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 ANNUAL RESULTS

FINANCIAL HIGHLIGHTS

- Profit attributable to equity holders amounted to HK$477 million, an increase of 1%
- One-off gain on dilution of equity interest in Xiamen International Bank of HK$73 million, an increase of 522.3%
- Basic earnings per share reached 103.9 HK cents, an increase of 1%
- Total assets and total equity attributable to equity holders increased by 5.6% and 5.5% to HK$5.89 billion and HK$5.08 billion respectively
- Recommended a final dividend of 5 HK cents per ordinary share

The Board of Directors (the "Board") of Min Xin Holdings Limited (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2015 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2015

	Note	2015	2014
		HK$'000	HK$'000
Turnover	2	**144,075**	144,624
Total revenues	2	**168,574**	169,202
Other gains – net	3	**43,732**	2,561
Total operating income		**212,306**	171,763
Net insurance claims incurred and commission expenses incurred on insurance business	4	**(45,164)**	(35,832)
Impairment loss on loans to customers and interest receivable		**(136,785)**	(38,055)
Staff costs		**(31,997)**	(30,481)
Depreciation		**(1,417)**	(1,343)
Other operating expenses		**(18,865)**	(20,054)
Total operating expenses		**(234,228)**	(125,765)
Operating (loss)/profit	5	**(21,922)**	45,998
Finance costs	6	**(12,958)**	(7,016)
Share of results of associates		**520,900**	452,220
Profit before taxation		**486,020**	491,202
Income tax expense	7	**(8,681)**	(18,515)
Profit for the year		**477,339**	472,687
Dividend			
– Final dividend		**22,971**	22,971
		HK CENTS	HK CENTS
Earnings per share			
Basic and diluted	8	**103.90**	102.89
Dividend per share			
– Final dividend		**5**	5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	2015	2014
	HK$'000	*HK$'000*
Profit for the year	**477,339**	472,687
Other comprehensive income		
Items that will not be reclassified to income statement:		
Leasehold buildings revaluation reserve		
Unrealised surplus on revaluation of leasehold building transferred to investment property	**2,852**	–
Deferred income tax	**(521)**	–
	2,331	–
Items that may be reclassified subsequently to income statement:		
Available-for-sale investment revaluation reserve		
Fair value changes (charged)/credited to equity	**(42,280)**	318,453
Deferred income tax	**12**	–
Release on disposal	**–**	(846)
Release on dilution of interest in an associate	**(18,043)**	3,378
Share of changes in equity of associates		
Fair value changes credited to equity	**60,656**	239,561
Release on disposal	**1,119**	13,894
Deferred income tax	**(15,073)**	(59,769)
	(13,609)	514,671
Exchange translation reserve		
Exchange differences arising on translation of the financial statements of foreign subsidiaries and associates	**(164,976)**	(70,533)
Release on dilution of interest in associates	**(22,566)**	(13,577)
	(187,542)	(84,110)
	(201,151)	430,561
Other comprehensive income for the year, net of tax	**(198,820)**	430,561
Total comprehensive income for the year	**278,519**	903,248

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Note	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment		**19,061**	20,122
Investment properties		**179,215**	165,762
Associates		**3,263,977**	2,945,890
Available-for-sale financial assets		**728,713**	770,129
Loans to customers and interest receivable	*10*	**1,519**	–
Reinsurance assets		**2,479**	3,402
Prepayments		**1,549**	–
Deferred income tax assets		**6,746**	4,281
		4,203,259	3,909,586
Current assets			
Deferred acquisition costs		**15,061**	12,738
Insurance receivable	*9*	**15,591**	10,644
Reinsurance assets		**2,376**	2,265
Loans to customers and interest receivable	*10*	**190,659**	275,487
Other debtors		**4,268**	5,185
Prepaid taxes		**1,253**	–
Other prepayments and deposits		**2,606**	905
Financial assets at fair value through profit or loss		**8,095**	7,194
Cash and bank balances		**1,432,106**	1,353,943
		1,672,015	1,668,361
Assets classified as held for sale		**12,698**	–
		1,684,713	1,668,361
Current liabilities			
Insurance contracts		**53,806**	44,479
Insurance payable	*11*	**8,818**	6,059
Other creditors and accruals		**25,021**	29,411
Bank borrowings		**113,734**	579,097
Current income tax payable		**25,444**	26,955
		226,823	686,001
Net current assets		**1,457,890**	982,360
Total assets less current liabilities		**5,661,149**	4,891,946

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 31 December 2015

	Note	2015	2014
	Note	***HK$'000***	*HK$'000*
Non-current liabilities			
Bank borrowings		**502,116**	–
Insurance contracts		**33,844**	27,707
Deferred income tax liabilities		**41,960**	48,230
		577,920	75,937
Net assets		**5,083,229**	4,816,009
Share capital		**891,135**	891,135
Other reserves		**1,501,099**	1,716,858
Retained profits			
Proposed dividend		**22,971**	22,971
Others		**2,666,165**	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		**5,083,229**	4,816,009

Notes

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collectively refer to all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and have been aligned with accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements of the Listing Rules.

The requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Chapter 622) came into operation during the financial year, as a result, there were changes to presentation and disclosures of certain information in the consolidated financial statements.

The consolidated financial statements have been prepared under the historical cost convention except that the following assets and liabilities are stated at their fair value:

– available-for-sale financial assets

– financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss

– investment properties

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The Group has adopted the following new standards and amendments to standards issued by the HKICPA which had insignificant or no effect on these consolidated 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 following new standards and amendments to standards which are not yet effective for the accounting year ended 31 December 2015 and which have not been early adopted in these consolidated financial statements:

– HKFRS 9	Financial Instruments
– HKFRS 14	Regulatory Deferral Accounts
– HKFRS 15	Revenue from Contracts with Customers
– Amendments to HKAS 1	Disclosure Initiative
– Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
– Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
– Amendments to HKAS 27	Equity Method in Separate Financial Statements
– Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
– Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
– Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
– Annual Improvements to HKFRSs 2012 – 2014 Cycle	

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

2 TURNOVER AND SEGMENTAL INFORMATION

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

	2015	2014
	HK$'000	*HK$'000*
Turnover		
Gross insurance premiums	**61,916**	52,741
Interest income from loans to customers (a)	**38,721**	48,468
Rental income from investment properties	**10,216**	10,188
Dividend income from available-for-sale financial assets	**33,222**	33,227
	144,075	144,624
Movement in unearned insurance premiums	**(4,749)**	(2,969)
Reinsurance premiums ceded and reinsurers' share of movement in unearned insurance premiums	**(5,602)**	(6,391)
Other revenues		
Management fees	**90**	120
Interest income from bank deposits	**33,868**	24,005
Interest income from loan receivable	**–**	9,247
Dividend income from listed equity securities held for trading	**336**	214
Others	**556**	352
	34,850	33,938
Total revenues	**168,574**	169,202

(a) The interest income from loans to customers for the year comprised an interest income accrued for impaired loans to customers of HK$6,825,000 (2014: Nil).

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 in Mainland China and Luso International Bank in Macau.

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

– 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 year", 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. 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*
Year ended 31 December														
Turnover														
External customers	38,721	48,468	65,516	56,272	6,616	6,657	33,222	33,227	–	–	–	–	144,075	144,624
Inter-segments	–	–	–	–	–	–	–	–	3,952	3,933	(3,952)	(3,933)	–	–
	38,721	48,468	65,516	56,272	6,616	6,657	33,222	33,227	3,952	3,933	(3,952)	(3,933)	144,075	144,624
Movement in net unearned insurance premiums and reinsurance premiums ceded	–	–	(10,351)	(9,360)	–	–	–	–	–	–	–	–	(10,351)	(9,360)
Other revenues	7,515	9,464	1,798	1,745	415	9,475	–	–	25,122	13,254	–	–	34,850	33,938
Total revenues	46,236	57,932	56,963	48,657	7,031	16,132	33,222	33,227	29,074	17,187	(3,952)	(3,933)	168,574	169,202
Other gains/(loss) – net	65,940	6,728	10,663	6,029	(11,693)	1,952	–	–	(21,178)	(12,148)	–	–	43,732	2,561
Total operating income	112,176	64,660	67,626	54,686	(4,662)	18,084	33,222	33,227	7,896	5,039	(3,952)	(3,933)	212,306	171,763
Impairment loss on loans to customers and interest receivable	(136,785)	(38,055)	–	–	–	–	–	–	–	–	–	–	(136,785)	(38,055)
Operating expenses	(7,934)	(8,722)	(61,167)	(50,019)	(2,757)	(5,514)	–	–	(29,537)	(27,388)	3,952	3,933	(97,443)	(87,710)
Operating (loss)/profit	(32,543)	17,883	6,459	4,667	(7,419)	12,570	33,222	33,227	(21,641)	(22,349)	–	–	(21,922)	45,998
Finance costs	(3,475)	(4,224)	(89)	–	–	–	–	–	(9,394)	(2,792)	–	–	(12,958)	(7,016)
Share of results of associates	517,973	446,801	–	–	–	–	–	–	2,927	5,419	–	–	520,900	452,220
Profit/(loss) before taxation	481,955	460,460	6,370	4,667	(7,419)	12,570	33,222	33,227	(28,108)	(19,722)	–	–	486,020	491,202
Income tax expense	(9,461)	(10,755)	(940)	(259)	7,634	(2,604)	(3,322)	(3,323)	(2,592)	(1,574)	–	–	(8,681)	(18,515)
Profit/(loss) for the year	472,494	449,705	5,430	4,408	215	9,966	29,900	29,904	(30,700)	(21,296)	–	–	477,339	472,687
Interest income	46,195	57,932	1,286	1,326	–	9,247	–	–	25,108	13,215	–	–	72,589	81,720
Depreciation for the year	474	465	172	130	–	–	–	–	771	748	–	–	1,417	1,343

	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 31 December												
The Company and subsidiaries	263,051	597,268	215,626	171,375	95,694	104,021	727,920	770,129	1,321,704	989,264	2,623,995	2,632,057
Investments in associates	3,224,389	2,865,697	–	–	–	–	–	–	39,588	80,193	3,263,977	2,945,890
Total assets	3,487,440	3,462,965	215,626	171,375	95,694	104,021	727,920	770,129	1,361,292	1,069,457	5,887,972	5,577,947
The Company and subsidiaries	2,328	207,179	102,594	83,690	41,874	49,465	–	–	657,947	421,604	804,743	761,938
Total liabilities	2,328	207,179	102,594	83,690	41,874	49,465	–	–	657,947	421,604	804,743	761,938
Capital expenditure incurred during the year	20	598	259	27	–	–	–	–	784	487	1,063	1,112

(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		Macau		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*
Year ended 31 December								
Revenues from external customers	**32,241**	29,923	**78,585**	88,363	**33,249**	26,338	**144,075**	144,624
At 31 December								
The Company and subsidiaries	**99,592**	77,487	**98,586**	108,329	**98**	68	**198,276**	185,884
Investments in associates	**–**	–	**3,263,977**	2,945,890	**–**	–	**3,263,977**	2,945,890
Specified non-current assets	**99,592**	77,487	**3,362,563**	3,054,219	**98**	68	**3,462,253**	3,131,774

3 OTHER GAINS – NET

	2015	2014
	HK$'000	*HK$'000*
Fair value losses on listed equity securities measured at fair value through profit or loss	**(1,451)**	(419)
(Losses)/gains on disposal of listed equity securities measured at fair value through profit or loss	**(8,819)**	26
Fair value losses on forward foreign exchange contracts	**–**	(603)
Fair value gains on revaluation of investment properties	**10,178**	10,937
Gains on dilution of interest in associates	**73,333**	11,737
Gain on disposal of available-for-sale financial assets	**–**	1,313
Gain on disposal of property, plant and equipment	**–**	91
Net exchange losses	**(29,509)**	(20,521)
	43,732	2,561

4 NET INSURANCE CLAIMS INCURRED AND COMMISSION EXPENSES INCURRED ON INSURANCE BUSINESS

	2015	2014
	HK$'000	*HK$'000*
Net insurance claims incurred on insurance business (a)	**21,045**	16,863
Commission expenses incurred on insurance business (b)	**24,119**	18,969
	45,164	35,832

(a) Net insurance claims incurred on insurance business

	2015		
	Gross	**Reinsurance**	**Net**
	HK$'000	***HK$'000***	***HK$'000***
Current year claims and loss adjustment expenses	**11,033**	**(393)**	**10,640**
Additional cost/(run-off savings) for prior years' claims and loss adjustment expenses	**7,787**	**(179)**	**7,608**
Increase in claims incurred but not reported	**1,357**	**1,030**	**2,387**
Increase in the expected cost of claims for unexpired risks	**410**	**–**	**410**
	20,587	**458**	**21,045**

	2014		
	Gross	Reinsurance	Net
	HK$'000	*HK$'000*	*HK$'000*
Current year claims and loss adjustment expenses	9,003	(27)	8,976
Additional cost for prior years' claims and loss adjustment expenses	3,476	796	4,272
Increase/(decrease) in claims incurred but not reported	3,320	(697)	2,623
Increase in the expected cost of claims for unexpired risks	992	–	992
	16,791	72	16,863

(b) Commission expenses incurred on insurance business

	2015	2014
	HK$'000	*HK$'000*
Gross commissions paid and payable	**24,392**	19,284
Less: Commissions received and receivable from reinsurers	**(273)**	(315)
Net commission expenses	**24,119**	18,969

5 OPERATING (LOSS)/PROFIT

	2015	2014
	HK$'000	*HK$'000*
Operating (loss)/profit is stated after crediting and charging the following:		
Crediting		
Gain on disposal of property, plant and equipment	**–**	91
Rentals received and receivable from investment properties less direct outgoings	**8,451**	8,476
Charging		
Auditor's remuneration	**2,923**	2,783
– provision for current year	***2,523***	*2,423*
– interim attestation work	***400***	*360*
Depreciation	**1,417**	1,343
Management fee	**1,880**	1,880
Loss on disposal of property, plant and equipment	**174**	–
Net exchange losses	**29,509**	20,521
Operating lease rentals in respect of land and buildings	**605**	333
Retirement benefit costs	**1,016**	918

6 FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Interest on bank loans	**12,869**	7,016
Interest on margin loans	**89**	–
	12,958	7,016

7 INCOME TAX EXPENSE

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

	2015	2014
	HK$'000	*HK$'000*
Current tax		
Hong Kong profits tax	**464**	441
Mainland China corporate income tax	**2,085**	5,327
Mainland China withholding tax	**15,344**	13,809
Macau taxation	**138**	210
	18,031	19,787
Under/(over) provision in prior years		
Mainland China corporate income tax	**227**	–
Macau taxation	**(53)**	–
	174	–
Deferred tax		
Relating to the origination and reversal of temporary differences	**(9,524)**	(1,272)
Income tax expense	**8,681**	18,515

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

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

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 Macau profits has been calculated on the estimated taxable profits for the year at the rates of taxation prevailing in Macau.

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 year ended 31 December 2015 of HK$477,339,000 (2014: HK$472,687,000) and the weighted average of 459,428,656 (2014: 459,428,656) shares in issue during the year.

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

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 31 December 2015, the ageing analysis of insurance receivable by invoice date was as follows:

	2015	2014
	HK$'000	*HK$'000*
Within 30 days	**7,927**	4,814
31-60 days	**2,793**	2,501
61-90 days	**2,612**	2,352
Over 90 days	**2,259**	977
	15,591	10,644

10 LOANS TO CUSTOMERS AND INTEREST RECEIVABLE

	2015	2014
	HK$'000	*HK$'000*
Micro credit business		
– guaranteed micro loans	**161,828**	155,116
– secured micro loans	**162,057**	149,223
– pledged and guaranteed micro loans	**11,456**	6,942
– secured, pledged and guaranteed micro loans	**6,918**	–
Loans to customers	**342,259**	311,281
Interest receivable	**12,053**	2,883
	354,312	314,164
Impairment allowances		
– individually assessed	**(159,602)**	(33,512)
– collectively assessed	**(2,532)**	(5,165)
	(162,134)	(38,677)
	192,178	275,487
Analysed for reporting purposes as:		
– Non-current assets	**1,519**	–
– Current assets	**190,659**	275,487
	192,178	275,487

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

	2015	2014
	HK$'000	*HK$'000*
Within 30 days	**2,172**	–
31-90 days	**15,824**	13,496
91-180 days	**121,945**	168,571
181-365 days	**200,766**	129,214
Over 365 days	**1,552**	–
	342,259	311,281

At 31 December 2015, the credit quality of the loans to customers was summarised as follows:

	2015	2014
	HK$'000	*HK$'000*
Neither past due nor impaired	**48,615**	217,508
Past due but not impaired	**25,075**	23,743
Individually impaired	**268,569**	70,030
	342,259	311,281

At 31 December 2015, the ageing analysis of the past due but not impaired loans to customers was as follows:

	2015	2014
	HK$'000	*HK$'000*
Within 30 days	**149**	13,746
31-60 days	**164**	9,997
61-90 days	**1,790**	–
Over 90 days	**22,972**	–
	25,075	23,743

At 31 December 2015, the ageing analysis of individually impaired loans to customers was as follows:

	2015	2014
	HK$'000	*HK$'000*
Within 90 days	**42,838**	36,290
91-180 days	**24,046**	33,740
181-365 days	**141,659**	–
Over 365 days	**60,026**	–
	268,569	70,030

At 31 December 2015, the ageing analysis of overdue interest receivable arising from the loans to customers by due date was as follows:

	2015	2014
	HK$'000	*HK$'000*
Within 30 days	**410**	565
31-60 days	**583**	886
61-90 days	**642**	745
Over 90 days	**10,418**	687
	12,053	2,883

At 31 December 2015, the ageing analysis of the past due but not impaired interest receivable arising from the loans to customers was as follows:

	2015	2014
	HK$'000	*HK$'000*
Within 30 days	**25**	285
31-60 days	**95**	144
61-90 days	**93**	–
Over 90 days	**836**	–
	1,049	429

11 INSURANCE PAYABLE

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

	2015	2014
	HK$'000	*HK$'000*
Within 30 days	**3,880**	3,010
31-60 days	**1,915**	1,362
61-90 days	**1,801**	1,339
Over 90 days	**1,222**	348
	8,818	6,059

DIVIDEND

The Board of the Company has resolved to recommend at the forthcoming Annual General Meeting of the Company to be held on Thursday, 16 June 2016 ("2016 AGM") the payment of a final dividend of 5 HK cents per share totaling HK$22,971,433 for the year ended 31 December 2015 (2014: final dividend of 5 HK cents per share totaling HK$22,971,433). The proposed dividend, if approved, will be paid on or before 8 July 2016.

CLOSURE OF REGISTER OF MEMBERS

(a) For determining the entitlement to attend and vote at the 2016 AGM

For the purpose of determining the entitlement to attend and vote at the 2016 AGM, the register of members of the Company will be closed from Tuesday, 14 June 2016 to Thursday, 16 June 2016, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2016 AGM, all completed transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Registrar, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 13 June 2016.

(b) For determining the entitlement to the proposed final dividend

The proposed final dividend for year ended 31 December 2015 is subject to the approval by the shareholders of the Company at the 2016 AGM. For the purpose of determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 22 June 2016 to Thursday, 23 June 2016, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all completed transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Registrar, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 21 June 2016.

CHAIRMAN'S STATEMENT

On behalf of the Board, I am pleased to present the annual results of the Company and its subsidiaries for the year ended 31 December 2015.

We faced a complex picture of economic recovery and challenging operating conditions for business in 2015. The economic growth is slowing in Mainland China due to ongoing economic deleveraging and continuing shifting to a consumer and services-driven economy. These forces are impacting the local economic environment and our micro credit business in Mainland China.

In 2015, the Group's profit attributable to shareholders was HK$477.34 million, representing an increase of 1% as compared to HK$472.69 million in 2014. The increase in earnings for the year was mainly attributable to the one-off gain on dilution of equity interest in Xiamen International Bank ("XIB"). Basic earnings per share amounted to 103.9 HK cents in 2015.

While our micro credit business in Mainland China was severely challenged, we achieved solid results in our banking business. In 2015, the Group's share of results of its banking business reached HK$517.97 million, representing an increase of 15.9% as compared to HK$446.8 million in 2014, notwithstanding the dilution of the Company's shareholding in XIB from 14.8005% to 10.6289% in the second half of 2015.

We had tightened our credit control and increased efforts to recover non-performing loans of our micro credit business. We had launched our brand new "Min Xin Travel Insurance Package" in Hong Kong and Macau in the fourth quarter of 2015 to further strengthen and diversify our client portfolio.

Asset quality of the Group remains stable. Total assets stood at HK$5.89 billion, representing an increase of 5.6% as compared to the end of 2014. As an investment-based Company, total assets of our banking business accounted for 54.8% of the Group's total assets and results contributed by banking business represented 106% of the Group's profit attributable to shareholders.

The Board has resolved to recommend the payment of a final dividend of 5 HK cents per share for the year ended 31 December 2015.

Looking at the year ahead, the People's Bank of China has cut the required reserve ratio and the benchmark interest rates and is expected to keep pace of steady economic growth in Mainland China. At the same time, the "One Belt, One Road" initiative should provide new opportunities for our banking business.

I would like to express my heartfelt appreciation to my fellow board members for their efforts in upholding the standards of corporate management and governance. I would like to take this opportunity to thank the management team and all our staff for their continued hard work, dedicated services and contributions to the business development of the Group. Also, on behalf of the Board, I wish to offer sincere thanks to our business partners and stakeholders for their continued trust and support.

Weng Ruo Tong
Chairman

Hong Kong, 30 March 2016

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We faced a complex operating conditions in 2015. The slower pace of economic growth in Mainland China and ongoing deleveraging created new challenges to our business.

Operating Results

In 2015, the Group achieved profit attributable to shareholders of HK$477.34 million, representing an increase of 1% as compared to HK$472.69 million in 2014. Basic earnings per share for the year amounted to 103.9 HK cents, an increase of 1.01 HK cents as compared to 2014.

XIB issued new shares to further enlarge its share capital in June 2015 and the Company's shareholding in XIB had been diluted from 14.8005% to 10.6289%. Notwithstanding the dilution in the Company's shareholding, the Group's share of results of XIB reached HK$517.97 million contributed by the sound results achieved by XIB. In addition, the Group recorded a one-off gain on dilution of shareholding in XIB of HK$73.04 million during the year.

Financial Services

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 ("LIB") ("XIB Group") in Mainland China and Macau respectively.

In 2015, the Group's financial services business reported a profit after tax of HK$472.49 million, an increase of 5.1% as compared to HK$449.71 million in 2014. Excluding the impact of the extraordinary gains on dilution, the profit after tax amounted to HK$399.45 million, a decrease of 8.8% as compared to 2014 due to our micro credit business in Mainland China was severely challenged during the year.

Banking Business

XIB focused on providing diversified, personalised and comprehensive financial products and took further steps to enhance the customer experience and strengthen ties with existing clients and reach new targeted customers more effectively. In 2015, XIB demonstrated once again its potential and capability to generate substantial value for its shareholders.

XIB reported a profit after tax prepared in accordance with the PRC Accounting Standards of RMB3.32 billion, an increase of RMB1.09 billion, or 49%, as compared to RMB2.23 billion recorded in 2014. Net interest income continued to grow and recorded an increase of 75.4% in 2015, mainly driven by the growth of loan portfolio and the income brought by new business. Non-interest income fell by 38% in 2015, which was mainly due to net exchange losses resulting from the depreciation in the Renminbi.

At 31 December 2015, the total assets grew by 31.6% to RMB459.2 billion as compared to RMB348.94 billion at the end of 2014. Gross loans to customers were RMB153.59 billion, an increase of 37.9% as compared to RMB111.37 billion at the end of 2014. XIB substantially grew its loans portfolio while continuing to uphold good asset quality with non-performing loan ratio less than 1%. Total deposits from customers were up 38.4% to RMB310.34 billion from RMB224.19 billion at the end of 2014.

During the year, XIB issued 900 million new shares at RMB7.5 per share to third parties for a consideration of RMB6.75 billion. In addition, XIB issued bonus shares at 10 new shares for 10 existing shares in December 2015 and the issued shares had been increased to 6.39 billion shares. LIB, a wholly-owned subsidiary of XIB, issued new shares to third parties to enlarge its capital base in December 2015 and thus, the shareholding of XIB had been diluted to 49.04%. LIB was classified as a subsidiary of XIB upon completion of the share issue as XIB had the ability to exercise controlling power over the operation of LIB.

The presence of about 50 branches and sub-branches in 9 cities in Mainland China and 13 branches in Macau provides convenient services to customers. Also, XIB Group launched its online banking services and mobile banking app to better serve its customers' needs and increase the number of potential points of client contact. Supported by these well-established infrastructures, its committed services to customers enable XIB to respond swiftly to new opportunities for business created by favorable policy development. It is believed that XIB will generate substantial value for shareholders.

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.

Minxin Micro Credit faced a challenging operating environment in 2015. Small and medium size enterprises faced its difficult time as the ongoing economic deleveraging had slow down the growth rate of gross domestic product. Shortage of funds had definitely ruined most of the small and medium size enterprises, especially those in third-tier and fourth-tier cities, like Sanming City. The default in interest payment and principal repayment was widespread from the beginning of 2015. The non-performing loan ratio of Minxin Micro Credit stood at 78.5%, increased substantially as compared to the end of 2014.

At 31 December 2015, loans to customers were RMB286.81 million (equivalent to HK$342.26 million), an increase of 15.1% from RMB249.1 million (equivalent to HK$311.28 million) at the end of 2014. These loans mainly comprised secured, pledged and guaranteed loans. In view of the widespread of default in interest payment and principal repayment for the year and based on the overdue loans to customers at the reporting date, the Group had increased the impairment losses on loans and interest receivable to RMB135.87 million (equivalent to HK$162.13 million) at the end of 2015, surged by 339% or RMB104.92 million, as compared to RMB30.95 million (equivalent to HK$38.68 million) at the end of 2014. Allowances to total loans (included interest receivable) ratio was 45.8% at 31 December 2015, was up 33.5 percentage points as compared with 12.3% at the end of 2014.

Excluding the interest income on impaired loans, Minxin Micro Credit reported interest income generated from loans of RMB25.75 million (equivalent to HK$31.9 million) during the year, a decrease of 33.3% as compared with RMB38.59 million (equivalent to HK$48.47 million) in 2014, mainly due to the cessation of interest income recognition on non-performing loans. Due to the additional provision of impairment losses of RMB104.92 million (equivalent to HK$129.96 million) recorded during the year, Minxin Micro Credit recorded a loss after tax of RMB82.17 million (equivalent to HK$101.79 million), as compared to a profit after tax of RMB3.08 million (equivalent to HK$3.87 million) in 2014.

Minxin Micro Credit took aggressive action to manage asset quality, including but not limited to tighten the credit guidelines in order to control the quality of new loans and put more efforts to recover the non-performing loans. Minxin Micro Credit had taken legal action against several borrowers who were delinquent in interest and principal repayment in order to take possession of the pledged assets. The management of Minxin Micro Credit will increase resources and efforts to recover non-performing loans for the year ahead.

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 Macau.

Min Xin Insurance recorded gross insurance premium of HK$61.92 million in 2015, grew by 17.4% as compared to HK$52.74 million in 2014, primarily contributed from the satisfactory growth from our bancasurance business in Macau. The Macau insurance business performed well and achieved a 26.2% increase in gross insurance premium in 2015. The Hong Kong insurance business showed a sign of improvement and the gross insurance premium grew by 8.6% in 2015.

Underwriting profit before deducting management expenses for underwriting business declined by 15.2% to HK$6.4 million, mainly due to deteriorated claims experience of employees' compensation insurance business for construction projects. Min Xin Insurance recorded an underwriting loss of HK$1.92 million, improved by 34.9% as compared to the underwriting loss of HK$2.95 million in 2014, if management expenses for underwriting business are included.

Min Xin Insurance recorded a profit after tax of HK$5.43 million, an increase of 23.2% from HK$4.41 million in 2014, mainly due to net gains generated from revaluation of investment properties and trading of listed equity securities.

Min Xin Insurance launched its brand new "Min Xin Travel Insurance Package" in Hong Kong and Macau general insurance market in November 2015 and a satisfactory result is achieved. The new Company Website was launched in the third quarter of 2015 and our single trip travel insurance product is distributed through the online system in our Company Website. To enhance its service quality and speed up the workflow, Min Xin Insurance had also launched its new online motor insurance quotation system to facilitate the efficiency of private car insurance quotation.

In order to accelerate its re-branding project in 2016, Min Xin Insurance will launch its brand new "Min Xin Personal Accident Comprehensive Insurance Plan" and "Min Xin Home Package Insurance" in the second quarter of 2016 and a Product Launch Cocktail Reception will be held at World Trade Centre Club Hong Kong at 3:30 pm on 31 March 2016.

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 2015, the property development and investment business reported a profit after tax of HK$0.22 million, a decrease by 97.8% as compared to HK$9.97 million in 2014 due to lack of interest income generated from the loan to a real estate developer and the revaluation loss of investment properties.

The Group was able to maintain a stable rental income from its commercial properties and car parks in Fuzhou, Fujian Province (the "Fuzhou Property"). The Group recorded a rental income of RMB5.55 million in 2015, was up 0.4% as compared to RMB5.53 million in 2014. The market rental income in Fuzhou had generally declined due to over supply of office building. At 31 December 2015, the fair value of the Fuzhou Property was RMB80.04 million, a decrease of 3.8% as compared to the fair value of RMB83.21 million at the end of 2014. The Group recorded a fair value loss of HK$11.74 million and a fair value loss after deferred tax of HK$4.11 million in 2015, as compared to a fair value gain of HK$3.87 million and a fair value gain after deferred tax of HK$1.27 million in 2014.

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

At 31 December 2015, the Shanghai Composite Index increased by about 9.4% as compared to that at the end of 2014. However, the closing bid price of Huaneng's A-share declined from RMB8.81 per share at 31 December 2014 to RMB8.72 per share at 31 December 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 stood at HK$727.92 million (equivalent to RMB609.98 million). The loss of HK$42.21 million arising from the change in its fair value (2014: gain of HK$317.61 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 year, Huaneng paid a final dividend for 2014 of RMB0.38 per share. The Group recorded dividend income totaling RMB26.58 million (equivalent to HK$33.22 million), 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 2014.

Huaneng has announced its 2015 annual results under the PRC Accounting Standards. Its operating revenue has decreased by 7.9% year-on-year, while its operating expenses have reduced by 12.5% as compared with 2014. Such decrease in operating expenses was due to the reduced fuel cost. Its profit attributable to equity holders has increased by 13.2% to RMB13.79 billion with earnings per share of RMB0.95 for the year, an increase of 10.5% as compared to RMB0.86 per share in 2014.

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 31 December 2015 (2014: 459,428,656 shares), the net asset value per share was HK$11.06 at 31 December 2015 (2014: HK$10.48).

Total Liabilities to Equity Ratio and Current Ratio

At 31 December 2015, the total liabilities of the Group were HK$804.74 million (2014: HK$761.94 million) and the ratio of total liabilities to total equity attributable to shareholders of the Company was 15.8% (2014: 15.8%). At 31 December 2015, the current assets and current liabilities of the Group were HK$1,672.02 million (2014: HK$1,668.36 million) and HK$226.82 million (2014: HK$686 million) respectively with a current ratio of 7.4 (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 31 December 2015, the Group's borrowings from local banks totaled HK$625.84 million (2014: HK$580 million), an increase of HK$45.84 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$117.58 million repayable within one year, HK$151.38 million repayable more than one year but within two years and HK$356.88 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. The effective interest rate at 31 December 2015 ranged from 3.1% to 3.4% per annum (2014: ranged from 2% to 3.1% per annum).

At 31 December 2015, the above bank loans were secured by the Group's bank deposits of RMB41 million (equivalent to HK$48.93 million) (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$10.44 million (2014: HK$10.7 million).

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

Gearing Ratio

At 31 December 2015, the gearing ratio of the Group (total borrowings and advances divided by total net assets) still maintained at a low level and was 12.1% (2014: 12%).

Cash Position

The Group's bank deposits are interest bearing at prevailing market rates. At 31 December 2015, the total bank deposits of the Group amounted to HK$1,432.1 million (2014: HK$1,353.93 million) of which 4.3% were in Hong Kong Dollars, 94.7% in Renminbi and 1% in other currencies (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 (the "HKOCI"), a subsidiary shall maintain at all times a portion of its funds of not less than HK$16 million in the name of Insurance Authority account in bank deposits. At 31 December 2015, that subsidiary has placed a fixed deposit of RMB13.9 million (equivalent to HK$16.59 million) and HK$1 million (2014: HK$16 million) in the name of Insurance Authority account 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 RMB3.68 million (equivalent to HK$4.39 million) (2014: MOP11.9 million, equivalent to HK$11.55 million) for fulfilling certain requirements under the Macau Insurance Companies Ordinance.

Risk of Exchange Rate Fluctuation

The Group operates in Hong Kong, Mainland China and Macau, 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 year.

Capital Commitments

At 31 December 2015, the Group's capital commitments relating to property, plant and equipment and investment properties amounted to HK$0.2 million (2014: HK$0.21 million).

At 31 December 2015, the Group's capital commitments relating to the purchase of new computerised systems amounted to HK$1.63 million (2014: Nil).

Investment Commitments

At 31 December 2015, a wholly-owned subsidiary of the Company had investment commitments relating to the contribution of RMB8.55 million (equivalent to HK$10.2 million) (2014: Nil) to the registered capital of an associate principally engaged in the development and distribution of intelligent access door control system in Mainland China.

Contingent Liabilities

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

EMPLOYEES AND REMUNERATION POLICY

At 31 December 2015, the Group had 75 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.

The Group regards human resources as its valuable assets. The Group offers numerous employee benefits and group activities to our staff members. To motivate our employees to enhance and develop their professional knowledges and skills, the Group provides on-the-job trainings and workshops for our employees as well as encourages them to attend seminars and trainings with topics of relevance to their jobs and duties funded by the Group. The Group also organises recreational outings and wellness workshops on topics such as cooking and sports activities.

CUSTOMER RELATIONSHIPS

With respect to the Group's insurance business, we are committed to establish a good long-term business relationship with our brokers and agents. Insurance products together with the pricing philosophy and other guidelines will be provided to the brokers and agents if needed. Our underwriters will visit our brokers and agents regularly to maintain a good relationship. Our claims and customer service staff will swiftly and carefully manage and respond to our brokers' and agents' enquiries in relation to the insurance products and other related matters.

ENVIRONMENTAL POLICY

Being a responsible corporate citizen, the Group continues to support the environmental protection initiatives to conserve the natural resources. We place a high priority on minimisation of the environmental impact of our business activities by promoting energy-efficient lighting to reduce energy consumption. In addition, we actively encourages staff members to consume less energy, water and paper, such as e-filings and paper recycling in our offices.

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance is an integral part of the Group's corporate governance and we are aware of the potential risks of regulatory non-compliance. As far as the Board is aware, the Group has complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group.

KEY RISKS AND UNCERTAINTIES

The Group's businesses, financial condition, results of operations, and prospects may be affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group. They are not exhaustive or comprehensive, and there may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Financial risks

The Group's business activities expose it to a variety of financial risks including insurance risk, market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The details of the Group's financial risks exposure are set out in Note 4 to the consolidated financial statements in the Company's 2015 Annual Report.

Business risks

Banking Business

The growth of XIB Group depends on the macroeconomic factors that affect Mainland China and Macau, including the growth of gross domestic product, inflation levels, changes in laws or regulations related to banks and financial products, changes in macroeconomic control policies, market liquidity, changes in credit policies, changes in loan demands as well as progress of financial reform and interest rate liberalisation. XIB Group may be unable to maintain its growth rate as a result of an adverse change in any one or more of the above factors or other factors, which could have a material and adverse effect on its financial condition, results of operations and prospects.

Micro Credit Business

Pursuant to the laws and regulations in Mainland China, Minxin Micro Credit is not permitted to grant any loan to non-resident customers in Sanming City. As the business operations of Minxin Micro Credit is restricted to Sanming City, its growth opportunities will depend on the stability and prosperity of economy of Sanming City. If there is significant deterioration of the economy in Sanming City, it may have adverse effect on the repayment ability of its customers, and in deed, the financial condition and results of operations of Minxin Micro Credit may be adversely affected.

Insurance Business

The insurance industries in Hong Kong and Macau are highly regulated. Companies carrying on insurance business in or from Hong Kong and Macau must obtain authorisation from the HKOCI and Autoridade Monetária De Macau (the "AMCM") respectively and are subject to the requirements imposed by HKOCI and AMCM from time to time. Authorisation will only be granted to insurers when certain requirements under the Insurance Companies Ordinance and Macau Insurance Companies Ordinance are met. Compliance with applicable laws, rules and regulations may restrict the operations of the Group's insurance business and require the Group to deploy significant resources and to devote considerable time to such compliance efforts. New or revised laws, rules and regulations may be introduced from time to time and such changes may have an adverse effect on the insurance companies in Hong Kong and Macau.

The Group establishes and maintains reserves to cover estimated losses and associated expenses for reported and unreported claims. Reserves estimated can be affected by various variables, such as changes in claims handling procedures, inflation, missing claims and legislative and regulatory changes. Most of these variables are not directly quantifiable, particularly on a prospective basis, and are outside the Group's control. As a result, actual claims payments may differ significantly from the reserves estimated, despite the use of actuarial analysis in calculating reserves. If the Group's reserves are inadequate and need to be increased in future periods, the results of the Group's insurance business would be adversely affected.

Property Investment

The rental rates and the occupancy rates will depend on various factors, including but not limited to, prevailing supply and demand conditions of office building, economic conditions of Mainland China as well as the quality of the properties. There is no assurance that the Group is able to look for new tenants within a short period of time or procure new leases or renew existing leases at the prevailing market rental rates.

The Group is required to reassess the fair value of its investment properties at the end of each reporting period and the change in fair value is recognised in the consolidated income statement. There is no assurance that changes in market conditions will continue to generate gains from fair value changes in investment properties at similar level or at same level, or there will be no decline in the fair value of the Group's investment properties.

Investment in Huaneng Shares

Huaneng Shares are listed on the Shanghai Stock Exchange and are classified as available-for-sale financial asset of the Group. The dividend income from Huaneng Shares is affected by various factors which are beyond the Group's control, including but not limited to, the results of operation, liquidity position and dividend policy of Huaneng.

The Group is required to reassess the fair value of Huangeng Shares at the end of each reporting period and the change in fair value is recognised in other comprehensive income and accumulated separately in equity in the investment revaluation reserve. The fair value of the Group's investment in Huaneng Shares is measured by the closing bid price of Huaneng's A-Share.

The closing bid price of Huaneng's A-Share may be volatile and is affected by various factors which are beyond the Group's control, including but not limited to, the results of operation of Huaneng, investor sentiment or confidence in the stock market, and changes in economic conditions of Mainland China.

PROSPECTS

Looking ahead to 2016, the economic growth momentum of Mainland China is anticipated to continue to be slow. The competitive operating environment and deteriorated credit risk in Mainland China created great challenge to our banking and micro credit businesses. The Group will continue to focus on asset quality control and put more efforts to recover non-performing loans of its micro credit business.

The Group will gradually expand its insurance business in Hong Kong and Macau through diversification of insurance products and broaden of distribution channels. The Group will continue to adopt prudent and swiftly response underwriting strategies accompanying flexible marketing technique to seek lower risks and reasonably priced business. The Group will also continue to optimise the utilisation of system resources to enhance service quality and efficiency of its insurance operations.

As an investment-based company with sound financial position, the Group will continue to develop and enlarge its financial services business in Greater China region in a profitable manner and target at investment opportunities in commercial lending and financing business in Mainland China.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company had 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") throughout the year ended 31 December 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 Articles of Association of the Company.

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 had complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions throughout the year ended 31 December 2015.

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 audited annual results of the Group for the year ended 31 December 2015.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

PUBLICATION OF ANNUAL REPORT

The Company's 2015 Annual 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, 30 March 2016

As at the date of this announcement, the Executive Directors of the Company are Messrs Weng Ruo Tong (Chairman), Wang Fei (Vice Chairmen) and Liu Cheng, the Non-executive Directors are Messrs Yang Fang, Liu Lun and Hon Hau Chit; and the Independent Non-executive Directors are Messrs Ip Kai Ming, Sze Robert Tsai To and So Hop Shing.