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MIN XIN HOLDINGS LIMITED
閩信集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 222)

ANNOUNCEMENT OF 2019 INTERIM RESULTS

FINANCIAL HIGHLIGHTS

- Profit attributable to shareholders amounted to HK$273 million, an increase of 21.7%
- Basic earnings per share increased by 21.7% to 45.7 HK cents
- Total assets increased by 4.1% to HK$7.6 billion
- Total equity attributable to shareholders increased by 2.5% to HK$6.9 billion

The board (the "Board") of directors (the "Directors") of Min Xin Holdings Limited (the "Company") hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2019 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2019

		Unaudited Six months ended 30 June	
		2019	2018
	Note	***HK$'000***	*HK$'000*
Total revenues	*2*	**82,320**	673,108
Other losses – net	*3*	**(2,280)**	(2,482)
Costs of sales		**(10,996)**	(607,075)
Net insurance claims incurred and commission expenses incurred on insurance business		**(19,838)**	(14,869)
Write back of impairment loss on loans to customers and interest receivable		**3,884**	1,278
Selling and distribution costs		**(332)**	(1,125)
Administrative and other expenses		**(28,530)**	(25,508)
Operating profit	*4*	**24,228**	23,327
Finance costs	*5*	**(9,602)**	(11,558)
Share of results of associates		**261,568**	218,880
Profit before taxation		**276,194**	230,649
Income tax expense	*6*	**(3,226)**	(6,369)
Profit for the period		**272,968**	224,280
		HK CENTS	*HK CENTS*
Earnings per share			
Basic and diluted	*7*	**45.70**	37.55

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2019

	Unaudited	
	Six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
Profit for the period	**272,968**	224,280
Other comprehensive income		
Items that will not be reclassified to income statement:		
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)	**(88,454)**	8,806
Leasehold buildings revaluation reserve		
Unrealised surplus on revaluation of leasehold buildings transferred to investment property	**2,747**	–
Deferred income tax	**(732)**	–
	2,015	–
Share of other comprehensive income of associates	**2**	(12)
	(86,437)	8,794
Items that may be reclassified subsequently to income statement:		
Exchange differences arising on translation of the financial statements of foreign subsidiaries and associates	**7,424**	(74,357)
Share of other comprehensive income of associates	**33,315**	85,639
	40,739	11,282
Other comprehensive income for the period, net of tax	**(45,698)**	20,076
Total comprehensive income for the period	**227,270**	244,356

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

		Unaudited	Audited
		30 June	31 December
		2019	2018
	Note	***HK$'000***	*HK$'000*
Non-current assets			
Property, plant and equipment		**26,787**	20,935
Intangible assets		**1,154**	1,573
Investment properties		**164,133**	169,632
Associates		**5,289,569**	4,988,673
Financial assets at fair value through other comprehensive income		**489,343**	570,417
Financial assets at amortised cost		**–**	3,129
Reinsurance assets		**3,800**	1,546
Prepayments		**96**	6
Bank deposit		**230,807**	–
Pledged bank deposit		**228,070**	227,800
Bank interest receivable		**6,674**	–
Deferred income tax assets		**119**	535
		6,440,552	5,984,246
Current assets			
Inventories		**–**	10,668
Financial assets at amortised cost		**3,122**	–
Deferred acquisition costs		**25,386**	21,242
Insurance receivable	*9*	**23,493**	13,134
Reinsurance assets		**5,338**	4,791
Loans to customers and interest receivable	*10*	**22,554**	22,875
Banker's acceptance		**–**	56,186
Other debtors		**7,033**	2,927
Advance payment		**–**	1,387
Other prepayments and deposits		**1,069**	1,548
Financial assets at fair value through profit or loss		**309**	306
Cash and bank balances		**1,066,266**	1,177,580
		1,154,570	1,312,644
Current liabilities			
Insurance contracts		**49,572**	65,523
Insurance payable	*11*	**16,329**	9,196
Other creditors and accruals		**23,118**	24,498
Bank borrowings		**60,000**	198,804
Loan from the controlling shareholder		**49,935**	–
Lease liabilities		**188**	–
Current income tax payable		**27,390**	25,495
Dividend payable		**59,726**	–
		286,258	323,516
Net current assets		**868,312**	989,128
Total assets less current liabilities		**7,308,864**	6,973,374

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 30 June 2019

		Unaudited 30 June 2019	Audited 31 December 2018
	Note	***HK$'000***	*HK$'000*
Non-current liabilities			
Bank borrowings		**199,956**	199,966
Loan from the controlling shareholder		**149,918**	–
Lease liabilities		**162**	–
Insurance contracts		**37,537**	17,482
Deferred income tax liabilities		**21,927**	24,106
		409,500	241,554
Net assets		**6,899,364**	6,731,820
Equity			
Share capital		**1,715,377**	1,715,377
Other reserves		**1,487,929**	1,504,672
Retained profits		**3,696,058**	3,511,771
Total equity attributable to shareholders of the Company		**6,899,364**	6,731,820

Notes

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements of the Group have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance 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 2018 annual report.

Except as described in Note 1(a) below, the accounting policies adopted in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those used in the 2018 annual report.

The financial information relating to the year ended 31 December 2018 that is included in this interim results announcement as comparative information does not constitute the Company's statutory consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to these statutory consolidated financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Chapter 622) ("Companies Ordinance") is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2018 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those consolidated financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

(a) Changes in accounting polices

The Group has adopted the following new standards and amendments to standards issued by the HKICPA.

–	HKFRS 16	Leases
–	Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
–	Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
–	Amendments to HKFRS 9	Prepayment Features with Negative Compensation
–	HK(IFRIC) – Interpretation 23	Uncertainty over Income Tax Treatments
–	Annual Improvements to HKFRSs 2015 – 2017 Cycle	

Except for HKFRS 16, Leases, none of the adoption has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in these unaudited condensed consolidated interim financial statements. The Group has not applied any new standard or interpretation that is not effective for the current accounting period.

HKFRS 16, Leases

HKFRS 16 replaces HKAS 17, Leases, and the related interpretations, HK(IFRIC) 4, Determining whether an Arrangement contains a Lease, HK(SIC) 15, Operating Leases – Incentives and HK(SIC) 27, Evaluating the Substance of Transactions Involving the Legal Form of a Lease. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("short-term leases") and leases of low value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

The Group has initially applied HKFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(i) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases.

Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

(ii) Lessee accounting

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets. As far as the Group is concerned, these newly capitalised leases are primarily in relation to property, plant and equipment.

When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. For the Group, the low-value assets are typically office equipment. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for the following types of right-of-use assets:

– right-of-use assets that meet the definition of investment property are carried at fair value.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(iii) Leasehold investment property

Under HKFRS 16, the Group is required to account for all leasehold properties as investment properties when these properties are held to earn rental income and/or for capital appreciation ("leasehold investment properties"). The adoption of HKFRS 16 does not have a significant impact on the Group's consolidated financial statements as the Group previously elected to apply HKAS 40, Investment Property, to account for all of its leasehold properties that were held for investment purposes at 31 December 2018. Consequentially, these leasehold investment properties continue to be carried at fair value.

(iv) Lessor accounting

The accounting policies applicable to the Group as a lessor remain substantially unchanged from those under HKAS 17.

(v) Transition

At the date of transition to HKFRS 16 (i.e. 1 January 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 January 2019.

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

– the Group elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 December 2019; and

– when measuring the lease liabilities at the date of initial application of HKFRS 16, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment).

The following table reconciles the operating lease commitments at 31 December 2018 as disclosed in Note 35(a) in the 2018 annual report to the opening balance for lease liabilities recognised at 1 January 2019:

	HK$'000
Operating lease commitments at 31 December 2018	104
Less: commitments relating to leases exempt from capitalisation:	
– short-term leases and other leases with remaining lease term ending on or before 31 December 2019	(104)
Total lease liabilities recognised at 1 January 2019	–

2 REVENUE AND SEGMENTAL INFORMATION

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

	Six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
Sales of motor vehicles	**11,045**	615,551
Interest income from loans to customers (a)	**3,274**	2,390
Rental income from investment properties	**4,341**	4,874
Dividend income from financial assets at fair value through other comprehensive income	**7,714**	8,420
	26,374	631,235
Net earned insurance premiums		
Gross insurance premiums	**44,058**	31,652
Movement in unearned insurance premiums	**(11,252)**	(4,737)
Reinsurance premiums ceded and reinsurers' share of movement in unearned insurance premiums	**(2,919)**	(3,170)
	29,887	23,745
Other revenues		
Management fee	**–**	4
Interest income from bank deposits	**23,123**	18,007
Interest income from financial assets at amortised cost	**51**	51
Dividend income from listed equity securities held for trading	**14**	13
Government grants	**2,688**	–
Others	**183**	53
	26,059	18,128
Total revenues	**82,320**	673,108

(a) The interest income from loans to customers for the period comprised an interest income accrued for credit impaired loans to customers of HK$1,970,000 (2018: HK$2,350,000).

The Group identifies its operating segments based on the reports reviewed internally by the chief operating decision-makers which include the Board and the Management Team 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 activity operated and investment 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, Chiyu Banking Corporation Limited and Luso International Bank in Mainland China, Hong Kong and Macau.

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

– Trading in motor vehicles: this segment includes the trading in motor vehicles business. The Group had ceased the business of trading in motor vehicles during the period.

– Property investment: this segment includes the leasing of high quality office space in Mainland China.

– Strategic investment: this segment represents the Huaneng A-Shares held by the Group.

– Others: this segment includes results of operations not directly identified under other reportable segments and corporate 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 the strategic decision making and day-to-day management of the business of the Group and corporate activities that cannot be reasonably allocated to other segments, products and services are grouped under others. 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 respective segments and 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 shareholders of the Company is treated as unallocated liabilities in reporting segment assets and liabilities.

	Financial services		Insurance		Trading in motor vehicles (Ceased during the period)		Property investment		Strategic investment		Others		Inter-segment elimination		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	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	HK$'000	HK$'000
Six months ended 30 June																
Revenue																
Disaggregated by timing of revenue recognition under HKFRS 15																
Point in time	–	–	–	–	11,045	615,551	–	–	–	–	–	–	–	–	11,045	615,551
Over time	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	–	–	–	–	11,045	615,551	–	–	–	–	–	–	–	–	11,045	615,551
Interest income from loans to customers	3,274	2,390	–	–	–	–	–	–	–	–	–	–	–	–	3,274	2,390
Net earned insurance premiums	–	–	29,887	23,745	–	–	–	–	–	–	–	–	–	–	29,887	23,745
Dividend income	–	–	–	–	–	–	–	–	7,714	8,420	–	–	–	–	7,714	8,420
Rental income	–	–	2,333	2,327	–	–	2,008	2,547	–	–	–	–	–	–	4,341	4,874
Other revenues	1,916	1,061	1,039	821	35	–	89	1	–	–	22,980	16,245	–	–	26,059	18,128
Revenue from external customers	5,190	3,451	33,259	26,893	11,080	615,551	2,097	2,548	7,714	8,420	22,980	16,245	–	–	82,320	673,108
Inter-segments	–	–	19	–	–	–	77	–	–	–	1,875	1,887	(1,971)	(1,887)	–	–
Reportable segment revenue	5,190	3,451	33,278	26,893	11,080	615,551	2,174	2,548	7,714	8,420	24,855	18,132	(1,971)	(1,887)	82,320	673,108
Other (losses)/gains — net	–	–	(882)	3,114	–	90	(1,526)	(3,490)	–	–	128	(2,196)	–	–	(2,280)	(2,482)
Write back of impairment loss on loans to customers and interest receivable	3,884	1,278	–	–	–	–	–	–	–	–	–	–	–	–	3,884	1,278
Operating expenses	(1,583)	(2,291)	(30,579)	(23,210)	(11,328)	(608,291)	(786)	(928)	–	–	(17,391)	(15,744)	1,971	1,887	(59,696)	(648,577)
Operating profit/(loss)	7,491	2,438	1,817	6,797	(248)	7,350	(138)	(1,870)	7,714	8,420	7,592	192	–	–	24,228	23,327
Finance costs	(5,727)	(4,075)	(2)	–	–	–	–	–	–	–	(3,873)	(7,483)	–	–	(9,602)	(11,558)
Share of results of associates	259,323	217,522	–	–	–	–	–	–	–	–	2,245	1,358	–	–	261,568	218,880
Profit/(loss) before taxation	261,087	215,885	1,815	6,797	(248)	7,350	(138)	(1,870)	7,714	8,420	5,964	(5,933)	–	–	276,194	230,649
Income tax (expense)/credit	–	(375)	426	(245)	62	(1,847)	2,926	2,239	(771)	(842)	(5,869)	(5,299)	–	–	(3,226)	(6,369)
Profit/(loss) for the period	261,087	215,510	2,241	6,552	(186)	5,503	2,788	369	6,943	7,578	95	(11,232)	–	–	272,968	224,280
Interest income	5,098	3,448	1,037	793	–	–	–	–	–	–	20,313	16,207	–	–	26,448	20,448
Depreciation and amortisation for the period	117	66	543	462	4	7	–	–	–	–	380	350	–	–	1,044	885

	Financial services		Insurance		Trading in motor vehicles (Ceased during the period)		Property investment		Strategic investment		Others		Consolidated	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018	**2019**	2018
	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*
At 30 June 2019 and 31 December 2018														
The Company and subsidiaries	**132,951**	126,644	**379,508**	300,349	**–**	68,608	**63,437**	65,051	**481,981**	570,417	**1,247,676**	1,177,148	**2,305,553**	2,308,217
Investments in associates	**5,241,391**	4,942,748	**–**	–	**–**	–	**–**	–	**–**	–	**48,178**	45,925	**5,289,569**	4,988,673
Total assets	**5,374,342**	5,069,392	**379,508**	300,349	**–**	68,608	**63,437**	65,051	**481,981**	570,417	**1,295,854**	1,223,073	**7,595,122**	7,296,890
The Company and subsidiaries	**224,651**	224,422	**113,191**	100,257	**–**	1,706	**21,364**	22,253	**775**	–	**276,051**	216,432	**636,032**	565,070
Unallocated liabilities														
Dividend payable													**59,726**	–
Total liabilities	**224,651**	224,422	**113,191**	100,257	**–**	1,706	**21,364**	22,253	**775**	–	**276,051**	216,432	**695,758**	565,070
Additions to non-current segment assets during the period	**90**	–	**439**	71	**–**	–	**–**	–	**–**	–	**110**	643	**639**	714

(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, intangible assets, 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 intangible assets and investments in associates.

	Hong Kong		Mainland China		Macau		Consolidated	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018
	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	**6,965**	8,689	**47,850**	643,624	**27,505**	20,795	**82,320**	673,108
At 30 June 2019 and 31 December 2018								
The Company and subsidiaries	**118,368**	119,448	**73,240**	71,983	**466**	709	**192,074**	192,140
Investments in associates	**–**	–	**5,289,569**	4,988,673	**–**	–	**5,289,569**	4,988,673
Specified non-current assets	**118,368**	119,448	**5,362,809**	5,060,656	**466**	709	**5,481,643**	5,180,813

3 OTHER LOSSES – NET

	Six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
Net realised and unrealised gains on financial assets at fair value through profit or loss	**3**	1,582
Fair value losses on revaluation of investment properties	**(2,391)**	(153)
Net exchange gains/(losses)	**108**	(3,911)
	(2,280)	(2,482)

4 OPERATING PROFIT

	Six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
Operating profit is stated after crediting and charging the following:		
Crediting		
Net exchange gains	**108**	–
Rentals received and receivable from investment properties less direct outgoings	**3,866**	4,344
Charging		
Staff costs, including directors' emoluments	**21,081**	18,058
– Salaries, allowances and bonus	**20,171**	17,473
– Retirement benefit costs	**910**	585
Costs of sales	**10,996**	607,075
– Cost of inventories	**12,473**	606,594
– Reversal of write down of inventories	**(1,509)**	–
– Others	**32**	481
Depreciation and amortisation	**1,044**	885
Loss on disposal of property, plant and equipment	**24**	53
Operating lease rentals in respect of land and buildings	**127**	232
Management fee	**940**	940
Net exchange losses	**–**	3,911

5 FINANCE COSTS

	Six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
Interest on bank loans	**9,107**	11,558
Interest on loan from the controlling shareholder	**493**	–
Interest on lease liabilities	**2**	–
	9,602	11,558

6 INCOME TAX EXPENSE

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

	Six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
Current tax		
Hong Kong profits tax	**123**	111
Mainland China corporate income tax	**4,202**	5,138
Mainland China withholding tax	**1,827**	2,697
Macau taxation	**–**	196
	6,152	8,142
Over provision in prior years		
Macau taxation	**(441)**	–
Deferred tax		
Relating to the origination and reversal of temporary differences	**(2,485)**	(1,773)
Income tax expense	**3,226**	6,369

Hong Kong profits tax has been provided at the rate of 8.25% under the Two-tiered Rates of Profits Tax (2018: 8.25%) on the estimated assessable profits arising in Hong Kong for the period.

Mainland China corporate income tax has been calculated at the rate of 25% (2018: 25%) on the estimated taxable profits for the period.

Mainland China withholding tax is levied at 5% and 10% on dividend income received from subsidiaries and investees incorporated in Mainland China respectively when these subsidiaries and 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 period at the rates of taxation prevailing in Macau.

7 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company for the six months ended 30 June 2019 of HK$272,968,000 (2018: HK$224,280,000) and the weighted average of 597,257,252 (2018: 597,257,252) 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 2019 (2018: Nil).

9 INSURANCE RECEIVABLE

The credit period for the majority of insurance receivable normally ranges from 60 to 90 days. The credit terms of insurance receivable, including whether guarantees from third parties are required, are determined by senior management.

At 30 June 2019 and 31 December 2018, the ageing analysis of insurance receivable by invoice date was summarised as follows:

	30 June 2019	31 December 2018
	HK$'000	*HK$'000*
Within 30 days	**12,315**	4,245
31-60 days	**5,714**	5,751
61-90 days	**4,126**	2,746
Over 90 days	**1,338**	392
	23,493	13,134

10 LOANS TO CUSTOMERS AND INTEREST RECEIVABLE

	30 June 2019	31 December 2018
	HK$'000	*HK$'000*
Micro credit business		
– guaranteed loans	**157,102**	161,479
– secured loans	**99,972**	101,249
– pledged and guaranteed loans	**10,947**	10,934
– secured, pledged and guaranteed loans	**4,333**	4,387
Loans to customers	**272,354**	278,049
Interest receivable	**11,684**	11,753
	284,038	289,802
Impairment allowances	**(261,484)**	(266,927)
	22,554	22,875

At 30 June 2019 and 31 December 2018, the loans to customers and related interest receivable were overdue over 365 days and impaired.

11 INSURANCE PAYABLE

At 30 June 2019 and 31 December 2018, the ageing analysis of insurance payable by invoice date was summarised as follows:

	30 June 2019	31 December 2018
	HK$'000	*HK$'000*
Within 30 days	**7,747**	3,376
31-60 days	**4,102**	2,863
61-90 days	**3,318**	1,900
Over 90 days	**1,162**	1,057
	16,329	9,196

CHAIRMAN'S STATEMENT

I am pleased to announce the unaudited interim results of the Group for the first half of 2019.

The global trade and investment activities had been sluggish during the period under review, the trade frictions and the geopolitical risks had diminished the growth of major economies and brought significant challenges to the global economy. The economic outlook was clouded with risks of fund flow volatilities and global trade policy uncertainties and the downward pressures on the economy were prominent.

Our Performance

We achieved an encouraging results in the first half of 2019. Unaudited profit attributable to shareholders increased by 21.7% to HK$272.97 million as compared to the corresponding period in 2018 and basic earnings per share increased by 21.7% to 45.7 HK cents.

Total assets of the Group at 30 June 2019 recorded an increase of 4.1% to HK$7.6 billion as compared to HK$7.3 billion at the end of 2018.

Total assets of our banking business accounted for 69% of the Group's total assets at 30 June 2019. The net asset value per share of the Company amounted to HK$11.55 at 30 June 2019, about 76% came from the investment in Xiamen International Bank Co., Ltd. ("XIB", together with its subsidiaries, Chiyu Banking Corporation Limited ("CYB") and Luso International Banking Ltd. ("LIB"), are collectively referred to as "XIB Group"). The results contributed by banking business represented 92.9% of the Group's profit attributable to shareholders in the first half of 2019.

XIB, the most significant financial investment of the Group, has contributed about 92.9% of the results of the Group in the first half of 2019. The Group's share of results of XIB Group was HK$259.32 million in the first half of 2019, an increase of 19.2% as compared to HK$217.52 million in the same period of 2018 mainly driven by organic growth of XIB Group.

XIB Group has achieved a satisfactory growth in its balance sheet and the total assets grew by 12.3% to RMB906.01 billion at 30 June 2019 as compared to RMB806.42 billion at the end of 2018.

XIB Group continuously expanded its branch network in the Greater China region during the period under review. XIB Group invested further in technological financial services infrastructure in order to gradually achieve operational automation and digital services in its branch network and deliver its commitment to providing better service experience. XIB Group enhanced cross border financial services and increased effects in developing green finance and inclusive finance to drive long-term growth strategy. XIB was ranked 158th in total assets and 193th in Tier-one Capital in the 2019 Top 1000 World Banks announced by The Banker in July 2019 and was ranked 9th in comprehensive strengths in the 2018 Top 100 China City Commercial Banks. XIB will continue to serve the real economy and deepen the inclusive and green finance by unleashing its competitive strengths and using new technology in order to deliver a good income and profit growth for its shareholders.

We have continued to make every effort to recover non-performing loans of our micro credit business in Mainland China. We have recovered overdue loans principal of RMB5.28 million in the first half of 2019 and impairment allowances related to those loans of RMB5.05 million was written back during the period. The allowances to total loans to customers and interest receivable ratio was 92.1% at 30 June 2019, maintained at same level as compared to that at the end of 2018.

We continued to focus on improving the operation of our insurance business during the period under review. The premiums growth momentum continues and the gross insurance premiums increased significantly by 39.2% to HK$44.06 million in the first half of 2019. We have achieved an underwriting profit after charging management expenses for underwriting business of HK$6.75 million in the first half of 2019, an increase of 33.4% as compared to HK$5.06 million in the corresponding period in 2018 which was mainly due to the write back of claims reserve in respect of the employees' compensation insurance business made in previous years.

We have injected capital of HK$60 million during the period under review in addition to HK$60 million injected in 2018 to support the long-term development of our insurance business. The management team of our insurance business will endeavour to implement the anticipated business plan in order to enhance sustainable business development and achieve steady profit growth.

Prospects

The Company focused on financial services business since its incorporation by the early 1980s and is the 2nd largest shareholder of XIB. We will remain focused on developing our core business and strengthening our financial services investments in the Greater China region. We will continue to explore new market opportunities and have confidence to expand our financial services investments portfolio in the long term.

We will continuously focus on improving the operations and performance of our insurance business and advance our long-term development strategy proactively. We will gradually build better operational infrastructure to grasp new financial services investments opportunities in an increased challenging regulatory environment. We are confident that the banking business will continue to sustain good business momentum in variable market conditions and deliver reasonable returns and capital appreciation over the long term.

As an investment-based company with healthy financial position and sufficient financial capability to satisfy its working capital requirements, the Group will take actions to optimise operational efficiency and uphold competitive excellence in order to make the most of the opportunities and manage increased financial volatility challenges. The Group is committed to deliver long-term value that meet the expectations of our shareholders.

Looking into the second half of the year, the geopolitical situation remains uncertain. The global economic growth is expected to slow down due to trade tensions. We will continue to focus on executing development strategy for organic growth in order to improve financial performance of our insurance business and take a proactive approach to explore new financial services investments opportunities in the Greater China region to diversify our income sources in the highly uncertain and challenging market conditions in the second half of the year. Our actions will ensure we meet the expectations of our stakeholders over the long term.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The prolonged geopolitical uncertainty and economic risks have affected the global economy in the first half of 2019. The financial market volatility has led to a challenging macro environment and the economic growth has inevitably been affected.

Operating Results

The Group achieved an encouraging results in the first half of 2019 and the unaudited profit attributable to shareholders was HK$272.97 million, representing an increase of HK$48.69 million or 21.7%, as compared to HK$224.28 million in the same period of 2018. Basic earnings per share for the period was 45.7 HK cents, an increase of 8.15 HK cents or 21.7%, as compared to 37.55 HK cents in the same period of 2018.

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, CYB and LIB in Mainland China, Hong Kong and Macau.

The Group's financial services business reported an unaudited profit after tax of HK$261.09 million in the first half of 2019, an increase of 21.1% as compared to HK$215.51 million in the same period of 2018. Such increase in results was primarily contributed from the share of results of XIB Group.

Banking Business

XIB Group offers comprehensive financial services in Mainland China, Hong Kong and Macau through its well-established branch network and technological infrastructures.

XIB Group reported an unaudited profit after tax of RMB2.33 billion, an increase of RMB462.78 million or 24.8%, as compared to RMB1.87 billion in the same period of 2018. Such increase was mainly driven by the organic growth of XIB Group achieved in the first half of 2019. Net interest income grew by 59% in the first half of 2019 as compared to the same period of 2018, which was achieved by growth in loan portfolios. Non-interest income increased by 51.3% in the first half of 2019 which was mainly contributed by the increase in commission income.

XIB Group achieved a record high in its total assets at 30 June 2019 of over RMB900 billion with double-digit growth in both loan books and customers' deposit. At 30 June 2019, the total assets grew by 12.3% to RMB906.01 billion as compared to RMB806.42 billion at the end of 2018. Gross loans to customers were RMB428.17 billion, an increase of 19% as compared to RMB359.86 billion at the end of 2018. XIB achieved a continuous and stable growth in its loans portfolio while upholding good asset quality with non-performing loan ratio less than 1%. Total deposits from customers were up 11.6% to RMB599.53 billion from RMB537.16 billion at the end of 2018.

XIB will continue to develop green finance and inclusive finance in order to serve the real economy. XIB will endeavour to advance the transformation of its competitive strengths in cross border financial services and technological financial services infrastructure into the collectivity cooperation innovation and development capability. With the new branch network set up by CYB and LIB in the more prosperous cities in the Greater China region, XIB Group will broaden its cross-border banking services to enhance high quality financial services and exploit innovative initiatives to boost new profit growth point.

Micro Credit Business

Sanming Sanyuan District Minxin Micro Credit Company Limited ("Sanyuan 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 2019, non-performing loan balances were RMB238.83 million (equivalent to HK$272.35 million), a decrease of 2.2% from RMB244.12 million (equivalent to HK$278.05 million) at the end of 2018. Sanyuan Micro Credit had made impairment allowances on loans and interest receivable totalling RMB229.3 million (equivalent to HK$261.48 million) at 30 June 2019. The allowances to total loans and interest receivable ratio was 92.1% at 30 June 2019, maintained at same level as compared to that at the end of 2018. Sanyuan Micro Credit received RMB1.13 million (equivalent to HK$1.3 million) interest income from customers during the period under review, as compared to RMB0.03 million (equivalent to HK$0.04 million) in the same period of 2018. Sanyuan Micro Credit had written back impairment allowances of RMB5.05 million (equivalent to HK$5.85 million) in the first half of 2019, as compared to RMB2.94 million (equivalent to HK$3.63 million) in the same period of 2018. Sanyuan Micro Credit recorded a profit after tax of RMB6.46 million (equivalent to HK$7.49 million) in the first half of 2019, as compared to RMB1.67 million (equivalent to HK$2.06 million) in the same period of 2018.

Sanyuan Micro Credit will continue to proactively manage and use all measures to recover its non-performing loans.

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 premiums of HK$44.06 million in the first half of 2019, increased by 39.2% as compared to HK$31.65 million in the same period of 2018. The Macau insurance business has outperformed the Hong Kong insurance business during the period under review. The gross insurance premiums of Macau insurance business registered a 43% growth to HK$39.19 million supported by high-quality bancassurance business; at the same time, the operation of Hong Kong insurance business achieved a turnaround and recorded a gross insurance premiums of HK$4.87 million, an increase of 14.6%, which was contributed by the business development strategy and optimization of underwriting policy.

Underwriting profit before deducting management expenses for underwriting business increased by 18.7% to HK$10.54 million as compared to HK$8.88 million in the same period of 2018, mainly due to the write back of the expected ultimate costs of claims of employees' compensation business made in previous years. Min Xin Insurance recorded an underwriting profit of HK$6.75 million in the first half of 2019, an increase of 33.4% as compared to HK$5.06 million in the same period of 2018, after charging management expenses for underwriting business.

The increase in underwriting profit for the period under review has been offset by the increase in administrative and other expenses. Min Xin Insurance recorded a profit after tax of HK$2.24 million in the first half of 2019, decreased by 65.8% as compared to a profit after tax of HK$6.55 million in the same period of 2018, mainly due to the decrease in gain on revaluation of investment properties of HK$4.18 million.

Min Xin Insurance will continue to develop its distribution channels and enhance employee skills and online systems to meet the clients' needs and market conditions. Min Xin Insurance will further allocate resources to uphold service reputation and optimise the overall customer services.

In order to support the long-term development of Min Xin Insurance, an additional capital of HK$60 million was injected during the period under review. The management team of Min Xin Insurance will continue to develop new distribution channels and new market segments and grasp new future opportunities in Hong Kong and regionally. The management team of Min Xin Insurance will make great efforts to gradually implement the anticipated business plan.

Property Investment

The property investment business of the Group represents the leasing of certain investment properties in Mainland China. In the first half of 2019, the property investment business reported a profit after tax of HK$2.79 million as compared to HK$0.37 million in the same period of 2018, mainly due to a decrease in the revaluation loss of investment properties.

The market rental of office space in Fuzhou, Fujian Province continued to pose downside risks in the first half of 2019. Although the occupancy rate of the commercial properties and parking spaces in Fuzhou (the "Fuzhou Property") of the Group improved, the monthly rental of new lettings declined reflecting the market conditions. The Group recorded a rental income of RMB1.88 million in the first half of 2019, decreased by 11.3% as compared to RMB2.12 million in the same period of 2018. At 30 June 2019, the fair value of the Fuzhou Property was HK$57.25 million, a decrease of 11.7% as compared to the fair value of HK$64.83 million at the end of 2018. The Group recorded a fair value loss of HK$1.53 million, decreased by 56.3% as compared to a fair value loss of HK$3.5 million in the same period of 2018. A fair value gain after deferred tax of HK$1.4 million was recognised in the first half of 2019, reflecting the write back of deferred tax in respect of the reclassification of an investment property to an owner-occupied property during the period, as compared to a fair value loss after deferred tax of HK$1.26 million in the same period of 2018.

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

At 30 June 2019, the Shanghai Composite Index increased by about 19.4% as compared to that at the end of 2018. The closing bid price per A-Share of Huaneng Power International, Inc. ("Huaneng") as quoted on the Shanghai Stock Exchange decreased from RMB7.37 per share at 31 December 2018 to RMB6.22 per share at 30 June 2019. The fair value of the Huaneng A-Shares measured with reference to the closing bid price per A-Share of Huaneng stood at HK$481.98 million (equivalent to RMB422.66 million). In the first half of 2019, the Group recorded a loss of HK$88.44 million (first half of 2018: gain of HK$8.81 million) arising from the net movement in its fair value change in other comprehensive income and accumulated separately in equity in the fair value reserve (non-recycling).

The Group aimed to hold Huaneng A-Shares in the long term. Huaneng A-Shares continues to contribute a satisfactory dividend yield to the Group. In the first half of 2019, Huaneng paid a final dividend for 2018 of RMB0.1 per share. The Group recorded dividend income totalling RMB6.8 million (equivalent to HK$7.71 million) in the first half of 2019, maintained at the same level as compared to the final dividend for 2017 of RMB0.1 per share totalling RMB6.8 million (equivalent to HK$8.42 million) recorded by the Group in the same period of 2018.

Huaneng has announced its 2019 interim results under the PRC Accounting Standards. Its operating revenue increased by 0.9% and the operating expenses decreased by 2.9% as compared to those at the same period of 2018. Its profit attributable to shareholders was RMB3.82 billion in the first half of 2019, increased by 79.1% as compared to RMB2.13 billion in the same period of 2018 mainly due to reduced fuel prices. Earnings per share was RMB0.23 for the period under review, an increase of 76.9% as compared to RMB0.13 per share in the same period of 2018.

FINANCIAL REVIEW

Net Asset Value per Share

The Group currently possesses a healthy financial position and sufficient financial capability to satisfy its working capital requirements. The Group adheres to the principle of prudent financial and capital management. Based on 597,257,252 shares in issue at 30 June 2019 (31 December 2018: 597,257,252 shares), the net asset value per share was HK$11.55 at 30 June 2019 (31 December 2018: HK$11.27).

Total Liabilities to Equity Ratio and Current Ratio

At 30 June 2019, the total liabilities of the Group were HK$695.76 million (31 December 2018: HK$565.07 million) and the ratio of total liabilities to total equity attributable to shareholders of the Company was 10.1% (31 December 2018: 8.4%). At 30 June 2019, the current assets and current liabilities of the Group were HK$1,154.57 million (31 December 2018: HK$1,312.64 million) and HK$286.26 million (31 December 2018: HK$323.52 million) respectively with a current ratio of 4 (31 December 2018: 4.1).

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 2019, the Group had borrowings of HK$460 million, comprised HK$260 million granted by local banks and HK$200 million granted by the controlling shareholder, increased by 15% as compared to HK$400 million at the end of 2018. Based on the scheduled repayment dates set out in the loan facilities, the outstanding amount of HK$110 million will mature and is repayable within one year, the outstanding amount of HK$50 million will mature and is repayable more than one year but within two years and the balance of HK$300 million will mature and is repayable more than two years but within three years. The Group will consider to arrange refinancing of the borrowings if necessary. These loans are in Hong Kong dollars and subject to floating interest rates. The effective interest rate at 30 June 2019 ranged from 3.2% to 4.3% (31 December 2018: 3.1% to 5.2%) per annum.

In addition, the Group had undrawn revolving bank loan of HK$140 million at 30 June 2019.

At 30 June 2019, the revolving bank loan of HK$60 million was secured by the self-use office building with a net book value of HK$9.54 million and the term loan of HK$200 million was secured by a standby letter of credit issued in favour of the lending bank. The standby letter of credit was collateralised by a three-year bank deposit of RMB200 million (equivalent to HK$228.07 million) (31 December 2018: RMB200 million, equivalent to HK$227.8 million) placed by a wholly-owned subsidiary of the Company in Mainland China.

Save for the above, no other assets of the Group were pledged at 30 June 2019 and 31 December 2018 respectively.

Gearing Ratio

At 30 June 2019, the gearing ratio of the Group (total borrowings divided by total net assets) was 6.7% (31 December 2018: 5.9%).

Cash Position

The Group's bank deposits are interest bearing at prevailing market rates. At 30 June 2019, the total bank deposits of the Group amounted to HK$1,525.14 million (31 December 2018: HK$1,405.37 million) of which 14.9% were in Hong Kong Dollars, 3.2% were in United States Dollars, 80.6% in Renminbi and 1.3% in other currencies (31 December 2018: 12.7% in Hong Kong Dollars, 86.1% in Renminbi and 1.2% in other currencies).

Pursuant to the requirements from the Insurance Authority (the "IA") in Hong Kong, a subsidiary shall maintain at all times a portion of its funds of not less than HK$16 million in the name of IA account in bank deposits. At 30 June 2019, that subsidiary has placed fixed deposits of HK$16 million (31 December 2018: HK$16 million) in the name of IA account with a bank in Hong Kong for fulfillment of such requirements. That subsidiary has also maintained bank deposits of MOP15.32 million (equivalent to HK$14.87 million) and HK$26.28 million (31 December 2018: MOP15.1 million, equivalent to HK$14.66 million and HK$17.1 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 fluctuation 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 2019, the Group's capital commitments relating to property, plant and equipment and investment properties amounted to HK$0.24 million (31 December 2018: HK$0.2 million).

Contingent Liabilities

At 30 June 2019 and 31 December 2018, the Group had no significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

At 30 June 2019, the Group had 82 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 on topics such as Christmas party and company trip.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company had complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the six months ended 30 June 2019 save as disclosed below:

CG Code A.4.1 provides that non-executive directors should be appointed for a specific term and 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 an annual general meeting in accordance with the articles of association of the Company. The Board is of the view that the current practice is fair and reasonable, and does not intend to change the current practice at the moment.

CG Code E.1.2 also provides that the chairman of the board should attend the annual general meeting. Mr YAN Zheng, the Chairman of the Board and an executive Director of the Company and Mr WANG Fei, the Vice Chairman of the Board and an executive Director of the Company were unable to attend the annual general meeting of the Company held on 19 June 2019 (the "2019 AGM") respectively due to other business commitments. Mr CHEN Yu, the General Manager and an executive Director of the Company took the chair at the 2019 AGM, was of sufficient calibre and knowledge to answer questions, if any. The Chairmen of the Audit Committee and the Remuneration Committee also attended the 2019 AGM to answer questions raised therein, if any.

The Board will continue to monitor and review the Company's corporate governance practices to ensure compliance with the CG Code.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

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 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.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the period under review.

REVIEW BY AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Mr CHEUNG Man Hoi (Chairman of the Audit Committee), Mr IP Kai Ming and Mr LEUNG Chong Shun.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group, and discussed risk management, internal control and financial reporting matters including the review of the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2019 as set out in this announcement.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.minxin.com.hk. The interim report for the six months ended 30 June 2019 will be despatched to the shareholders of the Company and published on the above websites in due course.

By Order of the Board
Min Xin Holdings Limited
YAN Zheng
Chairman

Hong Kong, 28 August 2019

As at the date of this announcement, the executive Directors of the Company are Messrs. YAN Zheng (Chairman), WANG Fei (Vice Chairman) and CHEN Yu; the non-executive Directors are Messrs. YANG Jingchao and HON Hau Chit; the independent non-executive Directors are Messrs. IP Kai Ming, CHEUNG Man Hoi and LEUNG Chong Shun.