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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 2024 INTERIM RESULTS

FINANCIAL HIGHLIGHTS

- Profit attributable to Shareholders amounted to HK\$33.29 million, a decrease of 71.2%
- Basic earnings per share was 5.57 HK cents
- Total assets recorded HK\$9.18 billion, same as the end of 2023
- Total equity attributable to Shareholders decreased by 0.5% to HK\$8.03 billion
- Final dividend of 9 HK cents per share for the year ended 31 December 2023 had been paid on 12 July 2024

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 2024 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT*For the six months ended 30 June 2024*

		Six months ended 30 June	
		2024	2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Insurance revenue		91,909	99,793
Interest income calculated using the effective interest method		6,393	4,599
Rental income from investment properties		3,845	4,304
Dividend income from financial assets at fair value through other comprehensive income		215	79
Distribution income from financial assets at fair value through other comprehensive income		939	942
Total revenues		103,301	109,717
Other income	3	18,647	16,453
Operating income		121,948	126,170
Other losses – net	4	(24,264)	(15,161)
Insurance service expenses		(75,925)	(87,479)
Net expenses from reinsurance contracts held		(10,777)	(8,236)
Finance expenses from insurance contracts issued		(836)	(353)
Finance income from reinsurance contracts held		243	133
(Additional provision for)/write back of impairment loss on credit-impaired loans to customers and interest receivable		(779)	2,638
Impairment loss on debt investments at amortised cost		(30)	(150)
Administrative expenses		(23,431)	(26,954)
Operating loss	5	(13,851)	(9,392)
Finance costs	6	(22,561)	(16,074)
Share of results of associates		73,041	145,469
Profit before taxation		36,629	120,003
Income tax expense	7	(3,337)	(4,481)
Profit for the period		33,292	115,522
		<i>HK CENTS</i>	<i>HK CENTS</i>
Earnings per share			
Basic and diluted	8	5.57	19.34

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the six months ended 30 June 2024*

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period	33,292	115,522
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)	135,083	93,525
Deferred tax	(7,593)	–
	127,490	93,525
Share of other comprehensive income of associates	(336)	25
	127,154	93,550
Items that may be reclassified subsequently to income statement:		
Debt investments at fair value through other comprehensive income		
Released on dilution of interest in an associate	–	2,962
Exchange translation reserve		
Exchange differences arising on translation of the financial statements of foreign subsidiaries and associates	(150,686)	(348,841)
Released on dilution of interest in an associate	–	4,545
	(150,686)	(344,296)
Share of other comprehensive income of associates	7,159	70,429
	(143,527)	(270,905)
Other comprehensive income for the period, net of tax	(16,373)	(177,355)
Total comprehensive income for the period	16,919	(61,833)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		30 June 2024	31 December 2023
	Note	HK\$'000	HK\$'000
Assets			
Property, plant and equipment		14,138	14,109
Right-of-use assets		13,359	13,099
Investment properties		170,032	172,329
Associates		6,374,448	6,442,096
Financial assets at fair value through other comprehensive income		753,688	630,093
Financial assets at amortised cost		184,903	156,174
Pledged and restricted term deposits		335,846	354,542
Insurance contract assets		2,781	1,461
Reinsurance contract assets		13,880	15,019
Credit-impaired loans to customers and interest receivable	10	14,758	15,102
Other debtors, prepayments and deposits		11,424	5,573
Financial assets at fair value through profit or loss		288,866	626,443
Term Deposits		363,612	323,270
Cash and cash equivalents		640,014	415,415
Total assets		9,181,749	9,184,725

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*As at 30 June 2024*

		30 June	31 December
		2024	2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Equity			
Share capital		1,715,377	1,715,377
Other reserves		1,521,067	1,508,881
Retained profits		4,796,172	4,845,192
		<hr/>	<hr/>
Total equity attributable to shareholders of the Company		8,032,616	8,069,450
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Liabilities			
Insurance contract liabilities		160,138	146,260
Reinsurance contract liabilities		4,788	8,498
Other creditors and accruals		33,569	36,930
Lease liabilities		2,077	586
Bank borrowings		820,238	855,570
Current income tax payable		5,847	4,582
Dividend payable		53,753	–
Deferred income tax liabilities		68,723	62,849
		<hr/>	<hr/>
Total liabilities		1,149,133	1,115,275
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Equity and liabilities		9,181,749	9,184,725
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1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

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 (the “**Listing Rules**”), and in 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 2023 annual report.

The financial information relating to the year ended 31 December 2023 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 2023 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 407(3) of the Companies Ordinance.

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 2023 annual report.

Application of amendments to standards

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

- Amendments to HKAS 1 Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020)
- Amendments to HKAS 1 Non-Current Liabilities with Covenants
- Amendments to HKAS 7 and HKFRS 7 Supplier Finance Arrangements
- Amendments to HKFRS 16 Lease Liability in a Sale and Leaseback

The adoption of these amendments to standards had no 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 amendments to standard that is not effective for the current accounting period.

2 SEGMENTAL INFORMATION

The Group identifies its operating segments based on the reports reviewed internally by the chief operating decision-makers which include the Board 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 associate, 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") 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 investments: this segment includes the investment in A-Shares of Huaneng Power International, Inc. (“**Huaneng**”), high-tech investments and subordinated capital securities and bonds.

Corporate activities: corporate treasury and other centralised functions which cannot be allocated to each reporting segment. It is not a reportable operating segment of the Group.

(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 segments, products and services are grouped under “Corporate activities”. 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.

Segment assets include all tangible and intangible 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 and reinsurance contract 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		Property investment		Strategic investments		Corporate activities		Inter-segment elimination		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	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
Six months ended 30 June														
Revenue from external customers														
Insurance revenue	-	-	91,909	99,793	-	-	-	-	-	-	-	-	91,909	99,793
Interest income	1,361	4,259	961	340	-	-	3,940	-	131	-	-	-	6,393	4,599
Rental income	-	-	2,880	2,880	965	1,424	-	-	-	-	-	-	3,845	4,304
Dividend income	-	-	215	79	-	-	-	-	-	-	-	-	215	79
Distribution income	-	-	-	-	-	-	939	942	-	-	-	-	939	942
	<u>1,361</u>	<u>4,259</u>	<u>95,965</u>	<u>103,092</u>	<u>965</u>	<u>1,424</u>	<u>4,879</u>	<u>942</u>	<u>131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,301</u>	<u>109,717</u>
Inter-segments	-	-	710	47	139	145	-	-	1,594	1,594	(2,443)	(1,786)	-	-
	<u>1,361</u>	<u>4,259</u>	<u>96,675</u>	<u>103,139</u>	<u>1,104</u>	<u>1,569</u>	<u>4,879</u>	<u>942</u>	<u>1,725</u>	<u>1,594</u>	<u>(2,443)</u>	<u>(1,786)</u>	<u>103,301</u>	<u>109,717</u>
Reportable segment revenue	1,361	4,259	96,675	103,139	1,104	1,569	4,879	942	1,725	1,594	(2,443)	(1,786)	103,301	109,717
Other income	753	353	5,165	4,345	-	-	-	-	12,729	11,755	-	-	18,647	16,453
	<u>2,114</u>	<u>4,612</u>	<u>101,840</u>	<u>107,484</u>	<u>1,104</u>	<u>1,569</u>	<u>4,879</u>	<u>942</u>	<u>14,454</u>	<u>13,349</u>	<u>(2,443)</u>	<u>(1,786)</u>	<u>121,948</u>	<u>126,170</u>
Operating income	7	(14,087)	(496)	1,685	(2,167)	(2,845)	-	-	(21,608)	86	-	-	(24,264)	(15,161)
Other (losses)/gains – net	-	-	(75,925)	(87,479)	-	-	-	-	-	-	-	-	(75,925)	(87,479)
Insurance service expenses	-	-	(10,777)	(8,236)	-	-	-	-	-	-	-	-	(10,777)	(8,236)
Net expenses from reinsurance contracts held	-	-	(836)	(353)	-	-	-	-	-	-	-	-	(836)	(353)
Finance expenses from insurance contracts issued	-	-	243	133	-	-	-	-	-	-	-	-	243	133
Finance income from reinsurance contracts held	(779)	2,638	-	-	-	-	-	-	-	-	-	-	(779)	2,638
(Additional provision for) / write back of impairment loss on credit-impaired loans to customers and interest receivable	-	-	(30)	(150)	-	-	-	-	-	-	-	-	(30)	(150)
Impairment loss on debt investments at amortised cost	(820)	(772)	(8,441)	(9,395)	(377)	(430)	-	-	(16,186)	(18,080)	2,393	1,723	(23,431)	(26,954)
Administrative expenses	522	(7,609)	5,578	3,689	(1,440)	(1,706)	4,879	942	(23,340)	(4,645)	(50)	(63)	(13,851)	(9,392)
Operating profit/(loss)	522	(7,609)	5,578	3,689	(1,440)	(1,706)	4,879	942	(23,340)	(4,645)	(50)	(63)	(13,851)	(9,392)
Finance costs	-	-	(54)	(115)	-	-	-	-	(22,555)	(16,065)	48	106	(22,561)	(16,074)
Share of results of associates	72,656	145,299	-	-	-	-	385	170	-	-	-	-	73,041	145,469
	<u>73,178</u>	<u>137,690</u>	<u>5,524</u>	<u>3,574</u>	<u>(1,440)</u>	<u>(1,706)</u>	<u>5,264</u>	<u>1,112</u>	<u>(45,895)</u>	<u>(20,710)</u>	<u>(2)</u>	<u>43</u>	<u>36,629</u>	<u>120,003</u>
Profit/(loss) before taxation	73,178	137,690	5,524	3,574	(1,440)	(1,706)	5,264	1,112	(45,895)	(20,710)	(2)	43	36,629	120,003
Income tax (expense)/credit	-	-	(1,546)	(1,552)	1,096	1,507	-	-	(2,887)	(4,436)	-	-	(3,337)	(4,481)
	<u>73,178</u>	<u>137,690</u>	<u>3,978</u>	<u>2,022</u>	<u>(344)</u>	<u>(199)</u>	<u>5,264</u>	<u>1,112</u>	<u>(48,782)</u>	<u>(25,146)</u>	<u>(2)</u>	<u>43</u>	<u>33,292</u>	<u>115,522</u>
Profit/(loss) for the period	73,178	137,690	3,978	2,022	(344)	(199)	5,264	1,112	(48,782)	(25,146)	(2)	43	33,292	115,522
Interest income	2,114	4,559	6,045	4,624	-	-	3,940	-	12,836	11,443	-	-	24,935	20,626
Depreciation and amortisation for the period	99	111	1,484	1,414	-	-	-	-	714	502	(941)	(941)	1,356	1,086
	<u>2,213</u>	<u>4,670</u>	<u>7,529</u>	<u>6,038</u>	<u>-</u>	<u>-</u>	<u>3,940</u>	<u>-</u>	<u>13,550</u>	<u>11,945</u>	<u>(941)</u>	<u>(941)</u>	<u>26,291</u>	<u>21,712</u>
At 30 June 2024 and 31 December 2023														
The Company and subsidiaries	48,951	181,670	511,540	490,793	44,463	46,614	834,787	706,794	1,368,709	1,318,852	(1,149)	(2,094)	2,807,301	2,742,629
Investments in associates	6,343,684	6,411,292	-	-	-	-	30,764	30,804	-	-	-	-	6,374,448	6,442,096
	<u>6,392,635</u>	<u>6,592,962</u>	<u>511,540</u>	<u>490,793</u>	<u>44,463</u>	<u>46,614</u>	<u>865,551</u>	<u>737,598</u>	<u>1,368,709</u>	<u>1,318,852</u>	<u>(1,149)</u>	<u>(2,094)</u>	<u>9,181,749</u>	<u>9,184,725</u>
Total assets	6,392,635	6,592,962	511,540	490,793	44,463	46,614	865,551	737,598	1,368,709	1,318,852	(1,149)	(2,094)	9,181,749	9,184,725
The Company and subsidiaries	28,818	29,719	181,661	172,446	13,670	14,694	23,826	16,233	848,554	884,277	(1,149)	(2,094)	1,095,380	1,115,275
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	53,753	-
Dividend payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>28,818</u>	<u>29,719</u>	<u>181,661</u>	<u>172,446</u>	<u>13,670</u>	<u>14,694</u>	<u>23,826</u>	<u>16,233</u>	<u>848,554</u>	<u>884,277</u>	<u>(1,149)</u>	<u>(2,094)</u>	<u>1,149,133</u>	<u>1,115,275</u>
Total liabilities	28,818	29,719	181,661	172,446	13,670	14,694	23,826	16,233	848,554	884,277	(1,149)	(2,094)	1,149,133	1,115,275
Additions to non-current segment assets during the period	-	-	667	1,128	-	-	-	-	1,051	125	-	-	1,718	1,253
	<u>-</u>	<u>-</u>	<u>667</u>	<u>1,128</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,051</u>	<u>125</u>	<u>-</u>	<u>-</u>	<u>1,718</u>	<u>1,253</u>

(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, right-of-use 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 were 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, right-of-use assets and investment properties, and the location of operations in the case of investments in associates.

	Hong Kong		Mainland China		Macau		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
	<i>HKS’000</i>	<i>HKS’000</i>	<i>HKS’000</i>	<i>HKS’000</i>	<i>HKS’000</i>	<i>HKS’000</i>	<i>HKS’000</i>	<i>HKS’000</i>
Six months ended 30 June								
Revenues from external customers	<u>43,456</u>	<u>46,182</u>	<u>2,326</u>	<u>6,625</u>	<u>57,519</u>	<u>56,910</u>	<u>103,301</u>	<u>109,717</u>
At 30 June 2024 and 31 December 2023								
The Company and subsidiaries	<u>136,187</u>	<u>135,750</u>	<u>60,320</u>	<u>62,640</u>	<u>1,022</u>	<u>1,147</u>	<u>197,529</u>	<u>199,537</u>
Investments in associates	<u>-</u>	<u>-</u>	<u>6,374,448</u>	<u>6,442,096</u>	<u>-</u>	<u>-</u>	<u>6,374,448</u>	<u>6,442,096</u>
Specified non-current assets	<u>136,187</u>	<u>135,750</u>	<u>6,434,768</u>	<u>6,504,736</u>	<u>1,022</u>	<u>1,147</u>	<u>6,571,977</u>	<u>6,641,633</u>

3 OTHER INCOME

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest income from bank deposits	18,509	16,027
Interest income from sublease of right-of-use assets	33	–
Dividend income from financial assets at fair value through profit or loss	18	298
Government grants	2	–
Others	85	128
	<u>18,647</u>	<u>16,453</u>

4 OTHER LOSSES – NET

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net realised and unrealised gains on financial assets at fair value through profit or loss	5,880	10,325
Fair value losses on revaluation of investment properties	(2,297)	(744)
Loss on disposal of property, plant and equipment	(6)	(8)
Gain on derecognition of right-of-use assets	231	–
Loss on disposal of debt investments at amortised cost	–	(10)
Loss on dilution of interest in an associate	–	(15,724)
Net exchange losses	(28,072)	(9,000)
	<u>(24,264)</u>	<u>(15,161)</u>

5 OPERATING LOSS

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Operating loss is stated after crediting and charging the following:		
Crediting		
Rentals received and receivable from investment properties		
less direct outgoings	3,476	3,889
– Rental income	3,845	4,304
– Direct outgoings	(369)	(415)
Charging		
Staff costs, including directors' emoluments	17,362	21,052
– Salaries, allowances and bonus	16,651	20,355
– Retirement benefit costs	711	697
Depreciation and amortisation	1,356	1,086
– Property, plant and equipment	1,059	821
– Leasehold lands and land use rights	141	140
– Properties leased for own use	156	125
Management fee	940	940
Loss on disposal of property, plant and equipment	6	8
Net exchange losses	28,072	9,000

6 FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Interest expenses on bank loans	22,520	16,065
Interest expenses on lease liabilities	41	9
	22,561	16,074

7 INCOME TAX EXPENSE

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

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax		
Hong Kong profits tax	142	142
Mainland China corporate income tax	2,639	3,075
Mainland China withholding tax	–	1,028
Macau taxation	1,609	1,702
	<u>4,390</u>	<u>5,947</u>
Adjustment in respect of prior years		
Hong Kong profits tax	(6)	–
Deferred tax		
Relating to the origination and reversal of temporary differences	<u>(1,047)</u>	<u>(1,466)</u>
Income tax expense	<u>3,337</u>	<u>4,481</u>

Hong Kong profits tax has been provided at the rate of 8.25% under the Two-tiered Rates of Profits Tax (2023: 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% (2023: 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.

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

8 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company for the six months ended 30 June 2024 of HK\$33,292,000 (2023: HK\$115,522,000) and the weighted average of 597,257,252 (2023: 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.

9 DIVIDEND

The Board has resolved that no interim dividend be declared for the six months ended 30 June 2024 (2023: Nil).

10 CREDIT – IMPAIRED LOANS TO CUSTOMERS AND INTEREST RECEIVABLE

	30 June 2024	31 December 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Micro credit business		
Guaranteed loans	83,702	86,093
Secured loans	60,085	61,481
Pledged and guaranteed loans	10,174	10,467
Secured, pledged and guaranteed loans	<u>2,971</u>	<u>3,077</u>
Credit-impaired loans to customers	156,932	161,118
Credit-impaired interest receivable	<u>7,058</u>	<u>7,222</u>
	163,990	168,340
Impairment allowances	<u>(149,232)</u>	<u>(153,238)</u>
	<u>14,758</u>	<u>15,102</u>

The Group has initiated litigations against all the borrowers of credit-impaired loans. At the reporting date, all litigations have obtained effective legal documents and are in the process of performance or execution.

11 EVENTS AFTER THE REPORTING PERIOD

A summary of significant event after the reporting period is disclosed as follows:

On 29 July 2024, Fujian Minxin as a limited partner, entered into the partnership agreement with Zijin Mining Equity Investment Management (Xiamen) Co., Ltd. (as the general partner) and other limited partners, namely Zijin Mining Investment (Shanghai) Co., Ltd. and 福建地方產業股權投資基金合夥企業（有限合夥） (Fujian Local Industrial Equity Investment Funds Partnership Enterprise (Limited Partnership)*) (“**Local Industrial Funds**”), pursuant to which the parties agree to establish the partnership. Fujian Minxin shall make a capital commitment of RMB40,000,000.

Local Industrial Funds is owned as to 49.9975% by Fujian Industrial Equity Investment Fund Co., Ltd. (“**Fujian Equity Fund**”) and 0.0025% by Fujian Venture Investment Management Co., Ltd. (“**Fujian Venture Investment**”). Fujian Venture Investment is a general partner of Local Industrial Funds and is responsible for investment, management and operations of the Local Industrial Funds. Fujian Equity Fund and Fujian Venture Investment are subsidiaries of FIDG, the controlling shareholder of the Company.

* *The relevant English name is only a transliteration of the Chinese name for reference only.*

CHAIRMAN'S STATEMENT

I am pleased to announce the unaudited interim results of the Group for the first half of 2024.

In the first half of 2024, the global economy experienced a gradual recovery despite a challenging operating environment caused by geopolitical uncertainties and high interest and inflation rates. With proactive and prudent business development and diversification approach, we are optimistic about the future.

OUR PERFORMANCE

During the period under review, our results were impacted by the higher interest rate environment and conservative corporate activity. We conducted our business prudently to minimise operational risks and seized the new opportunities for business diversification proactively while adapted and responded to uncertainty of changes in the external environment.

For the six months ended 30 June 2024, the Group recorded an unaudited profit attributable to shareholders of the Company (the "**Shareholders**") of HK\$33.29 million, decreased by 71.2% when compared to the corresponding period in 2023, mainly due to the decrease in share of results of Xiamen International Bank Co., Ltd. ("**XIB**") in first half of 2024 as compared to the same period in 2023 and the one-off exchange loss of approximately HK\$21.93 million arising from the reduction of paid-in capital of Sanming Sanyuan District Minxin Micro Credit Company Limited ("**Sanyuan Micro Credit**"). Basic earnings per share was 5.57 HK cents.

The Directors continue to pay attention to Shareholders' demands and strive to improve Shareholders' returns. The Directors recommended the payment of the final dividend for 2023 of 9 HK cents per share on 12 July 2024 and passed by the Shareholders at the annual general meeting of the Company held on 18 June 2024, which brought satisfactory returns to the Shareholders.

Total assets of the Group recorded HK\$9.18 billion at 30 June 2024, same as the end of 2023.

XIB (together with its subsidiaries, Chiyu Banking Corporation Limited ("**CYB**") and Luso International Banking Ltd. ("**LIB**"), are collectively referred to as "**XIB Group**") is the most significant financial investment of the Group and has contributed about 218.2% of the results of the Group in the first half of 2024. The Group's share of profit after tax of XIB Group was HK\$72.66 million in the first half of 2024, a decrease of 50% as compared to HK\$145.3 million in the corresponding period of 2023.

XIB Group achieved a steady growth in its balance sheet. Total assets of XIB Group recorded an increase of 1.9% to RMB1,141.28 billion at 30 June 2024 as compared to RMB1,120.42 billion at the end of 2023.

The total assets of our banking business accounted for 69.1% of the Group's total assets at 30 June 2024. The net asset value per share of the Company amounted to HK\$13.45 at 30 June 2024, about 79% came from the investment in XIB.

As the first city commercial bank in Mainland China that owns full-featured subsidiary banks both in Hong Kong and Macau, XIB continues to leverage its advantages of more than 140 branch networks in the Greater China region. XIB comprehensively promotes strategic transformation, management transformation and market transformation to deeply cultivate local communities and serve real economy. XIB increases efforts to prevent and resolve financial risks and builds Overseas Chinese financial development through innovative technology financial development, green finance development and digital financial transformation. XIB will use financial services as a link to close economic and financial ties between the Mainland, Hong Kong and Macau, and strive to become the "Preferred Bank for Overseas Chinese Finance". We believe that our banking business will achieve sustainable and reasonable value growth.

XIB was ranked 156th in total assets and 168th in Tier-one Capital in the 2024 Top 1000 World Banks announced by The Banker. XIB had been rated as one of the top 200 for consecutive years.

We continued to pull resources together to vigorously expand the insurance business and strived to improve the quality and profitability of the underlying business during the period under review. Insurance service result recorded a surplus of HK\$5.21 million for the six months ended 30 June 2024, an increase of 27.7% as compared to HK\$4.08 million in the corresponding period of 2023, mainly due to decrease in claims costs. Insurance finance expenses of HK\$0.59 million were recorded for the six months ended 30 June 2024, as compared to HK\$0.22 million in the corresponding period of 2023. We will continue to improve the business quality as well as to increase the premium size.

The management team of our insurance business will continue to invest sufficient resources to proactively develop new products and new business, and continue to implement innovative technology-enabled strategic transformation in order to continuously improve service quality and underwriting professionalism in an increasingly competitive market environment. We are confident that we will strengthen the sustainable development of our business and achieve better financial performance.

PROSPECTS

Despite the challenging macroeconomic environment, the Group will continue to focus on proactive business diversification with prudent risk management approach, meticulously refined our business strategies and promote the development of existing business in order to resolutely promote the high-quality development and accelerate the building of a new development paradigm. We are uniquely positioned to take advantages of growth opportunities that will continue to come from the Greater China region and will continue to pursue long-term business and profitability growth.

Finally, I would like to extend my appreciation and sincere gratitude to Mr Chen Yu who retired from his position as an Executive Director and Mr Yang Jingchao who resigned from his position as a Non-executive Director due to other work commitments in June this year. I would also like to take this opportunity to extend my warmest welcome to Mr Zhou Tianxing and Ms You Li for joining the Board. I wish to take this opportunity to express my heartfelt appreciation 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 global economy has been characterised by steady growth, but the general operating environment remained challenging. The high Hong Kong dollars interest rate and the further weakening of the exchange rate of Renminbi against Hong Kong dollars have affected the financial performance of the Group.

Operating Results

The Group recorded an unaudited profit attributable to shareholders of the Company (the “**Shareholders**”) of HK\$33.29 million in the first half of 2024, representing a decrease of HK\$82.23 million or 71.2%, as compared to HK\$115.52 million in the same period of 2023. Such decrease was primarily due to the decrease in share of results of Xiamen International Bank Co., Ltd. (“**XIB**”) in the first half of 2024 as compared to the same period in 2023 and the recognition of the one-off loss of approximately HK\$21.93 million on reduction of paid-in capital of Sanming Sanyuan District Minxin Micro Credit Company Limited (“**Sanyuan Micro Credit**”) during the period. Basic earnings per share for the period was 5.57 HK cents, a decrease of 13.77 HK cents as compared to 19.34 HK cents in the same period of 2023.

Financial Services

The financial services business of the Group includes the engagement of banking business through its major associate, XIB (together with its subsidiaries, Chiyu Banking Corporation Limited (“CYB”) and Luso International Banking Ltd. (“LIB”), are collectively referred to as “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\$73.18 million in the first half of 2024, a decrease of 46.9% as compared to HK\$137.69 million in the same period of 2023. Such decrease in the results was primarily due to the decrease in share of results of XIB in the first half of 2024 as compared to the corresponding period in 2023.

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 for the Group’s reporting purpose of RMB0.85 billion, a decrease of RMB0.74 billion or 46.5%, as compared to RMB1.59 billion in the same period of 2023. Net interest income decreased by 26.8% in the first half of 2024 as compared to the same period in 2023, which was mainly due to an increase of 6.3% in interest expenses while interest income decreased by 3.7%. Non-interest income increased by 94.3% as compared to the same period in 2023 which was mainly due to the increase in net income/(loss) from financial instruments measured at fair value through profit or loss.

XIB Group achieved a steady growth in its total assets at 30 June 2024. At 30 June 2024, the total assets grew by 1.9% to RMB1,141.28 billion as compared to RMB1,120.42 billion at the end of 2023. Gross loans to customers were RMB610.81 billion, a decrease of 2.9% as compared to RMB629.21 billion at the end of 2023. The gross impaired loans and advances as a percentage of gross loans and advances to customers was 2.16%, increased by 0.16 percentage points as compared to 2% at the end of 2023. Total deposits from customers decreased by 3.1% to RMB704.02 billion as compared to RMB726.61 billion at the end of 2023.

Micro Credit Business

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 continues to proactively apply all measures to recover its impaired loans.

The application for the reduction of the paid-in capital of Sanyuan Micro Credit was approved on 7 March 2024. Sanyuan Micro Credit remitted RMB120 million to the Company in April 2024 and the paid-in capital of Sanyuan Micro Credit decreased to RMB180 million. During the period, the Group transferred directly to consolidated income statement from exchange translation reserve and recorded an one-off loss of approximately HK\$21.93 million for the proportionate share of the exchange losses previously recognised in exchange translation reserve relating to that reduction of the paid-in capital.

Sanyuan Micro Credit recovered the principal of impaired loans of RMB0.54 million, as compared to the principal and interest income of RMB3.52 million and RMB2.5 million respectively in the same period of 2023. The impaired loan balances at 30 June 2024 were RMB146.11 million, a decrease of 0.3% from RMB146.6 million at the end of 2023, which was due to the recovery of impaired loan principal. Sanyuan Micro Credit recorded a profit after tax of RMB0.48 million (equivalent to HK\$0.52 million) in the first half of 2024, a decrease of 93.3% as compared to RMB7.21 million (equivalent to HK\$8.12 million) in the same period of 2023.

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 insurance revenue of HK\$91.91 million in the first half of 2024, decreased by 7.9% as compared to HK\$99.79 million in the same period of 2023. Insurance service result, which reflected insurance revenue less insurance service expenses and net expenses from reinsurance contracts held, recorded a surplus of HK\$5.21 million in the first half of 2024, increased by 27.7% as compared to HK\$4.08 million in the same period of 2023, which was mainly due to the decrease in costs of claims. Insurance finance expenses, which reflected the net change in the carrying amount of the insurance contracts issued and reinsurance contracts held arising from the effects of time value of money and financial risk, recorded an expense of HK\$0.59 million in the first half of 2024, increased by 168.2% as compared to HK\$0.22 million in the same period of 2023.

Min Xin Insurance recorded a profit after tax of HK\$3.98 million in the first half of 2024, increased by 97% as compared to HK\$2.02 million in the same period of 2023, which was mainly due to the increase in insurance service result and investment income.

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

Huaneng A-Shares

At 30 June 2024, the Shanghai Composite Index decreased by about 0.3% as compared to that at the end of 2023. The closing bid price per A-Share of Huaneng Power International, Inc. (“**Huaneng**”) as quoted on the Shanghai Stock Exchange increased from RMB7.69 per share at 31 December 2023 to RMB9.62 per share at 30 June 2024. The fair value of the Group’s investment in A-Share of Huaneng (“**Huaneng A-Shares**”) measured with reference to the closing bid price per A-Share of Huaneng stood at HK\$702.1 million (equivalent to RMB653.7 million). In the first half of 2024, the Group recorded a gain of HK\$127.82 million (first half of 2023: HK\$94.18 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).

During the first half of 2024, Huaneng declared a final dividend for 2023 of RMB0.2 per share with ex-dividend date on 11 July 2024. The Group will record such dividend income totalling RMB13.59 million (equivalent to HK\$14.6 million) in the second half of 2024. Huaneng did not declare or pay a final dividend for 2022 last year.

Huaneng has announced its 2024 interim result under the PRC Accounting Standards. Its operating revenue and operating expenses decreased by 5.7% and 9.5% respectively as compared to those at the same period of 2023. Its profit attributable to shareholders was RMB7.45 billion in the first half of 2024, increased by 18.1% as compared to RMB6.31 billion in the same period of 2023, primarily attributable to the continuous strengthening of cost control to achieve year-on-year reduction in unit fuel costs and year-on-year growth in coal-fired generation profits, as well as the year-on-year increase in the profit contribution of new energy segment due to the expansion of scale. Earnings per share was RMB0.38 for the period under review as compared to RMB0.31 in the same period of 2023.

Property Investment

The property investment business of the Group represents the leasing of certain investment properties in Mainland China. In the first half of 2024, the property investment business reported a loss after tax of HK\$0.34 million, as compared to HK\$0.2 million in the same period of 2023.

The market rental of office space in Fuzhou, Fujian Province remained soft in the first half of 2024. The occupancy rate of the leased commercial properties and parking spaces in Fuzhou (the “**Fuzhou Property**”) of the Group were 80.8% and 83.3% respectively at 30 June 2024 (31 December 2023: 79.5% and 74.7% respectively), the monthly rental of certain new leases have declined as compared to the expired leases. The Group recorded a rental income of RMB0.91 million in the first half of 2024, decreased by 32.1% as compared to RMB1.34 million in the same period of 2023, mainly due to the decline in monthly rental and increase in vacant units as compared to the corresponding period in 2023. At 30 June 2024, the fair value of the Fuzhou Property was HK\$44.45 million, a decrease of 4.6% as compared to the fair value of HK\$46.61 million at the end of 2023. The Group recorded a fair value loss of HK\$2.17 million and a fair value loss after deferred tax of HK\$1 million in the first half of 2024, as compared to HK\$2.85 million and HK\$1.3 million respectively in the first half of 2023.

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 2024 (31 December 2023: 597,257,252 shares), the net asset value per share was HK\$13.45 at 30 June 2024 (31 December 2023: HK\$13.51).

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 2024, the Group had borrowings totalling HK\$820.25 million granted by several banks, decreased by 4.1% as compared to HK\$855.59 million at the end of 2023. Based on the scheduled repayment dates set out in the loan facilities, all outstanding amounts will mature and are repayable within one year. The Group will consider to arrange refinancing of the borrowings if necessary. These bank loans are in Hong Kong dollars with mix of fixed and floating interest rates. The fixed-rate bank loans consist of the three-year term loan of HK\$198.6 million and the short-term loan of HK\$140 million and the floating-rate bank loans consist of all other revolving bank loans. The effective interest rate at 30 June 2024 ranged from 2.7% to 6.4% (31 December 2023: 2.7% to 7.6%) per annum.

In addition, the Group had withdrawable revolving bank loan facilities of approximately HK\$368.35 million at 30 June 2024.

At 30 June 2024, the three-year fixed-rate term loan of HK\$198.6 million (31 December 2023: HK\$198.6 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\$214.81 million) (31 December 2023: RMB200 million, equivalent to HK\$219.8 million) placed by a wholly-owned subsidiary of the Company in Mainland China.

At 30 June 2024, a portion of the revolving bank loans totalling HK\$186.19 million (31 December 2023: HK\$223.53 million) was secured by the self-use office building owned by a wholly-owned subsidiary in Hong Kong with a net book value of approximately HK\$8.24 million (31 December 2023: HK\$8.37 million) at 30 June 2024. The fair value of the property was HK\$220 million (31 December 2023: HK\$240 million) at 30 June 2024.

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 (31 December 2023: HK\$15 million) as a collateral for the standby letter of credit at 30 June 2024.

Save for the above, no other assets of the Group were pledged at 30 June 2024 and 31 December 2023 respectively.

Total Liabilities to Equity Ratio and Gearing Ratio

At 30 June 2024, the total liabilities of the Group were HK\$1,149.13 million (31 December 2023: HK\$1,115.28 million) and the ratio of total liabilities to total equity attributable to Shareholders was 14.3% (31 December 2023: 13.8%).

At 30 June 2024, the gearing ratio of the Group (total borrowings divided by total net assets) was 10.2% (31 December 2023: 10.6%).

Cash Position

The Group's balances with banks are interest bearing at prevailing market rates. At 30 June 2024, the total balances with banks of the Group amounted to HK\$1,300.04 million (31 December 2023: HK\$1,061.83 million) of which 20.1% were in Hong Kong dollars, 76.1% in Renminbi and 3.8% in other currencies (31 December 2023: 25.4% in Hong Kong dollars, 69.5% in Renminbi and 5.1% 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. Accordingly, Min Xin Insurance has placed fixed deposits of 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 at 31 December 2023. The requirements to maintain at all times of its funds of not less than HK\$16 million in the name of "Insurance Authority account Min Xin Insurance Company Limited" were rescinded in February 2024 and the term deposits will be released on maturity in August 2024.

At 30 June 2024, Min Xin Insurance has also maintained bank deposits of MOP18.41 million (equivalent to HK\$17.87 million) and HK\$69.45 million (31 December 2023: MOP18.41 million, equivalent to HK\$17.87 million and HK\$69.45 million) for fulfilling certain requirements under the Macau Insurance Ordinance (Decree-Law no. 27/97/M of 30 June) (the "Macau Insurance 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 2024, the Group's capital commitments relating to property, plant and equipment and investment properties amounted to HK\$0.65 million (31 December 2023: HK\$0.65 million).

Contingent Liabilities

At 30 June 2024 and 31 December 2023, the Group had no significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

At 30 June 2024, the Group had 69 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 activities such as Christmas party.

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 Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to 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 2024.

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 C3 to 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 standards as set out in the Model Code and the Company's Code of Conduct throughout the six months ended 30 June 2024.

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 2 May 2024. 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.

At 30 June 2024 and the date of this announcement, 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 75.18%. Thus, the percentage of shareholding interests in the issued share capital of the Company held by public was approximately 24.82% and was below the minimum prescribed percentage of 25% as required under Rule 8.08(1)(a) of the Listing Rules.

The management of the Company is in the process of working out with relevant parties to identify feasible measures to restore the public float. Further announcement will be made by the Company on the restoration of public float as and when appropriate.

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 2024 as set out in this announcement.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND 2024 INTERIM REPORT

The announcement of interim results for the six months ended 30 June 2024 is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.minxin.com.hk. The 2024 Interim Report will be published on the aforesaid websites and printed copies of the 2024 Interim Report will be sent to the Shareholders in due course.

By Order of the Board
Min Xin Holdings Limited
WANG Fei
Chairman

Hong Kong, 30 August 2024

As at the date of this announcement, the executive directors of the Company are Messrs WANG Fei (Chairman) and HUANG Wensheng (Vice Chairman); the non-executive directors are Messrs HON Hau Chit, ZHOU Tianxing and YOU Li; the independent non-executive directors are Messrs IP Kai Ming, CHEUNG Man Hoi and LEUNG Chong Shun.