982,360
Total assets less current liabilities		**5,829,216**	4,891,946

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 30 June 2015

		Unaudited 30 June 2015	Audited 31 December 2014
	Note	***HK$'000***	*HK$'000*
Non-current liabilities			
Bank and other borrowings		**149,703**	–
Insurance contracts		**36,506**	27,707
Deferred income tax liabilities		**51,374**	48,230
		237,583	75,937
Net assets		**5,591,633**	4,816,009
Share capital		**891,135**	891,135
Other reserves		**1,902,607**	1,716,858
Retained profits			
Proposed dividend		**–**	22,971
Others		**2,796,032**	2,185,045
Amount recognised in other comprehensive income and accumulated in equity relating to assets held for sale		**1,859**	–
Total equity attributable to equity holders of the Company		**5,591,633**	4,816,009

Notes

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

These 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 2014 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 2014 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:

- Amendments to HKAS 19 — Defined Benefit Plans: Employee Contributions
- Annual Improvements to HKFRSs 2010-2012 Cycle
- Annual Improvements to HKFRSs 2011-2013 Cycle

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 2015 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	
	2015	2014
	HK$'000	*HK$'000*
Turnover		
Gross insurance premiums	**36,604**	26,437
Interest income from loans to customers	**21,697**	19,163
Rental income from investment properties	**5,311**	4,877
	63,612	50,477
Movement in unearned insurance premiums	**(8,494)**	(2,638)
Reinsurance premiums ceded and reinsurers' share of movement in unearned insurance premiums	**(2,874)**	(3,247)
Other revenues		
Management fee	**60**	60
Interest income from bank deposits	**19,896**	9,435
Interest income from loan receivable	**–**	4,646
Dividend income from listed equity securities held for trading	**187**	97
Others	**480**	63
	20,623	14,301
Total revenues	**72,867**	58,893

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:

– Financial services: this segment includes the provision of micro credit business in Mainland China and the engagement of banking business through the Group's major associates, Xiamen International Bank and Luso International Bank 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 real estate development business and the 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 and other borrowings managed directly by the segments or directly related to those segments. An asset and a liability are grouped under same segment if the liability is collateralised by the asset. Dividend payable to equity holders of the Company is treated as unallocated liabilities in reporting segment assets and liabilities.

	Financial services		Insurance		Property development and investment		Strategic investment		Others		Inter-segment elimination		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	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	21,697	19,163	38,370	28,208	3,545	3,106	–	–	–	–	–	–	63,612	50,477
Inter-segments	–	–	–	–	–	–	–	–	2,003	1,896	(2,003)	(1,896)	–	–
	21,697	19,163	38,370	28,208	3,545	3,106	–	–	2,003	1,896	(2,003)	(1,896)	63,612	50,477
Movement in net unearned insurance premiums and reinsurance premiums ceded	–	–	(11,368)	(5,885)	–	–	–	–	–	–	–	–	(11,368)	(5,885)
Other revenues	4,622	5,183	1,018	813	409	4,651	–	–	14,574	3,654	–	–	20,623	14,301
Total revenues	26,319	24,346	28,020	23,136	3,954	7,757	–	–	16,577	5,550	(2,003)	(1,896)	72,867	58,893
Other gains/(losses) – net	73,071	(6,072)	15,662	3,679	875	(33)	–	–	503	(6,225)	–	–	90,111	(8,651)
Total operating income	99,390	18,274	43,682	26,815	4,829	7,724	–	–	17,080	(675)	(2,003)	(1,896)	162,978	50,242
Impairment loss on loans to customers	(52,883)	(6,695)	–	–	–	–	–	–	–	–	–	–	(52,883)	(6,695)
Operating expenses	(4,079)	(3,473)	(27,727)	(23,270)	(1,506)	(1,988)	–	–	(14,610)	(14,066)	2,003	1,896	(45,919)	(40,901)
Operating profit/(loss)	42,428	8,106	15,955	3,545	3,323	5,736	–	–	2,470	(14,741)	–	–	64,176	2,646
Finance costs	(2,117)	(2,108)	(60)	–	–	–	–	–	(4,976)	(258)	–	–	(7,153)	(2,366)
Share of results of associates	291,987	209,287	–	–	–	–	–	–	2,372	316	–	–	294,359	209,603
Profit/(loss) before taxation	332,298	215,285	15,895	3,545	3,323	5,736	–	–	(134)	(14,683)	–	–	351,382	209,883
Income tax credit/(expense)	8,473	(12,160)	(2,608)	(169)	(610)	(2,021)	–	–	(1,065)	(394)	–	–	4,190	(14,744)
Profit/(loss) for the period	340,771	203,125	13,287	3,376	2,713	3,715	–	–	(1,199)	(15,077)	–	–	355,572	195,139
Interest income	26,316	24,346	712	613	–	4,646	–	–	14,565	3,639	–	–	41,593	33,244
Depreciation for the period	238	226	83	63	–	–	–	–	376	353	–	–	697	642

	Financial services		Insurance		Property development and investment		Strategic investment		Others		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	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 2015 and 31 December 2014												
The Company and subsidiaries	571,724	597,268	252,709	171,375	105,124	104,021	1,224,836	770,129	1,040,199	989,264	3,194,592	2,632,057
Investments in associates	3,221,489	2,865,697	–	–	–	–	–	–	44,766	80,193	3,266,255	2,945,890
Total assets	3,793,213	3,462,965	252,709	171,375	105,124	104,021	1,224,836	770,129	1,084,965	1,069,457	6,460,847	5,577,947
The Company and subsidiaries	203,758	207,179	151,749	83,690	49,999	49,465	–	–	440,737	421,604	846,243	761,938
Unallocated liabilities												
Dividend payable											22,971	–
Total liabilities	203,758	207,179	151,749	83,690	49,999	49,465	–	–	440,737	421,604	869,214	761,938
Capital expenditure incurred during the period	9	569	222	10	–	–	–	–	23	419	254	998

(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 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 associates.

	Hong Kong		Mainland China		Macao		Consolidated	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	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	**21,182**	15,418	**25,248**	22,280	**17,182**	12,779	**63,612**	50,477
At 30 June 2015 and 31 December 2014								
The Company and subsidiaries	**92,306**	77,487	**108,782**	108,329	**108**	68	**201,196**	185,884
Investments in associates	**–**	–	**3,266,255**	2,945,890	**–**	–	**3,266,255**	2,945,890
Specified non-current assets	**92,306**	77,487	**3,375,037**	3,054,219	**108**	68	**3,467,451**	3,131,774

3 OTHER GAINS/(LOSSES) – NET

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Fair value gains/(losses) on listed equity securities measured at fair value through profit or loss	**622**	(326)
Fair value losses on forward foreign exchange contracts	**–**	(600)
Fair value gains on revaluation of investment properties	**15,876**	7,630
Gain on dilution of interest in associates	**73,333**	–
Gain on disposal of available-for-sale financial assets	**–**	243
Net exchange gains/(losses)	**280**	(15,598)
	90,111	(8,651)

4 OPERATING PROFIT

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Operating profit is stated after crediting and charging the following:		
Crediting		
Net exchange gains	**280**	–
Rentals received and receivable from investment properties less direct outgoings	**4,329**	4,076
Charging		
Depreciation	**697**	642
Loss on disposal of property, plant and equipment	**120**	5
Operating lease rentals in respect of land and buildings	**256**	131
Management fee	**940**	940
Net exchange losses	**–**	15,598
Retirement benefit costs	**464**	465

5 FINANCE COSTS

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Interest on bank loans	**7,093**	2,366
Interest on IPO loans	**60**	–
	7,153	2,366

6 INCOME TAX (CREDIT)/EXPENSE

The amount of taxation (credited)/charged to the unaudited condensed consolidated income statement represents:

	Six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Current tax		
Hong Kong profits tax	**222**	206
Mainland China corporate income tax	**800**	2,300
Mainland China withholding tax	**–**	10,486
Macao taxation	**74**	106
	1,096	13,098
Under provision in prior years		
Mainland China corporate income tax	**228**	–
Deferred tax		
Relating to the origination and reversal of temporary differences	**(5,514)**	1,646
Income tax (credit)/expense	**(4,190)**	14,744

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the period.

Mainland China corporate income tax has been calculated at the rate of 25% (2014: 25%) on the estimated taxable profits for the period.

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 2015 of HK$355,572,000 (2014: HK$195,139,000) and the weighted average of 459,428,656 (2014: 459,428,656) shares in issue during the period.

The Group has no dilutive potential 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 2015 (2014: 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 2015 and 31 December 2014, the ageing analysis of insurance receivable by invoice date was as follows:

	30 June 2015	31 December 2014
	HK$'000	*HK$'000*
Within 30 days	**13,139**	4,814
31-60 days	**3,708**	2,501
61-90 days	**3,255**	2,352
Over 90 days	**963**	977
	21,065	10,644

10 LOANS TO CUSTOMERS

	30 June 2015	31 December 2014
	HK$'000	*HK$'000*
Micro credit business		
– guaranteed micro loans	**73,588**	79,102
– secured micro loans	**1,250**	1,000
– secured and guaranteed micro loans	**265,882**	224,237
– pledged and guaranteed micro loans	**14,248**	6,942
Loans to customers	**354,968**	311,281
Loans impairment allowances		
– individually assessed	**(88,791)**	(33,512)
– collectively assessed	**(2,943)**	(5,165)
	(91,734)	(38,677)
	263,234	272,604

At 30 June 2015 and 31 December 2014, the loan contract period of the loans to customers by date of loans granted was as follows:

	30 June 2015	31 December 2014
	HK$'000	*HK$'000*
30-90 days	**8,349**	13,496
91-180 days	**136,580**	168,571
181-365 days	**208,066**	129,214
Over 365 days	**1,973**	–
	354,968	311,281

The interest receivables arising from the loans to customers were included in other debtors. At 30 June 2015 and 31 December 2014, the ageing analysis of overdue interest receivables by due date was as follows:

	30 June 2015	31 December 2014
	HK$'000	*HK$'000*
Within 30 days	**1,530**	565
31-60 days	**1,204**	886
61-90 days	**929**	745
Over 90 days	**5,453**	687
	9,116	2,883

11 INSURANCE PAYABLE

At 30 June 2015 and 31 December 2014, the ageing analysis of insurance payable by invoice date was as follows:

	30 June 2015	31 December 2014
	HK$'000	*HK$'000*
Within 30 days	**4,051**	3,010
31-60 days	**2,114**	1,362
61-90 days	**1,653**	1,339
Over 90 days	**280**	348
	8,098	6,059

BUSINESS REVIEW

The debt crisis in Greece and the share market turmoil in Mainland China brought volatility and uncertainty to the global economy. The pace of economic growth in Mainland China continued to slow down in the first half of 2015.

Operating Results

In the first half of 2015, the Group's unaudited profit attributable to shareholders was HK$355.57 million, representing an increase of 82.2% as compared to HK$195.14 million in the same period last year. Basic earnings per share for the period amounted to 77.39 HK cents, an increase of 34.92 HK cents as compared to the same period last year.

The increase in earnings for the period was mainly attributable to the extraordinary gain on the dilution of shareholding in Xiamen International Bank ("XIB") of HK$73.04 million and the increase in share of results of XIB of HK$82.7 million as compared to the same period last year.

Financial Services

In the first half of 2015, the Group's financial services business reported an unaudited profit after tax of HK$340.77 million, an increase of 67.8% as compared to HK$203.13 million in the same period last year. Excluding the impact of the dilution of the shareholding in XIB, the unaudited profit after tax amounted to HK$267.73 million, an increase of 31.8% as compared to the same period last year.

The financial services business of the Group includes the provision of micro credit business in Mainland China and the engagement of banking business through its major associates, XIB and Luso International Bank in Mainland China and Macao.

Banking Business

XIB focused on providing diversified, personalised and comprehensive financial products and services to its customers, and once again demonstrated its potential and capability to deliver sound results. XIB reported an unaudited profit after tax prepared in accordance with the PRC Accounting Standards of RMB1.58 billion, an increase of RMB601.95 million, or 61.7%, as compared to RMB976.31 million recorded in the same period last year.

At 30 June 2015, the total assets grew by 20.7% to RMB421.07 billion as compared to RMB348.94 billion at the end of 2014. Gross loans to customers rose by 11.8% to RMB124.48 billion from RMB111.37 billion at the end of 2014, and total deposits from customers were up 12.8% to RMB252.8 billion from RMB224.19 billion at the end of 2014. In the first half of 2015, net interest income was up 88.9%, such increase was driven by the growth of loan portfolio and the income brought by new business.

Looking forward into the second half, XIB will strive to enhance its efficiency to deliver increasing profitability and value for shareholders, despite the slowing economic pace resulted from the deleveraging process in Mainland China.

Micro Credit Business

Sanming Sanyuan District Minxin Micro Credit Company Limited ("Minxin Micro Credit"), a wholly-owned subsidiary of the Company, is engaged in the provision of micro loans to small and medium-sized enterprises and individuals in Sanming City, Fujian Province.

At 30 June 2015, micro loans to customers were RMB284.02 million (equivalent to HK$354.97 million), an increase by 14% from RMB249.1 million (equivalent to HK$311.28 million) at the end of 2014. These micro loans mainly comprised secured, pledged and guaranteed loans. In view of the deteriorating domestic economic conditions for the period under review and based on the overdue micro loans to customers at the reporting date, the Group further provided an impairment losses on micro loans of RMB42.45 million (equivalent to HK$52.88 million) in the first half of 2015, an increase of RMB37.09 million (equivalent to HK$46.19 million) as compared to RMB5.36 million (equivalent to HK$6.69 million) provided for the same period last year. Allowances to total loans ratio was 25.8% at 30 June 2015, an increase of 13.4% as compared with 12.4% at the end of 2014.

In the first half of 2015, Minxin Micro Credit reported interest income generated from micro loans of RMB17.42 million (equivalent to HK$21.7 million), an increase of 13.5% as compared with RMB15.34 million (equivalent to HK$19.16 million) for the same period last year. Unaudited loss after tax was RMB20.7 million (equivalent to HK$25.79 million) in the first half of 2015, as compared to an unaudited profit after tax of RMB6.52 million (equivalent to HK$8.14 million) in the same period last year.

Insurance Business

Min Xin Insurance Company Limited ("Min Xin Insurance"), a wholly-owned subsidiary of the Company, underwrites general insurance businesses in Hong Kong and Macao.

Gross insurance premiums for the first half of 2015 rose by 38.5%, primarily due to the increase in premiums from bancassurance business. In the first half of 2015, Min Xin Insurance reported an underwriting loss of HK$0.53 million after deducting management expenses for underwriting business, as compared to HK$0.74 million for the same period last year. Unaudited profit after tax of HK$13.29 million, an increase of 293.6% from HK$3.38 million in the same period last year, mainly due to the increase in net surplus on property revaluation.

Looking forward into the second half, Min Xin Insurance will launch the brand new "Min Xin Travel Insurance Package" in Hong Kong and Macao general insurance market. With the gradual implementation of its re-branding project, the management team is confident that our clients portfolio will be further strengthened and diversified and be able to achieve the long term and sustainable business growth.

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 2015, the property development and investment business reported an unaudited profit after tax of HK$2.71 million, a decrease of 27% as compared to HK$3.72 million for the same period last year due to lack of interest income generated from loan to a real estate developer.

The Group was able to maintain a stable rental income as well as capital appreciation from its investment properties and car parks in Fuzhou, Fujian Province (the "Fuzhou Property"). The Group recorded a rental income of RMB3.06 million for the first half of 2015, was up 22.2% as compared to RMB2.5 million for the same period last year. At 30 June 2015, the fair value of the Fuzhou Property was RMB83.9 million, an increase of 0.8% as compared to the fair value of RMB83.21 million at the end of 2014. The Group recorded a fair value gain of HK$0.88 million and a fair value gain after deferred tax of HK$0.27 million in the first half of 2015, as compared to a fair value gain of HK$3.04 million and a fair value gain after deferred tax of HK$1.02 million in the same period last year.

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

At 30 June 2015, the Shanghai Composite Index increased by about 32.2% as compared to that at the end of 2014. In line with the index movement, the closing bid price of Huaneng's A-share rose from RMB8.81 per share at 31 December 2014 to RMB14.01 per share at 30 June 2015. The fair value of the Group's investment in Huaneng Shares measured with reference to the closing bid price of Huaneng's A-Share increased to HK$1,224.84 million (equivalent to RMB980.03 million). The gain of HK$454.71 million arising from the change in its fair value (first half of 2014: HK$41.51 million) was recorded 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 stable dividend income to the Group. During the period under review, Huaneng declared a final dividend for 2014 of RMB0.38 per share with ex-dividend date on 13 July 2015. The Group will record such dividend income totaling RMB26.58 million (equivalent to HK$33.22 million) in the second half, as compared to the final dividend for 2013 of RMB0.38 per share totaling RMB26.58 million (equivalent to HK$33.23 million) recorded by the Group in the second half of 2014.

Huaneng has announced its 2015 interim results under the PRC Accounting Standards. Its operating revenue has decreased by 9.5% while its operating expenses have reduced by 15.1% as compared with the same period last year. Such decrease in operating expenses was due to the reduced fuel cost. Its profit attributable to equity holders has increased by 19.5% to RMB9.06 billion with earnings per share of RMB0.63 for the period under review, an increase of 16.7% as compared to RMB0.54 per share for the same period last year.

FINANCIAL REVIEW

Net Asset Value per Share

The Group adheres to the principle of prudent financial management and strives to maintain a healthy financial position. Based on 459,428,656 shares in issue at 30 June 2015 (31 December 2014: 459,428,656 shares), the net asset value per share was HK$12.17 at 30 June 2015 (31 December 2014: HK$10.48).

Total Liabilities to Equity Ratio and Current Ratio

At 30 June 2015, the total liabilities of the Group were HK$869.21 million (31 December 2014: HK$761.94 million) and the ratio of total liabilities to total equity attributable to shareholders of the Company was 15.5% (31 December 2014: 15.8%). At 30 June 2015, the current assets and current liabilities of the Group were HK$1,733.72 million (31 December 2014: HK$1,668.36 million) and HK$631.63 million (31 December 2014: HK$686 million) respectively with a current ratio of 2.7 (31 December 2014: 2.4).

Borrowings and Charged Assets

The Group monitors its liquidity requirement on a short to medium term basis and arranges refinancing of the Group's borrowings as appropriate.

At 30 June 2015, the Group's borrowings from local banks and other financial institution totalled HK$645 million (31 December 2014: HK$580 million), an increase of HK$65 million as compared to the end of 2014. The maturity profile of the loans based on the scheduled repayment dates set out in the loan facilities is spread over a period of three years, with HK$495 million repayable within one year, HK$70 million repayable more than one year but within two years and HK$80 million repayable more than two years but within five years. The loans of the Group are in Hong Kong dollars and subject to floating interest rates.

At 30 June 2015, the above bank loans were secured by the Group's offshore bank deposits of RMB341 million (equivalent to HK$426.18 million) (31 December 2014: RMB324 million, equivalent to HK$404.89 million) placed with the lending banks and the self-use office building with a net book value of HK$10.57 million (31 December 2014: HK$10.7 million).

Save for the above, no other assets of the Group were pledged at 30 June 2015 and 31 December 2014 respectively.

Gearing Ratio

At 30 June 2015, the gearing ratio of the Group (total borrowings and advances divided by total net assets) still maintained at a low level and was 11.5% (31 December 2014: 12%).

Cash Position

The Group's bank deposits are interest bearing at prevailing market rates. At 30 June 2015, the total bank deposits of the Group amounted to HK$1,339.64 million (31 December 2014: HK$1,353.93 million) of which 9% were in Hong Kong Dollars, 90% in Renminbi and 1% in other currencies (31 December 2014: 9.5% in Hong Kong Dollars, 89.6% in Renminbi and 0.9% in other currencies).

Pursuant to the requirements from the Office of the Commissioner of Insurance in Hong Kong ("HKIA"), a subsidiary shall maintain at all times a portion of its funds of not less than HK$16 million in the name of HKIA in bank deposits. At 30 June 2015, that subsidiary has placed a fixed deposit of RMB13.9 million (equivalent to HK$17.37 million) (31 December 2014: HK$16 million) in the name of HKIA with a bank in Hong Kong for fulfillment of such requirements. That subsidiary has also maintained bank deposits of MOP13.4 million (equivalent to HK$13.01 million) and RMB2.66 million (equivalent to HK$3.32 million) (31 December 2014: MOP11.9 million, equivalent to HK$11.55 million) for fulfilling certain requirements under the Macao Insurance Ordinance.

Risk of Exchange Rate Fluctuation

The Group operates in Hong Kong, Mainland China and Macao, the exposure in exchange rate risks mainly arises from currency fluctuations between Hong Kong Dollars and Renminbi. As the Hong Kong Dollars and Renminbi are both under managed floating systems, the Group reviews and monitors periodically its foreign currency exposure and considers hedging significant foreign currency exposure should the need arise. The Group did not enter into any derivative contracts aimed at minimising exchange rate risks during the period under review.

Capital Commitments

At 30 June 2015, the Group's capital commitments relating to property, plant and equipment amounted to HK$0.21 million (31 December 2014: HK$0.21 million).

Contingent Liabilities

At 30 June 2015 and 31 December 2014, the Group had no significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

At 30 June 2015, 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 forward into the second half, it is expected that the Central Government will put more efforts in stabilising the economy in face of the sluggish global demand as well as the tremendous pressure of decreasing domestic demand. The expansionary fiscal and monetary policies implemented by the Central Government is expected to be useful in stabilising the economy and will lead the economy of Mainland China to a healthy and sustainable growth in the long term.

As an investment-based company with sound financial position, the Group will continue to seek new financial services business opportunities in Greater China region in order to increase its profitability and remain well-positioned to benefit from the strengthening economic ties between Hong Kong and the Mainland China.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the six months ended 30 June 2015 save as disclosed below:

CG Code 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.

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 standards set out in Appendix 10 – Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") to the Listing Rules. Specific enquiry has been made to all the Directors of the Company and all Directors confirmed that they have complied with the required standards as set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the period under review.

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 for the period under review.

The unaudited consolidated results of the Group for the six months ended 30 June 2015 have been reviewed by the Audit Committee of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

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

PUBLICATION OF INTERIM REPORT

The Company's 2015 Interim Report containing the relevant information required by the Listing Rules will be despatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
Min Xin Holdings Limited
Weng Ruo Tong
Chairman

Hong Kong, 26 August 2015

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