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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 2020 INTERIM RESULTS**

### **FINANCIAL HIGHLIGHTS**

- Profit attributable to shareholders amounted to HK\$216 million, a decrease of 20.7%
- Basic earnings per share decreased by 20.7% to 36.25 HK cents
- Total assets decreased by 0.1% to HK\$7.69 billion
- Total equity attributable to shareholders decreased by 1.3% to HK\$6.95 billion
- Final dividend of 10 HK cents per share for the year ended 31 December 2019 had been paid on 19 June 2020

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 2020 as follows:

## CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2020

		Unaudited	
		Six months ended 30 June	
		2020	2019
	Note	HK\$'000	HK\$'000
Total revenues	2	71,635	82,320
Other losses – net	3	(9,831)	(2,280)
Net insurance claims incurred and commission expenses incurred on insurance business		(34,394)	(19,838)
Costs of sales		–	(10,996)
Write back of impairment loss on loans to customers and interest receivable		5,909	3,884
Selling and distribution costs		–	(332)
Administrative and other expenses		(27,167)	(28,530)
<b>Operating profit</b>	4	<b>6,152</b>	24,228
Finance costs	5	(8,133)	(9,602)
Share of results of associates		226,354	261,568
<b>Profit before taxation</b>		<b>224,373</b>	276,194
Income tax expense	6	(7,878)	(3,226)
<b>Profit for the period</b>		<b>216,495</b>	272,968
		<i>HK CENTS</i>	<i>HK CENTS</i>
<b>Earnings per share</b>			
Basic and diluted	7	36.25	45.70

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2020

	Unaudited	
	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
<b>Profit for the period</b>	<b>216,495</b>	272,968
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to income statement:</b>		
Equity investments at fair value through other comprehensive income		
Net movement in fair value reserve (non-recycling)	<b>(109,802)</b>	(88,454)
Leasehold buildings reclassified to investment properties		
Unrealised surplus on revaluation of leasehold buildings	–	2,747
Deferred income tax	–	(732)
	–	2,015
Share of other comprehensive income of associates	<b>(22)</b>	2
	<b>(109,824)</b>	(86,437)
<b>Items that may be reclassified subsequently to income statement:</b>		
Exchange differences arising on translation of the financial statements of foreign subsidiaries and associates	<b>(134,394)</b>	7,424
Share of other comprehensive income of associates	<b>(6,373)</b>	33,315
	<b>(140,767)</b>	40,739
<b>Other comprehensive income for the period, net of tax</b>	<b>(250,591)</b>	(45,698)
<b>Total comprehensive income for the period</b>	<b>(34,096)</b>	227,270

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2020*

		Unaudited 30 June 2020	Audited 31 December 2019
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		25,760	26,499
Intangible assets		440	735
Investment properties		158,342	159,415
Associates		5,639,604	5,532,229
Financial assets at fair value through other comprehensive income		313,541	423,343
Reinsurance assets		481	1,029
Other debtors and prepayments		24,817	15,777
Cash and bank balances		495,830	506,009
Deferred income tax assets		303	451
		6,659,118	6,665,487
<b>Current assets</b>			
Deferred acquisition costs		33,150	28,905
Insurance receivable	9	34,437	23,025
Reinsurance assets		8,985	7,947
Loans to customers and interest receivable	10	19,816	20,981
Other debtors, prepayments and deposits		17,189	9,310
Financial assets at amortised cost		–	3,115
Financial assets at fair value through profit or loss		301,087	97,822
Cash and bank balances		618,366	846,635
		1,033,030	1,037,740
<b>Current liabilities</b>			
Insurance contracts		72,192	68,554
Insurance payable	11	24,814	16,147
Other creditors and accruals		34,608	33,106
Lease liabilities		162	191
Bank borrowings		170,000	60,000
Loan from the controlling shareholder		49,950	49,943
Current income tax payable		26,252	26,284
		377,978	254,225
<b>Net current assets</b>		655,052	783,515
<b>Total assets less current liabilities</b>		7,314,170	7,449,002

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)***As at 30 June 2020*

		<b>Unaudited</b>	Audited
		<b>30 June</b>	31 December
		<b>2020</b>	2019
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current liabilities</b>			
Insurance contracts		<b>26,263</b>	19,316
Lease liabilities		–	65
Bank borrowings		<b>199,974</b>	199,965
Loan from the controlling shareholder		<b>99,968</b>	149,943
Deferred income tax liabilities		<b>38,450</b>	36,376
		<b>364,655</b>	405,665
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Net assets</b>		<b>6,949,515</b>	7,043,337
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
<b>Equity</b>			
Share capital		<b>1,715,377</b>	1,715,377
Other reserves		<b>1,175,596</b>	1,393,720
Retained profits		<b>4,058,542</b>	3,934,240
		<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
<b>Total equity attributable to shareholders of the Company</b>		<b>6,949,515</b>	7,043,337
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

## 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 2019 annual report.

Except as described below, the accounting policies adopted in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those used in the 2019 annual report.

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

- Amendments to HKAS 1 and HKAS 8                      Definition of Material
- Amendments to HKFRS 3                      Definition of a Business
- Amendments to HKFRS 9, HKAS 39 and HKFRS 7                      Interest Rate Benchmark Reform
- Conceptual Framework for Financial Reporting 2018

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.

The financial information relating to the year ended 31 December 2019 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 Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “Companies Ordinance”) is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2019 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.

## 2 REVENUE AND SEGMENTAL INFORMATION

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

	<b>Six months ended 30 June</b>	
	<b>2020</b>	<b>2019</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net earned insurance premiums		
Gross insurance premiums	<b>58,722</b>	44,058
Movement in unearned insurance premiums	<b>(10,335)</b>	(11,252)
Reinsurance premiums ceded and reinsurers' share of movement in unearned insurance premiums	<b>(5,787)</b>	(2,919)
	<b>42,600</b>	29,887
Interest income from loans to customers (a)	<b>2,402</b>	3,274
Rental income from investment properties	<b>4,148</b>	4,341
Dividend income from financial assets at fair value through other comprehensive income	–	7,714
Sales of motor vehicles	–	11,045
	<b>6,550</b>	26,374
Other revenues		
Interest income from bank deposits	<b>21,121</b>	23,123
Interest income from financial assets at amortised cost	<b>48</b>	51
Dividend income from financial assets at fair value through profit or loss	<b>1,094</b>	14
Government grants	<b>11</b>	2,688
Others	<b>211</b>	183
	<b>22,485</b>	26,059
<b>Total revenues</b>	<b>71,635</b>	<b>82,320</b>

(a) The interest income from loans to customers for the period comprised an interest income accrued for credit-impaired loans to customers of HK\$1,699,000 (2019: HK\$1,970,000).

The Group identifies its operating segments based on the reports reviewed internally by the chief operating decision-makers which include the Board, Executive Committee and the General Manager Meeting 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 engagement of banking business through the Group’s major associates, Xiamen International Bank Co., Ltd., Chiyu Banking Corporation Limited and Luso International Banking Ltd. in Mainland China, Hong Kong and Macau respectively, and the provision of micro credit business in Mainland China.
- Insurance: this segment includes the general insurance business in Hong Kong and Macau.
- 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 is treated as unallocated liabilities in reporting segment assets and liabilities.

	Financial services		Insurance		Property investment		Strategic investment		Others		Trading in motor vehicles*		Inter-segment elimination		Consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
<b>Six months ended 30 June</b>																
<b>Revenue</b>																
Net earned insurance premiums	-	-	42,600	29,887	-	-	-	-	-	-	-	-	-	-	42,600	29,887
Interest income from loans to customers	2,402	3,274	-	-	-	-	-	-	-	-	-	-	-	-	2,402	3,274
Rental income	-	-	2,323	2,333	1,825	2,008	-	-	-	-	-	-	-	-	4,148	4,341
Dividend income	-	-	-	-	-	-	-	7,714	-	-	-	-	-	-	-	7,714
Other revenues	929	1,916	2,313	1,039	-	89	-	-	19,243	22,980	-	35	-	-	22,485	26,059
	<u>3,331</u>	<u>5,190</u>	<u>47,236</u>	<u>33,259</u>	<u>1,825</u>	<u>2,097</u>	<u>-</u>	<u>7,714</u>	<u>19,243</u>	<u>22,980</u>	<u>-</u>	<u>35</u>	<u>-</u>	<u>-</u>	<u>71,635</u>	<u>71,275</u>
Disaggregated by timing of revenue recognition under HKFRS 15																
Point in time	-	-	-	-	-	-	-	-	-	-	-	11,045	-	-	-	11,045
Over time	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,045</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,045</u>
Revenue from external customers	3,331	5,190	47,236	33,259	1,825	2,097	-	7,714	19,243	22,980	-	11,080	-	-	71,635	82,320
Inter-segments	-	-	21	19	142	77	-	-	1,769	1,875	-	-	(1,932)	(1,971)	-	-
<b>Reportable segment revenue</b>	<b>3,331</b>	<b>5,190</b>	<b>47,257</b>	<b>33,278</b>	<b>1,967</b>	<b>2,174</b>	<b>-</b>	<b>7,714</b>	<b>21,012</b>	<b>24,855</b>	<b>-</b>	<b>11,080</b>	<b>(1,932)</b>	<b>(1,971)</b>	<b>71,635</b>	<b>82,320</b>
Other gains/(losses) – net	1,131	-	(8,034)	(882)	(1,063)	(1,526)	-	-	(1,865)	128	-	-	-	-	(9,831)	(2,280)
Write back of impairment loss on loans to customers and interest receivable	5,909	3,884	-	-	-	-	-	-	-	-	-	-	-	-	5,909	3,884
Operating expenses	(1,147)	(1,583)	(44,780)	(30,579)	(667)	(786)	-	-	(16,861)	(17,391)	-	(11,328)	1,894	1,971	(61,561)	(59,696)
<b>Operating profit/(loss)</b>	<b>9,224</b>	<b>7,491</b>	<b>(5,557)</b>	<b>1,817</b>	<b>237</b>	<b>(138)</b>	<b>-</b>	<b>7,714</b>	<b>2,286</b>	<b>7,592</b>	<b>-</b>	<b>(248)</b>	<b>(38)</b>	<b>-</b>	<b>6,152</b>	<b>24,228</b>
Finance costs	(3,712)	(5,727)	(33)	(2)	-	-	-	-	(4,417)	(3,873)	-	-	29	-	(8,133)	(9,602)
Share of results of associates	225,183	259,323	-	-	-	-	-	-	1,171	2,245	-	-	-	-	226,354	261,568
<b>Profit/(loss) before taxation</b>	<b>230,695</b>	<b>261,087</b>	<b>(5,590)</b>	<b>1,815</b>	<b>237</b>	<b>(138)</b>	<b>-</b>	<b>7,714</b>	<b>(960)</b>	<b>5,964</b>	<b>-</b>	<b>(248)</b>	<b>(9)</b>	<b>-</b>	<b>224,373</b>	<b>276,194</b>
Income tax (expense)/credit	-	-	(3,181)	426	470	2,926	-	(771)	(5,167)	(5,869)	-	62	-	-	(7,878)	(3,226)
<b>Profit/(loss) for the period</b>	<b>230,695</b>	<b>261,087</b>	<b>(8,771)</b>	<b>2,241</b>	<b>707</b>	<b>2,788</b>	<b>-</b>	<b>6,943</b>	<b>(6,127)</b>	<b>95</b>	<b>-</b>	<b>(186)</b>	<b>(9)</b>	<b>-</b>	<b>216,495</b>	<b>272,968</b>
Interest income	3,323	5,098	1,597	1,037	-	-	-	-	18,651	20,313	-	-	-	-	23,571	26,448
Depreciation and amortisation for the period	110	117	1,406	543	-	-	-	-	467	380	-	4	(966)	-	1,017	1,044

\* Business ceased in March 2019

	Financial services		Insurance		Property investment		Strategic investment		Others		Inter-segment elimination		Consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>At 30 June 2020 and 31 December 2019</b>														
The Company and subsidiaries	141,302	135,083	407,624	390,661	60,177	61,391	313,541	423,343	1,131,044	1,162,654	(1,144)	(2,134)	2,052,544	2,170,998
Investments in associates	5,589,927	5,482,955	-	-	-	-	-	-	49,677	49,274	-	-	5,639,604	5,532,229
<b>Total assets</b>	<b>5,731,229</b>	<b>5,618,038</b>	<b>407,624</b>	<b>390,661</b>	<b>60,177</b>	<b>61,391</b>	<b>313,541</b>	<b>423,343</b>	<b>1,180,721</b>	<b>1,211,928</b>	<b>(1,144)</b>	<b>(2,134)</b>	<b>7,692,148</b>	<b>7,703,227</b>
The Company and subsidiaries	189,546	240,513	150,699	124,965	18,105	18,461	-	-	385,453	278,120	(1,170)	(2,169)	742,633	659,890
<b>Total liabilities</b>	<b>189,546</b>	<b>240,513</b>	<b>150,699</b>	<b>124,965</b>	<b>18,105</b>	<b>18,461</b>	<b>-</b>	<b>-</b>	<b>385,453</b>	<b>278,120</b>	<b>(1,170)</b>	<b>(2,169)</b>	<b>742,633</b>	<b>659,890</b>
Additions to non-current segment assets during the period	-	90	19	439	-	-	-	-	47	110	-	-	66	639

## (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	
	2020	2019	2020	2019	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Six months ended 30 June</b>								
Revenues from external customers	12,696	6,965	24,454	47,850	34,485	27,505	71,635	82,320
<b>At 30 June 2020 and 31 December 2019</b>								
The Company and subsidiaries	114,854	115,434	69,629	71,021	59	194	184,542	186,649
Investments in associates	-	-	5,639,604	5,532,229	-	-	5,639,604	5,532,229
<b>Specified non-current assets</b>	<b>114,854</b>	<b>115,434</b>	<b>5,709,233</b>	<b>5,603,250</b>	<b>59</b>	<b>194</b>	<b>5,824,146</b>	<b>5,718,878</b>

### 3 OTHER LOSSES – NET

	Six months ended 30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net realised and unrealised (losses)/gains on financial assets at fair value through profit or loss	(5,262)	3
Fair value losses on revaluation of investment properties	(1,073)	(2,391)
Net exchange (losses)/gains	(3,496)	108
	<u>(9,831)</u>	<u>(2,280)</u>

### 4 OPERATING PROFIT

	Six months ended 30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
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	3,675	3,866
Charging		
Staff costs, including directors' emoluments	19,692	21,081
– <i>Salaries, allowances and bonus</i>	19,135	20,171
– <i>Retirement benefit costs</i>	557	910
Costs of sales	–	10,996
– <i>Cost of inventories</i>	–	12,473
– <i>Reversal of write down of inventories</i>	–	(1,509)
– <i>Others</i>	–	32
Depreciation and amortisation	1,017	1,044
– <i>Property, plant and equipment</i>	922	1,013
– <i>Right-of-use assets</i>	95	31
Management fee	940	940
Loss on disposal of property, plant and equipment	4	24
Net exchange losses	3,496	–

## 5 FINANCE COSTS

	Six months ended 30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest expenses on bank loans	4,417	9,107
Interest expenses on loan from the controlling shareholder	3,712	493
Interest expenses on lease liabilities	4	2
	<u>8,133</u>	<u>9,602</u>

## 6 INCOME TAX EXPENSE

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

	Six months ended 30 June	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Current tax</b>		
Hong Kong profits tax	124	123
Mainland China corporate income tax	3,759	4,202
Mainland China withholding tax	1,142	1,827
Macau taxation	637	–
	<u>5,662</u>	<u>6,152</u>
<b>Under/(over) provision in prior years</b>		
Mainland China corporate income tax	1	–
Macau taxation	–	(441)
	<u>1</u>	<u>(441)</u>
<b>Deferred tax</b>		
Relating to the origination and reversal of temporary differences	2,215	(2,485)
	<u>7,878</u>	<u>3,226</u>

Hong Kong profits tax has been provided at the rate of 8.25% under the Two-tiered Rates of Profits Tax (2019: 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% (2019: 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 2020 of HK\$216,495,000 (2019: HK\$272,968,000) and the weighted average of 597,257,252 (2019: 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 2020 (2019: 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 2020 and 31 December 2019, the ageing analysis of insurance receivable by invoice date was summarised as follows:

	<b>30 June 2020</b>	31 December 2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 30 days	<b>12,749</b>	6,583
31-60 days	<b>11,664</b>	6,560
61-90 days	<b>6,210</b>	4,313
Over 90 days	<b>3,814</b>	5,569
	<b>34,437</b>	23,025

## 10 LOANS TO CUSTOMERS AND INTEREST RECEIVABLE

	<b>30 June 2020</b>	31 December 2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Micro credit business		
– guaranteed loans	<b>143,025</b>	149,847
– secured loans	<b>90,546</b>	96,864
– pledged and guaranteed loans	<b>10,522</b>	10,738
– secured, pledged and guaranteed loans	<b>4,165</b>	4,250
	<hr/>	<hr/>
Loans to customers	<b>248,258</b>	261,699
Interest receivable	<b>11,074</b>	11,442
	<hr/>	<hr/>
	<b>259,332</b>	273,141
	<hr/>	<hr/>
Impairment allowances	<b>(239,516)</b>	(252,160)
	<hr/>	<hr/>
	<b>19,816</b>	20,981
	<hr/> <hr/>	<hr/> <hr/>

At 30 June 2020 and 31 December 2019, the loans to customers and related interest receivable were overdue over 365 days and credit-impaired.

## 11 INSURANCE PAYABLE

At 30 June 2020 and 31 December 2019, the ageing analysis of insurance payable by invoice date was summarised as follows:

	<b>30 June 2020</b>	31 December 2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 30 days	<b>7,506</b>	7,566
31-60 days	<b>7,282</b>	4,152
61-90 days	<b>6,079</b>	2,738
Over 90 days	<b>3,947</b>	1,691
	<hr/>	<hr/>
	<b>24,814</b>	16,147
	<hr/> <hr/>	<hr/> <hr/>

## **CHAIRMAN’S STATEMENT**

I am pleased to announce the unaudited interim results of the Group for the first half of 2020.

The investment activities and household consumption around the world have been adversely affected by the spread of the coronavirus pandemic, the global economic well-being faced a difficult time and the downward pressures were prominent.

## **OUR PERFORMANCE**

In the face of a harsh economic environment and volatile financial market in the period under review, we conducted our business prudently to minimise operational risks. The final dividend for 2019 was distributed during the period under review, which brought stable returns to shareholders of the Company (the “Shareholders”). For the six months ended 30 June 2020, the Group recorded an unaudited profit attributable to shareholders of HK\$216.5 million, decreased by 20.7% when compared to the corresponding period in 2019. Basic earnings per share decreased by 20.7% to 36.25 HK cents.

Total assets of the Group recorded a decrease of 0.1% to HK\$7.69 billion at 30 June 2020 as compared to HK\$7.7 billion at the end of 2019, which was mainly due to the decrease in fair value of Huaneng Power International, Inc. (“Huaneng”) held by the Group.

Total assets of our banking business accounted for 72.7% of the Group’s total assets at 30 June 2020. The net asset value per share of the Company amounted to HK\$11.64 at 30 June 2020, about 80.4% 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”).

XIB, the most significant financial investment of the Group, has contributed about 102.3% of the results of the Group in the first half of 2020. The Group’s share of results of XIB Group was HK\$225.18 million in the first half of 2020, a decrease of 13.2% as compared to HK\$259.32 million in the corresponding period of 2019 mainly due to the increase in impairment provision rate of loans and financial assets of XIB Group.

The Company is the second largest shareholder of XIB, XIB Group has achieved a steady growth in its balance sheet and the total assets grew by 0.2% to RMB920.2 billion at 30 June 2020 as compared to RMB918.34 billion at the end of 2019.

Being one of the very few banks in Mainland China that owns subsidiary banks both in Hong Kong and Macau, XIB Group strived to expand its branch network in the Greater China region and strengthen its financial services to small and medium-sized enterprises during the period under review. XIB Group continued to integrate its competitive strengths in cross-border financial services and “cross-border financial blockchain service platform” in order to increase effects in developing green finance and inclusive finance and to strengthen its assets management business. We expect that our banking business will continue to maintain a stable financial performance and achieve sustainable value growth in the long term.

XIB was ranked 153th in total assets and 189th in Tier-one Capital in the 2020 Top 1000 World Banks announced by The Banker. XIB was also ranked 80th in 2019 Asian Bank Competitiveness Ranking and was ranked 4th among the China city commercial banks.

In order to meet the capital requirements for long term development and strategic plan, XIB had proposed to enlarge its share capital by issuing new shares to its existing shareholders and if not fully subscribed by its existing shareholders, to a list of approved investors (the “Share Issue”). The Board of Directors of the Company had approved that the Company will subscribe for new shares issued by XIB pursuant to the Share Issue in proportion to the current shareholding percentage of the Company in XIB subject to, among others, the approval of the China Banking and Insurance Regulatory Commission Xiamen Office. The Company will further inform the Shareholders as and when appropriate.

We continued to focus on improving the operation of our insurance business and strived to improve the quality and profitability of the underlying business during the period under review. The premium growth momentum continues for both Hong Kong and Macau insurance businesses. The total gross insurance premiums increased by 33.3% to HK\$58.72 million in the first half of 2020. We have achieved an underwriting profit after charging management expenses for underwriting business of HK\$2.77 million in the first half of 2020, a decrease of 59% as compared to HK\$6.75 million in the corresponding period of 2019 which was mainly due to the significant increase in ultimate costs of claims of employees’ compensation insurance and motor insurance.

The management team of our insurance business will continue to allocate sufficient resources to identify new opportunities and improve the quality and profitability of business in the increasingly competitive market environment, whilst endeavour to implement the anticipated business plan in order to enhance sustainable business development and achieve a better financial performance.



## **PROSPECTS**

In view of the ongoing worldwide pandemic of the coronavirus disease, the economic outlook and operating environment are expected to be more challenging in the second half of the year. However, with the steady recovery of the economy of Mainland China, our Group is confident to seize opportunities and respond to challenges, and will continue to adhere to prudent financial management strategy and take actions to optimise operational efficiency and enhance competitive strengths during the difficult time. We will continue to focus on developing our core businesses and strengthening our financial services investments in the Greater China region. We will also continue to explore new investment opportunities, strive to diversify income sources, create and realise the real and long-term value to uphold the stakeholders' long-term expectations.

Finally, I would like to take this opportunity to thank Sincere View International Limited, a substantial shareholder of the Company, for assisting the Company in restoring the public float. At present, the Company has fulfilled the minimum public float requirement. I also wish to extend my grateful thanks to my fellow board members for their invaluable advice and support and thank the management team and all our staff for their commitment and dedicated services.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The long lasting of outbreak of the coronavirus pandemic have significantly dampened the global economies. The global economic recovery is likely to be slow as the operation of businesses and consumer spending have been threatened by the unprecedented challenges to individuals and businesses around the world.

#### **Operating Results**

The Group achieved an unaudited profit attributable to shareholders of HK\$216.5 million in the first half of 2020, representing a decrease of HK\$56.47 million or 20.7%, as compared to HK\$272.97 million in the same period of 2019. Basic earnings per share for the period was 36.25 HK cents, a decrease of 9.45 HK cents or 20.7%, as compared to 45.7 HK cents in the same period of 2019.

## **Financial Services**

The financial services business of the Group includes the engagement of banking business through its major associates, XIB Group in Mainland China, Hong Kong and Macau respectively, and the provision of micro credit business in Mainland China.

The Group's financial services business reported an unaudited profit after tax of HK\$230.7 million in the first half of 2020, a decrease of 11.6% as compared to HK\$261.09 million in the same period of 2019. Such decrease in the results was primarily originating from the decrease in 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 RMB2.08 billion, a decrease of RMB247.55 million or 10.6%, as compared to RMB2.33 billion in the same period of 2019. Such decrease was mainly driven by the increase in impairment allowances on loans to customers and other financial assets in the first half of 2020. Net interest income grew by 8.7% in the first half of 2020 as compared to the same period of 2019, which was achieved by growth in loan portfolios, however, it continued to be affected by the narrowed interest margin. Non-interest income decreased by 5.4% in the first half of 2020 due to the decrease in net fee and commission income and increase in foreign exchange loss.

XIB Group achieved a stable growth in its total assets with satisfactory growth in both loan books and customers' deposits at 30 June 2020. At 30 June 2020, the total assets grew by 0.2% to RMB920.2 billion as compared to RMB918.34 billion at the end of 2019. Gross loans to customers were RMB513.48 billion, an increase of 10% as compared to RMB466.63 billion at the end of 2019. XIB achieved a continuous and stable growth in its loan portfolios while upholding good asset quality with non-performing loan ratio less than 1%. Total deposits from customers were up 4.7% to RMB664.55 billion from RMB634.68 billion at the end of 2019.

XIB will continue to develop green finance and inclusive finance in order to serve the real economy despite the ever-challenging operating environment is anticipated in the second half of 2020. XIB will continue to deepen its branch network in order to promote cross-border financial services in the Greater China region and contribute to the One Belt One Road initiatives. XIB Group will pursue long-term business and profitability growth to generate good returns for shareholders, society and employees.

### *Micro Credit Business*

Sanming Sanyuan District Minxin Micro Credit Company Limited (“Sanyuan Micro Credit”), a wholly-owned subsidiary of the Company, had been engaged in the provision of micro loans to small and medium-sized enterprises and individuals in Sanming City, Fujian Province. Sanyuan Micro Credit will continue to proactively manage and apply all measures to recover its non-performing loans.

At 30 June 2020, non-performing loan balances were RMB226.51 million (equivalent to HK\$248.26 million), a decrease of 3.2% from RMB233.97 million (equivalent to HK\$261.7 million) at the end of 2019. The allowances to total loans and interest receivable ratio was 92.4% at 30 June 2020, an increase of 0.1 percentage point as compared to 92.3% at the end of 2019. Sanyuan Micro Credit received RMB0.64 million (equivalent to HK\$0.7 million) interest income from customers during the period under review, as compared to RMB1.13 million (equivalent to HK\$1.3 million) in the same period of 2019. Sanyuan Micro Credit recorded a profit after tax of RMB8.37 million (equivalent to HK\$9.22 million) in the first half of 2020, an increase of 29.6% as compared to RMB6.46 million (equivalent to HK\$7.49 million) in the same period of 2019, mainly due to the recovery of impaired 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\$58.72 million in the first half of 2020, increased by 33.3% as compared to HK\$44.06 million in the same period of 2019. The Macau insurance business has outperformed the Hong Kong insurance business once again during the period under review. The gross insurance premiums of Macau insurance business registered a 20.3% growth to HK\$47.16 million supported by high-quality bancassurance business, and the gross insurance premiums of Hong Kong insurance business recorded an increase of 137.4% to HK\$11.56 million.

Underwriting profit before deducting management expenses for underwriting business decreased by 21.4% to HK\$8.28 million as compared to HK\$10.54 million in the same period of 2019, mainly due to the significant increase in ultimate costs of claims of employees’ compensation insurance and motor insurance. Min Xin Insurance recorded an underwriting profit of HK\$2.77 million in the first half of 2020, a decrease of 59% as compared to HK\$6.75 million in the same period of 2019, after charging management expenses for underwriting business.

Min Xin Insurance recorded a loss after tax of HK\$8.77 million in the first half of 2020, as compared to a profit after tax of HK\$2.24 million in the same period of 2019, mainly due to the decrease in underwriting profit and increase in investment losses.

The management team of Min Xin Insurance will continue to broaden distribution channels and allocate resources to identify new opportunities, and at the same time will make great efforts to gradually implement the anticipated business plan in an increasingly competitive market to achieve a better financial performance.

### **Investment in Huaneng Power International, Inc. (“Huaneng A-Shares”)**

At 30 June 2020, the Shanghai Composite Index decreased by about 2.1% as compared to that at the end of 2019. The closing bid price per A-Share of Huaneng Power International, Inc. (“Huaneng”) as quoted on the Shanghai Stock Exchange decreased from RMB5.57 per share at 31 December 2019 to RMB4.21 per share at 30 June 2020. The fair value of the Huaneng A-Shares measured with reference to the closing bid price per A-Share of Huaneng stood at HK\$313.54 million (equivalent to RMB286.08 million). In the first half of 2020, the Group recorded a loss of HK\$109.8 million (first half of 2019: loss of HK\$88.44 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. During the first half of 2020, Huaneng declared a final dividend for 2019 of RMB0.135 per share with ex-dividend date on 6 July 2020. The Group will record dividend income totalling RMB9.17 million (equivalent to HK\$10.05 million) in the second half of 2020, as compared to the final dividend for 2018 of RMB0.1 per share totalling RMB6.8 million (equivalent to HK\$7.71 million) recorded by the Group in the first half of 2019.

Huaneng has announced its 2020 interim results under the PRC Accounting Standards. Its operating revenue decreased by 5.2% and the operating expenses decreased by 8.9% as compared to those at the same period of 2019. Its profit attributable to shareholders was RMB5.73 billion in the first half of 2020, increased by 49.7% as compared to RMB3.83 billion in the same period of 2019 primarily attributable to decline in fuel prices. Earnings per share was RMB0.32 for the period under review, an increase of 39.1% as compared to RMB0.23 per share in the same period of 2019.

## **Property Investment**

The property investment business of the Group represents the leasing of certain investment properties in Mainland China. In the first half of 2020, the property investment business reported a profit after tax of HK\$0.71 million as compared to HK\$2.79 million in the same period of 2019, mainly due to a decrease in the deferred tax written back in the revaluation loss of investment properties.

The market rental of office space in Fuzhou, Fujian Province remained soft in the first half of 2020. The commercial properties and parking spaces in Fuzhou (the “Fuzhou Property”) of the Group maintained full occupancy at 30 June 2020 and the monthly rental of new leases also maintained at the same level of expired leases. The Group recorded a rental income of RMB1.73 million in the first half of 2020, decreased by 4.4% as compared to RMB1.81 million in the same period of 2019 which was mainly due to the partial rental waivers by the Group to support small and medium-sized enterprises facing operational difficulties arising from the outbreak of the coronavirus pandemic. At 30 June 2020, the fair value of the Fuzhou Property was HK\$54.33 million, a decrease of 1.9% as compared to the fair value of HK\$55.41 million at the end of 2019. The Group recorded a fair value loss of HK\$1.08 million, decreased by 29.4% as compared to a fair value loss of HK\$1.53 million in the same period of 2019. A fair value loss after deferred tax of HK\$0.6 million was recognised in the first half of 2020, as compared to a fair value gain after deferred tax of HK\$1.4 million reflecting the write back of deferred tax in respect of the reclassification of an investment property to an owner-occupied property in the same period of 2019.

## **FINANCIAL REVIEW**

The Group adheres to the principle of prudent financial management and strives to maintain a healthy financial position.

### **Net Asset Value per Share**

Based on 597,257,252 shares in issue at 30 June 2020 (31 December 2019: 597,257,252 shares), the net asset value per share was HK\$11.64 at 30 June 2020 (31 December 2019: HK\$11.79).

## **Total Liabilities to Equity Ratio and Current Ratio**

At 30 June 2020, the total liabilities of the Group were HK\$742.63 million (31 December 2019: HK\$659.89 million) and the ratio of total liabilities to total equity attributable to shareholders of the Company was 10.7% (31 December 2019: 9.4%). At 30 June 2020, the current assets and current liabilities of the Group were HK\$1,033.03 million (31 December 2019: HK\$1,037.74 million) and HK\$377.98 million (31 December 2019: HK\$254.23 million) respectively with a current ratio of 2.7 (31 December 2019: 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 2020, the Group had borrowings of HK\$520 million, comprised HK\$370 million granted by local banks and HK\$150 million granted by the controlling shareholder, increased by 13% as compared to HK\$460 million at the end of 2019. Based on the scheduled repayment dates set out in the loan facilities, the outstanding amount of HK\$220 million will mature and is repayable within one year and the balance of HK\$300 million will mature and is repayable more than one year but within two 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 2020 ranged from 1.9% to 3.1% (31 December 2019: 3.5% to 4.5%) per annum.

In addition, the Group had undrawn revolving bank loans of approximately HK\$26 million at 30 June 2020.

At 30 June 2020, the term bank 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\$219.2 million) (31 December 2019: RMB200 million, equivalent to HK\$223.7 million) placed by a wholly-owned subsidiary of the Company in Mainland China.

Pursuant to the requirement of a standby letter of credit issued by a bank in Hong Kong in favour of a reinsurance company that has entered into the Non-life Reinsurance Facility with a wholly-owned subsidiary of the Company, that wholly-owned subsidiary has placed a bank deposit of HK\$15 million as a collateral for the standby letter of credit at 30 June 2020.

Save for the above, no other assets of the Group were pledged at 30 June 2020 and 31 December 2019 respectively.

## **Gearing Ratio**

At 30 June 2020, the gearing ratio of the Group (total borrowings divided by total net assets) was 7.5% (31 December 2019: 6.5%).

## **Cash Position**

The Group's bank deposits are interest bearing at prevailing market rates. At 30 June 2020, the total bank deposits of the Group amounted to HK\$1,114.19 million (31 December 2019: HK\$1,352.64 million) of which 13.7% were in Hong Kong Dollars, 81.3% in Renminbi and 5% in other currencies (31 December 2019: 7.2% in Hong Kong Dollars, 87.6% in Renminbi and 5.2% in other currencies).

Pursuant to the requirements from the Insurance Authority, Min Xin Insurance, a wholly-owned 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 Min Xin Insurance Company Limited" in bank deposits as a statutory deposit. At 30 June 2020, Min Xin Insurance has placed fixed deposits of HK\$16 million (31 December 2019: HK\$16 million) in the name of "Insurance Authority account Min Xin Insurance Company Limited" with a bank in Hong Kong for fulfillment of such requirements. That subsidiary has also maintained bank deposits of MOP15.37 million (equivalent to HK\$14.92 million) and HK\$41.77 million (31 December 2019: MOP15.32 million, equivalent to HK\$14.87 million and HK\$26.21 million) for fulfilling certain requirements under the Macau Insurance Companies Ordinance (Decree-Law no. 27/97/M of 30 June) (the "Macau Insurance Companies Ordinance").

## **Risk of Exchange Rate Fluctuation**

The Group operates in Hong Kong, Mainland China and Macau, thus 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 2020, the Group's capital commitments relating to property, plant and equipment and investment properties amounted to HK\$0.22 million (31 December 2019: HK\$0.19 million).

## **Contingent Liabilities**

At 30 June 2020 and 31 December 2019, the Group had no significant contingent liabilities.

## **EMPLOYEES AND REMUNERATION POLICY**

At 30 June 2020, the Group had 76 employees. The remuneration of the employees is based on individual merits and experience. The Group also provides other benefits to employees included but not limited to 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 sponsored by the Group. The Group also organises recreational and sports activities such as Christmas party, monthly birthday party and company trip.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

In the opinion of the Directors, the Company has complied with all the applicable code provisions set out in the CG Code throughout the six months ended 30 June 2020 except for the following deviation:

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.

The Board will continue to monitor and periodically review the Company's corporate governance practices to ensure its 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 (the "Code of Conduct") on terms no less exacting than the required standard in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. The Company has made specific enquiry to all Directors and all Directors of the Company have confirmed that they have complied with the required standard as set out in the Model Code and the Company's Code of Conduct throughout the six months ended 30 June 2020.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

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

## **PUBLIC FLOAT**

Reference is made to the announcement of the Company dated 15 November 2019. As disclosed in the announcement, the public float of the Company has fallen below the minimum prescribed percentage of 25% as required under Rule 8.08(1)(a) of the Listing Rules since 23 November 2017.

At 30 June 2020, the aggregate percentage of shareholding interests in the issued share capital of the Company held by the core connected persons of the Company (as defined in the Listing Rules) (being Fujian Investment & Development Group Co., Ltd., Mr HON Kwok Lung and Mr IP Kai Ming who is an Independent Non-executive Director of the Company) was approximately 76.31%. Thus, the percentage of shareholding interests in the issued share capital of the Company held by public was approximately 23.69% and was below the minimum prescribed percentage of 25% as required under Rule 8.08(1)(a) of the Listing Rules.

As disclosed in the announcement of the Company dated 10 July 2020, the public float of the Company was approximately 25.03% and thus the public float has been restored and the Company has fulfilled the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules. To the best knowledge, information and belief of the Directors, based on available information, the public float of the Company maintained at the minimum prescribed percentage of 25% as required under Rule 8.08(1)(a) of the Listing Rules at the date of issuance of this announcement.

## **REVIEW BY AUDIT COMMITTEE**

The Audit Committee currently comprises three Independent Non-executive Directors and is chaired by Mr CHEUNG Man Hoi. The other members are 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 2020 as set out in this announcement.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

The announcement of interim results for the six months ended 30 June 2020 is published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.minxin.com.hk](http://www.minxin.com.hk). The 2020 interim report 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, 26 August 2020

*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 HON Hau Chit and YANG Jingchao; the independent non-executive directors are Messrs IP Kai Ming, CHEUNG Man Hoi and LEUNG Chong Shun.*