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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 ANNUAL RESULTS

FINANCIAL HIGHLIGHTS

- Profit attributable to Shareholders amounted to HK\$87.7 million, an increase of 122.5%
- Basic earnings per share was 14.68 HK cents
- Total assets decreased by 2.8% to HK\$8.92 billion
- Total equity attributable to Shareholders decreased by 3.1% to HK\$7.82 billion

The board (the “**Board**”) of directors (the “**Directors**”) of Min Xin Holdings Limited (the “**Company**”) hereby announces the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024.

Financial information extracted from the audited consolidated financial statements for the year ended 31 December 2024 prepared in accordance with Hong Kong Financial Reporting Standards are as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

		2024	2023
	Note	HK\$'000	HK\$'000
Insurance revenue		187,383	191,128
Interest income calculated using the effective interest method		13,023	10,847
Rental income from investment properties		7,970	8,132
Dividend income from financial assets at fair value through other comprehensive income		16,357	2,662
Distribution income from financial assets at fair value through other comprehensive income		1,872	1,880
Total revenues		226,605	214,649
Other income	3	36,922	34,239
Operating income		263,527	248,888
Other losses – net	4	(29,481)	(6,461)
Insurance service expenses		(148,500)	(163,007)
Net expenses from reinsurance contracts held		(17,461)	(16,606)
Finance expenses from insurance contracts issued		(4,681)	(5,565)
Finance income from reinsurance contracts held		531	261
(Charge for)/write back of impairment loss on credit- impaired loans to customers and interest receivable		(1,812)	2,845
Impairment loss on debt investments at amortised cost		(167)	(150)
Administrative expenses		(53,730)	(56,566)
Operating profit	5	8,226	3,639
Finance costs	6	(44,165)	(41,366)
Share of results of associates		130,804	67,488
Profit before taxation		94,865	29,761
Income tax (expense)/credit	7	(7,169)	9,648
Profit for the year		87,696	39,409
Dividend			
Final dividend		–	53,753
		HK CENTS	HK CENTS
Earnings per share			
Basic and diluted	8	14.68	6.60
Dividend per share			
Final dividend		–	9

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024	2023
	HK\$'000	HK\$'000
Profit for the year	87,696	39,409
Other comprehensive income		
Items that will not be reclassified to income statement:		
Equity investments at fair value through other comprehensive income		
Movement in fair value reserve (non-recycling), net of tax	(58,865)	(26,621)
Share of other comprehensive income of associates	1,251	(4,156)
	(57,614)	(30,777)
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	(225,668)	(225,739)
Released on dilution of interest in an associate	—	4,545
	(225,668)	(221,194)
Share of other comprehensive income of associates	6,820	89,332
	(218,848)	(128,900)
Other comprehensive income for the year, net of tax	(276,462)	(159,677)
Total comprehensive income for the year	(188,766)	(120,268)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Assets			
Property, plant and equipment		13,110	14,109
Right-of-use assets		13,511	13,099
Investment properties		165,348	172,329
Associates		6,360,035	6,442,096
Financial assets at fair value through other comprehensive income		544,501	630,093
Debt investments at amortised cost		256,802	156,174
Pledged and restricted term deposits		337,917	354,542
Insurance contract assets		3,447	1,461
Reinsurance contract assets		17,757	15,019
Credit-impaired loans to customers and interest receivable	9	11,257	15,102
Other debtors, prepayments and deposits		33,057	5,573
Current income tax recoverable		30	–
Financial assets at fair value through profit or loss		112,592	626,443
Term deposits		471,378	323,270
Cash and cash equivalents		574,329	415,415
Total assets		8,915,071	9,184,725

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)**As at 31 December 2024*

		2024	2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Equity			
Share capital		1,715,377	1,715,377
Other reserves		1,318,872	1,508,881
Retained profits		4,783,898	4,845,192
Total equity attributable to shareholders of the Company		7,818,147	8,069,450
Liabilities			
Insurance contract liabilities		169,086	146,260
Reinsurance contract liabilities		4,790	8,498
Other creditors and accruals		37,493	36,930
Lease liabilities		2,163	586
Bank borrowings		758,497	855,570
Loan from the controlling shareholder		78,000	—
Current income tax payable		4,541	4,582
Deferred income tax liabilities		42,354	62,849
Total liabilities		1,096,924	1,115,275
Equity and liabilities		8,915,071	9,184,725

1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collectively refer to all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (“**Ints**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), and have been aligned with accounting principles generally accepted in Hong Kong and the requirements of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Companies Ordinance**”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The consolidated financial statements have been prepared under the historical cost convention except for financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, investment properties, insurance contracts issued and reinsurance contracts held.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for the leasing transactions that are accounted for in accordance with HKFRS 16 Leases.

The financial information relating to the years ended 31 December 2024 and 2023 included in this annual results announcement does not constitute the Company's statutory annual consolidated financial statements for those years 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 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 and will deliver the consolidated financial statements for the year ended 31 December 2024 in due course.

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

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 |

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 consolidated financial statements.

Up to the date of issuance of this annual results announcement, the HKICPA has issued the following new standards and amendments to standards which are not yet effective for the accounting year ended 31 December 2024 and which have not been early adopted in these consolidated financial statements:

- Amendments to HKAS 21 Lack of Exchangeability¹
- Amendments to HKFRS 10 and Sale or Contribution of Assets between an Investor
HKAS 28 and its Associate or Joint Venture⁴
- Amendments to HKFRS 9 and Amendments to the Classification and Measurement
HKFRS 7 of Financial Instruments²
- Amendments to HKFRS 9 and Contracts Referencing Nature-dependent Electricity²
HKFRS 7
- HKFRS 18 Presentation and Disclosure in Financial Statements³
- HKFRS 19 Subsidiaries without Public Accountability:
Disclosures³
- Annual Improvements to HKFRS Accounting Standards – Volume 11²

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective for annual periods beginning on or after a date to be determined.

HKFRS 18 Presentation and Disclosure in Financial Statements aims to give users of financial statements more transparent and comparable information about an entity's financial performance. It will replace HKAS 1 Presentation of Financial Statements but carries over many requirements from this HKAS unchanged. In addition, there are three sets of new requirements relating to the structure of the income statement, management-defined performance measures and the aggregation and disaggregation of financial information.

While HKFRS 18 will not change recognition criteria or measurement bases, it may have an impact on presenting information in the financial statements, in particular the income statement. The Group is currently assessing the impact before developing a more detailed implementation plan.

The application of other new standards and amendments is not expected to have significant impact on the financial position or performance of the Group.

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 investment: this segment includes the investment in A-Shares of Huaneng Power International, Inc. (“Huaneng”), high-tech investments, subordinated capital securities and bonds, and investment in limited partnership.

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 investment		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
Year ended 31 December														
Revenue from external customers														
Insurance revenue	-	-	187,383	191,128	-	-	-	-	-	-	-	-	187,383	191,128
Interest income	2,110	5,603	2,504	1,283	-	-	7,861	3,961	548	-	-	-	13,023	10,847
Rental income	-	-	5,952	5,760	2,018	2,372	-	-	-	-	-	-	7,970	8,132
Dividend income	-	-	1,760	2,662	-	-	14,597	-	-	-	-	-	16,357	2,662
Distribution income	-	-	-	-	-	-	1,872	1,880	-	-	-	-	1,872	1,880
	<u>2,110</u>	<u>5,603</u>	<u>197,599</u>	<u>200,833</u>	<u>2,018</u>	<u>2,372</u>	<u>24,330</u>	<u>5,841</u>	<u>548</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,605</u>	<u>214,649</u>
Inter-segments	-	-	806	773	280	284	-	-	3,188	3,188	(4,274)	(4,245)	-	-
Reportable segment revenue	<u>2,110</u>	<u>5,603</u>	<u>198,405</u>	<u>201,606</u>	<u>2,298</u>	<u>2,656</u>	<u>24,330</u>	<u>5,841</u>	<u>3,736</u>	<u>3,188</u>	<u>(4,274)</u>	<u>(4,245)</u>	<u>226,605</u>	<u>214,649</u>
Other income	836	1,547	9,872	9,394	-	77	-	-	26,214	23,221	-	-	36,922	34,239
Operating income	2,946	7,150	208,277	211,000	2,298	2,733	24,330	5,841	29,950	26,409	(4,274)	(4,245)	263,527	248,888
Other (losses)/gains – net	(21,656)	(13,918)	(2,338)	1,807	(5,582)	(3,208)	(23)	-	118	8,858	-	-	(29,481)	(6,461)
Insurance service expenses	-	-	(148,500)	(163,007)	-	-	-	-	-	-	-	-	(148,500)	(163,007)
Net expenses from reinsurance contracts held	-	-	(17,461)	(16,606)	-	-	-	-	-	-	-	-	(17,461)	(16,606)
Finance expenses from insurance contracts issued	-	-	(4,681)	(5,565)	-	-	-	-	-	-	-	-	(4,681)	(5,565)
Finance income from reinsurance contracts held	-	-	531	261	-	-	-	-	-	-	-	-	531	261
(Charge for)/write back of impairment loss on credit-impaired loans to customers and interest receivable	(1,812)	2,845	-	-	-	-	-	-	-	-	-	-	(1,812)	2,845
Impairment loss on debt investments at amortised cost	-	-	(167)	(150)	-	-	-	-	-	-	-	-	(167)	(150)
Administrative expenses	(1,743)	(1,901)	(18,841)	(19,805)	(780)	(820)	-	-	(36,515)	(38,135)	4,149	4,095	(53,730)	(56,566)
Operating profit/(loss)	<u>(22,265)</u>	<u>(5,824)</u>	<u>16,820</u>	<u>7,935</u>	<u>(4,064)</u>	<u>(1,295)</u>	<u>24,307</u>	<u>5,841</u>	<u>(6,447)</u>	<u>(2,868)</u>	<u>(125)</u>	<u>(150)</u>	<u>8,226</u>	<u>3,639</u>
Finance costs	-	-	(77)	(200)	-	-	-	-	(44,154)	(41,350)	66	184	(44,165)	(41,366)
Share of results of associates	129,996	65,947	-	-	-	-	808	1,541	-	-	-	-	130,804	67,488
Profit/(loss) before taxation	<u>107,731</u>	<u>60,123</u>	<u>16,743</u>	<u>7,735</u>	<u>(4,064)</u>	<u>(1,295)</u>	<u>25,115</u>	<u>7,382</u>	<u>(50,601)</u>	<u>(44,218)</u>	<u>(59)</u>	<u>34</u>	<u>94,865</u>	<u>29,761</u>
Income tax (expense)/credit	-	(4,497)	(2,938)	(2,862)	2,930	1,646	(1,460)	-	(5,701)	15,361	-	-	(7,169)	9,648
Profit/(loss) for the year	<u>107,731</u>	<u>55,626</u>	<u>13,805</u>	<u>4,873</u>	<u>(1,134)</u>	<u>351</u>	<u>23,655</u>	<u>7,382</u>	<u>(56,302)</u>	<u>(28,857)</u>	<u>(59)</u>	<u>34</u>	<u>87,696</u>	<u>39,409</u>
Interest income	2,874	7,040	12,196	10,527	-	-	7,861	3,961	26,607	22,918	-	-	49,538	44,446
Depreciation and amortisation for the year	198	214	3,110	2,837	-	-	-	-	1,405	984	(1,883)	(1,883)	2,830	2,152
At 31 December														
The Company and subsidiaries	47,634	181,670	534,400	490,793	41,047	46,614	633,923	706,794	1,301,749	1,318,852	(3,717)	(2,094)	2,555,036	2,742,629
Investments in associates	6,329,078	6,411,292	-	-	-	-	30,957	30,804	-	-	-	-	6,360,035	6,442,096
Total assets	<u>6,376,712</u>	<u>6,592,962</u>	<u>534,400</u>	<u>490,793</u>	<u>41,047</u>	<u>46,614</u>	<u>664,880</u>	<u>737,598</u>	<u>1,301,749</u>	<u>1,318,852</u>	<u>(3,717)</u>	<u>(2,094)</u>	<u>8,915,071</u>	<u>9,184,725</u>
The Company and subsidiaries	28,543	29,719	191,534	172,446	11,770	14,694	-	16,233	868,794	884,277	(3,717)	(2,094)	1,096,924	1,115,275
Total liabilities	<u>28,543</u>	<u>29,719</u>	<u>191,534</u>	<u>172,446</u>	<u>11,770</u>	<u>14,694</u>	<u>-</u>	<u>16,233</u>	<u>868,794</u>	<u>884,277</u>	<u>(3,717)</u>	<u>(2,094)</u>	<u>1,096,924</u>	<u>1,115,275</u>
Additions to non-current segment assets during the year	-	-	4,256	1,128	-	-	-	-	1,643	125	(3,529)	-	2,370	1,253

(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 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>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>
Year ended 31 December								
Revenues from external customers	<u>92,910</u>	<u>91,361</u>	<u>18,725</u>	<u>7,975</u>	<u>114,970</u>	<u>115,313</u>	<u>226,605</u>	<u>214,649</u>
At 31 December								
The Company and subsidiaries	134,816	135,750	56,277	62,640	876	1,147	191,969	199,537
Investments in associates	<u>–</u>	<u>–</u>	<u>6,360,035</u>	<u>6,442,096</u>	<u>–</u>	<u>–</u>	<u>6,360,035</u>	<u>6,442,096</u>
Specified non-current assets	<u>134,816</u>	<u>135,750</u>	<u>6,416,312</u>	<u>6,504,736</u>	<u>876</u>	<u>1,147</u>	<u>6,552,004</u>	<u>6,641,633</u>

3 OTHER INCOME

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest income from bank deposits	36,453	33,599
Interest income from sublease of right-of-use assets	62	–
Dividend income from financial assets at fair value through profit or loss	141	299
Government grants	9	4
Others	257	337
	<u>36,922</u>	<u>34,239</u>

4 OTHER LOSSES – NET

	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 (a)	9,130	16,575
Loss on disposal of debt investments at amortised cost	–	(10)
Losses on disposal of property, plant and equipment	(33)	(13)
Gain on derecognition of right-of-use assets	231	–
Loss on dilution of interest in an associate	–	(15,724)
Fair value losses on revaluation of investment properties	(6,981)	(1,013)
Net exchange losses (b)	<u>(31,828)</u>	<u>(6,276)</u>
	<u>(29,481)</u>	<u>(6,461)</u>

- (a) The amount included an interest income of HK\$9,044,000 (2023: HK\$16,849,000) received from financial assets at fair value through profit or loss.
- (b) The amount included a one-off loss of approximately HK\$21.93 million for the proportionate share of the exchange losses previously recognised in the exchange translation reserve and transferred directly to consolidated income statement by the Group upon reduction of the paid-in capital of Sanming Sanyuan District Minxin Micro Credit Company Limited (“**Sanyuan Micro Credit**”) during the year.

5 OPERATING PROFIT

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Operating profit is stated after crediting and charging the following:		
Crediting		
Rentals received and receivable from investment properties		
less direct outgoings	7,225	7,348
– Rental income	7,970	8,132
– Direct outgoings	(745)	(784)
Charging		
Staff costs, including directors' emoluments	40,695	42,517
– Salaries, allowances and bonus	39,162	41,075
– Retirement benefit costs	1,533	1,442
Auditor's remuneration	4,045	5,157
– Provision for current year (a)	3,722	4,434
– Underprovision in prior year	–	400
– Interim agreed-upon procedures	323	323
Depreciation and amortisation	2,830	2,152
– Property, plant and equipment	2,161	1,623
– Leasehold lands and land use rights	282	280
– Properties leased for own use	387	249
Management fee	1,880	1,880
Losses on disposal of property, plant and equipment	33	13
Net exchange losses	31,828	6,276

- (a) Including services for the statutory audit required under the risk-based capital regime (2023: statutory audit of the consolidated financial statements on adoption of HKFRS 17).

6 FINANCE COSTS

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest expenses on bank loans	42,897	41,350
Interest expenses on loan from the controlling shareholder	1,182	–
Interest expenses on lease liabilities	86	16
	<u>44,165</u>	<u>41,366</u>

7 INCOME TAX EXPENSE/(CREDIT)

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

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current tax		
Hong Kong profits tax	371	402
Mainland China corporate income tax	5,551	6,300
Mainland China withholding tax (a)	1,460	(17,476)
Macau taxation	3,136	2,960
	<u>10,518</u>	<u>(7,814)</u>
Adjustment in respect of prior years		
Hong Kong profits tax	(9)	—
Macau taxation	(40)	7
	<u>(49)</u>	<u>7</u>
Deferred tax		
Relating to the origination and reversal of temporary differences	<u>(3,300)</u>	<u>(1,841)</u>
Income tax expense/(credit)	<u><u>7,169</u></u>	<u><u>(9,648)</u></u>

- (a) XIB was transformed from a limited liability company to a joint-stock limited company in December 2012. The Group had recognised a withholding tax payable of approximately RMB20.93 million (equivalent to approximately HK\$26.03 million) in 2012 for the Group's share of the capitalisation of XIB's retained profits after 1 January 2008 of RMB209 million. After considering the advice from a tax specialist, the Group believed that they have no further obligation to pay and have sufficient and reasonable ground to reverse the withholding tax payable of approximately RMB20.93 million (equivalent to approximately HK\$23 million) at 31 December 2023.

Hong Kong profits tax has been provided at the rate of 8.25% and 16.5% respectively under the Two-tiered Rates of Profits Tax (2023: 8.25% and 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

Mainland China corporate income tax has been calculated at the rate of 25% (2023: 25%) on the estimated taxable profits for the year.

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 year at the rates of taxation prevailing in Macau.

8 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company for the year ended 31 December 2024 of HK\$87,696,000 (2023: HK\$39,409,000) and the weighted average of 597,257,252 (2023: 597,257,252) shares in issue during the year.

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

9 CREDIT-IMPAIRED LOANS TO CUSTOMERS AND INTEREST RECEIVABLE

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Micro credit business		
Guaranteed loans	118,158	86,093
Secured loans	21,165	61,481
Pledged and guaranteed loans	10,032	10,467
Secured, pledged and guaranteed loans	2,930	3,077
Credit-impaired loans to customers	152,285	161,118
Credit-impaired interest receivable	6,986	7,222
	159,271	168,340
Impairment allowances	(148,014)	(153,238)
At 31 December	11,257	15,102

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.

The movement of impairment allowances recognised at amounts equal to lifetime expected credit loss (credit-impaired) was as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 January	153,238	170,056
Translation differences	(4,992)	(4,906)
Charged/(credited) to current year's income statement (a)	1,812	(2,845)
Write-off of credit-impaired loans principal (b)	–	(5,964)
Write-off of credit-impaired interest receivable (b)	–	(257)
Other	<u>(2,044)</u>	<u>(2,846)</u>
At 31 December	<u>148,014</u>	<u>153,238</u>

- (a) The amount represented a net balance of a reversal of impairment allowance of HK\$232,000 (2023: HK\$5,691,000) due to settlement of the outstanding balance of HK\$3,643,000 (2023: HK\$5,975,000) by customers and an additional impairment of HK\$2,044,000 (2023: HK\$2,846,000) for the year.

At 31 December 2024, there are credit-impaired loans to customers and interest receivable with gross carrying amount of RMB49,067,000 (equivalent to HK\$52,166,000) (2023: RMB55,652,000, equivalent to HK\$61,162,000) with impairment allowance of RMB38,479,000 (equivalent to HK\$40,909,000) (2023: RMB41,911,000, equivalent to HK\$46,060,000) being pledged by properties of borrowers. An impairment allowance provided was HK\$2,044,000 (2023: HK\$2,846,000) for these related loans during the year. The Group has the rights on these properties to repay these remaining outstanding exposures of approximately RMB10,589,000 (equivalent to HK\$11,257,000) (2023: RMB13,741,000, equivalent to HK\$15,102,000).

- (b) In 2023, the Group wrote off loan receivable and interest receivable with a gross amount of HK\$6,221,000 as there was information indicating that the borrowers are in severe financial difficulty and there was no realistic prospect of recovery after the Group has taken legal action against the debtors to recover the credit-impaired loans. The contractual amount of loans and interest receivable that were written-off in 2023 are still subject to enforcement activity.

DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: final dividend of 9 HK cents per share totalling HK\$53,753,152.68).

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the 2025 AGM

For the purpose of ascertaining the entitlement to attend and vote at the forthcoming annual general meeting of the Company to be held on Thursday, 26 June 2025 (the “**2025 AGM**”), the register of members of the Company will be closed from Friday, 20 June 2025 to Thursday, 26 June 2025 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the right to attend and vote at the 2025 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company’s share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 19 June 2025.

CHAIRMAN’S STATEMENT

I am pleased to announce the full year results of the Group for 2024.

2024 was a challenging year and the global political and economic landscape continued to be turbulent, with macro uncertainties persisted. Despite the challenges, the Group remained resilient and focused on key strategic actions to develop business prudently and diversify its income sources in pursuit of performance growth.

OUR PERFORMANCE

During the year under review, we conducted our business prudently to minimise operational risks, seized new opportunities while adapted to and responded to the uncertainty of changes in the external environment and enhanced our core competitiveness continuously.

The Group achieved encouraging results during the year under review. The Group recorded a profit attributable to shareholders of the Company (the “**Shareholders**”) of HK\$87.7 million for the year ended 31 December 2024, increased by 122.5% when compared to the previous year, mainly due to the satisfactory increase in share of results of Xiamen International Bank Co., Ltd. (“**XIB**”) for the year ended 31 December 2024 as compared to the same period in 2023. Basic earnings per share was 14.68 HK cents.

During the year under review, we paid a final dividend for 2023 of 9 HK cents per share to Shareholders, bringing satisfactory returns to Shareholders.

However, having considered the challenges and uncertainties in the market and to preserve more cash resources for the Group's future investment opportunities, the Board has not recommended the payment of a final dividend for 2024.

Total assets of the Group recorded a decrease of 2.8% to HK\$8.92 billion at 31 December 2024 as compared to HK\$9.18 billion at 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 148.2% of the results of the Group in 2024. The Group's share of profit after tax of XIB Group was HK\$130 million in 2024, an increase of 97.1% as compared to HK\$65.95 million in 2023.

XIB Group achieved a steady growth in its balance sheet. Total assets of XIB Group recorded an increase of 1.8% to RMB1,141.07 billion at 31 December 2024 as compared to RMB1,120.42 billion at the end of 2023.

The total assets of our banking business accounted for 71% of the Group's total assets at 31 December 2024. The net asset value per share of the Company amounted to HK\$13.09 at 31 December 2024, about 81% 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 actively leverages its strategic branch networks in Mainland, Hong Kong and Macau and its core advantages of internationalisation to continuously promote high-quality reform and transformation of its business. XIB comprehensively promotes strategic transformation, management transformation and market transformation to deeply cultivate local communities and serve real economy and continuously increases efforts to prevent and resolve financial risks. XIB promotes the deep integration of technological innovation and industry through innovative technology financial development, green finance development and digital financial transformation, and builds Overseas Chinese financial development. 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 are confident 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.

2024 is an important year in the development milestone of Min Xin Insurance Company Limited (“**Min Xin Insurance**”), a wholly-owned subsidiary of the Company. Global credit rating agency AM Best has assigned a Financial Strength Rating of B++ (Good) and a Long-Term Issuer Credit Rating of bbb+ (Good) to Min Xin Insurance during the year under review. The outlook assigned to these Credit Ratings is stable.

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 year under review. Insurance service result recorded a surplus of HK\$21.42 million for the year ended 31 December 2024, an increase of 85.9% as compared to HK\$11.52 million in 2023, mainly due to the decrease in claims costs. Insurance finance expenses of HK\$4.15 million were recorded for the year ended 31 December 2024, a decrease of 21.7% as compared to HK\$5.3 million in 2023.

The management team of our insurance business will continue to invest sufficient resources to proactively develop new products and new business, and will 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

Embracing the dynamic and complicated market landscape, the Board maintains a cautiously optimistic view towards our business growth and financial performance sustainability in 2025 and remains vigilant in managing our business. The Group will maintain its prudent risk management approach and continuously strengthen its core competitiveness, continue to focus on proactive business diversification and flexible development strategies to take advantages of growth opportunities that will continue to come from the Greater China region and enhance its revenue-generating capacity and profitability.

Finally, 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

2024 was a difficult year with continued geopolitical and macro challenges. Higher interest rates and conservative investment sentiment have led to slower economic growth and sluggish performance. The Group achieved a solid performance due to the improved results of our banking business. However, high Hong Kong dollars interest rates and fluctuations in the exchange rate of Renminbi against Hong Kong dollars continued to have an unfavourable impact.

Operating Results

The Group recorded a profit attributable to shareholders of the Company (the “Shareholders”) of HK\$87.7 million in 2024, representing an increase of HK\$48.29 million or 122.5% as compared to HK\$39.41 million in 2023. Such increase is primarily due to the increase in share of results of Xiamen International Bank Co., Ltd. (“XIB”) for the year ended 31 December 2024 as compared to the same period in 2023. Basic earnings per share for the year was 14.68 HK cents, an increase of 8.08 HK cents as compared to 6.6 HK cents in 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 a profit after tax of HK\$107.73 million in 2024, an increase of 93.7% as compared to HK\$55.63 million in 2023. Such increase in the results is primarily due to the increase in share of results of XIB in 2024 as compared to the previous year.

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 a profit after tax for the Group's reporting purpose of RMB1.39 billion, an increase of RMB0.72 billion or 107.5% as compared to RMB673.51 million in 2023. Such increase was mainly driven by the increase in investment income and net fair value gains from financial instruments measured at fair value through profit or loss, and partially offset by the decrease in net interest income and the increase in credit impairment charges in 2024 as compared to the previous year. Net interest income decreased by 15.2% in 2024 as compared to the previous year, which was mainly due to a decrease of 4.4% in interest income while interest expenses decreased by 1.8%. The non-interest income increased by 88.3% which was mainly due to the increase in investment income and net fair value gains from financial instruments measured at fair value through profit or loss, and partially offset by the decrease in net commission income.

XIB Group achieved a steady growth in its total assets at 31 December 2024. At 31 December 2024, the total assets grew by 1.8% to RMB1,141.07 billion as compared to RMB1,120.42 billion at the end of 2023. Gross loans to customers were RMB594.81 billion, a decrease of 5.5% 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 2.36%, increased by 0.36 percentage points as compared to 2% at the end of 2023. Total deposits from customers were decreased by 2.7% to RMB707.35 billion from RMB726.61 billion at the end of 2023.

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 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 year, the Group recorded a one-off loss of approximately HK\$21.93 million for the proportionate share of the exchange losses previously recognised in the exchange translation reserve and transferred directly to consolidated income statement by the Group upon reduction of the paid-in capital of Sanyuan Micro Credit during the year.

Sanyuan Micro Credit recovered the principal of impaired loans of RMB3.43 million, as compared to the principal and interest income of impaired loans of RMB5.21 million and RMB2.77 million respectively in 2023. The impaired loan balances at 31 December 2024 were RMB143.24 million, a decrease of 2.3% from RMB146.6 million at the end of 2023, which was mainly due to the recovery of impaired loan principal. Sanyuan Micro Credit recorded a loss after tax of RMB0.31 million (equivalent to HK\$0.33 million) in 2024, as compared to a profit after tax of RMB8.96 million (equivalent to HK\$9.9 million) in 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\$187.38 million in 2024, decreased by 2% as compared to HK\$191.13 million in 2023. Insurance service result, which reflected insurance revenue less insurance service expenses and net expenses from reinsurance contracts held, recorded a surplus of HK\$21.42 million in 2024, increased by 85.9% as compared to HK\$11.52 million in 2023, which was mainly due to the decrease in claims costs. Insurance finance expenses, which reflected the change in the carrying amount of the insurance contracts arising from the effects of time value of money and financial risk, recorded an expense of HK\$4.15 million in 2024, a decrease of 21.7% as compared to HK\$5.3 million in 2023.

Min Xin Insurance recorded a profit after tax of HK\$13.81 million in 2024, increased by 183.6% as compared to HK\$4.87 million in 2023, which was mainly due to the combined impact of the increase in insurance service result and investment income.

With the Financial Strength Rating of B++ (Good) assigned by AM Best in 2024, 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 31 December 2024, the Shanghai Composite Index increased by about 12.7% 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 decreased from RMB7.69 per share at 31 December 2023 to RMB6.77 per share at 31 December 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\$489.09 million (equivalent to RMB460.03 million). In 2024, the Group recorded a loss of HK\$85.2 million (2023: HK\$11.01 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).

Huaneng declared a final dividend for 2023 of RMB0.2 per share during the year. The Group recorded dividend income totalling RMB13.59 million (equivalent to HK\$14.6 million) in 2024. Huaneng did not declare or pay a final dividend for 2022 last year.

Huaneng has announced its 2024 annual results under the PRC Accounting Standards. Its operating revenue decreased by 3.5% and the operating expenses decreased by 6.8% as compared to 2023. Its profit attributable to shareholders was RMB10.14 billion in 2024, increased by 20% as compared to RMB8.45 billion in 2023, primarily attributable to the combined effects of the year-on-year decrease in domestic unit fuel costs and the profit growth generated from the orderly expansion of the renewable energy portfolio. Earnings per share was RMB0.46 for the year under review, as compared to earnings per share of RMB0.35 in 2023. The board of directors of Huaneng recommended to declare a final dividend for 2024 of RMB0.27 per share.

Property Investment

The property investment business of the Group represents the leasing of certain investment properties in Mainland China. In 2024, the property investment business reported a loss after tax of HK\$1.13 million as compared to a profit after tax HK\$0.35 million in 2023, mainly due to the increase in the revaluation loss of investment properties.

The market rental of office space in Fuzhou, Fujian Province remained soft in 2024. The occupancy rates of the leased commercial properties and parking spaces in Fuzhou (the “**Fuzhou Property**”) of the Group were 79.2% and 50.4% respectively (2023: 79.5% and 74.7% respectively) at 31 December 2024, the monthly rental of certain new leases have declined as compared to the expired leases. The Group recorded a rental income of RMB1.76 million in 2024, decreased by 15.8% as compared to RMB2.09 million in 2023, mainly due to the decline in monthly rental and increase in vacant units as compared to the corresponding period in 2023. At 31 December 2024, the fair value of the Fuzhou Property was HK\$41.03 million, a decrease of 12% 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\$5.58 million and net fair value loss after deferred tax of HK\$2.56 million in 2024, as compared to a fair value loss of HK\$3.21 million and net fair value loss after deferred tax of HK\$1.48 million in 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 ordinary shares in issue at 31 December 2024 (2023: 597,257,252 shares), the net asset value per share was HK\$13.09 at 31 December 2024 (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 31 December 2024, the Group had borrowings totalling HK\$836.5 million which comprised HK\$758.5 million granted by several banks and HK\$78 million granted by the controlling shareholder, decreased by 2.2% as compared to HK\$855.59 million granted by several banks 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 loans are in Hong Kong dollars with mix of fixed and floating interest rates. The fixed-rate loans consist of the three-year term loan of HK\$198.6 million (2023: the three-year term loan of HK\$198.6 million and the short-term loan of HK\$140 million) and the floating-rate loans consist of all other revolving bank loans and loan from the controlling shareholder. The effective interest rate at 31 December 2024 ranged from 2.7% to 6.3% (2023: 2.7% to 7.6%) per annum.

In addition, the Group had withdrawable revolving bank loan facilities and loan from the controlling shareholder of approximately HK\$630.1 million and HK\$62 million respectively at 31 December 2024.

At 31 December 2024, the three-year fixed-rate term loan of HK\$198.6 million (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\$212.63 million) (2023: RMB200 million, equivalent to HK\$219.8 million) placed by a wholly-owned subsidiary of the Company in Mainland China.

At 31 December 2024, a portion of the revolving bank loans totalling HK\$285.88 million (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\$8.11 million (2023: HK\$8.37 million) at 31 December 2024. The fair value of the property was HK\$210 million (2023: HK\$240 million) at 31 December 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 (2023: HK\$15 million) as a collateral for the standby letter of credit at 31 December 2024.

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

Total Liabilities to Equity Ratio and Gearing Ratio

At 31 December 2024, the total liabilities of the Group were HK\$1,096.92 million (2023: HK\$1,115.28 million) and the ratio of total liabilities to total equity attributable to Shareholders was 14% (2023: 13.8%).

At 31 December 2024, the gearing ratio of the Group (total borrowings divided by total net assets) was 10.7% (2023: 10.6%).

Cash Position

The Group's balances with banks are interest bearing at prevailing market rates. At 31 December 2024, the total balances with banks of the Group amounted to HK\$1,337.36 million (2023: HK\$1,061.83 million) of which 14.6% were in Hong Kong dollars, 79.3% in Renminbi and 6.1% in other currencies (2023: 25.4% were 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 and the term deposits were released on maturity during the year.

At 31 December 2024, Min Xin Insurance has maintained bank deposits of MOP18.41 million (equivalent to HK\$17.87 million) and HK\$69.45 million (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 year.

Commitments

At 31 December 2024, the Group's capital commitments relating to property, plant and equipment and investment properties amounted to HK\$0.18 million (2023: HK\$0.65 million).

At 31 December 2024, the commitment of capital contribution to the Partnership was RMB28 million (equivalent to approximately HK\$29.77 million) pursuant to the Partnership Agreement entered into by a wholly-owned subsidiary of the Company.

Contingent Liabilities

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

EMPLOYEES AND REMUNERATION POLICY

At 31 December 2024, the Group had 70 employees. The remuneration of the employees is based on individual merits and experience. The Group also provides other benefits to employees including 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.

CUSTOMER RELATIONSHIPS

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

ENVIRONMENTAL POLICY

Being a responsible corporate citizen, the Group continues to support the environmental protection initiatives to conserve the natural resources. We place a high priority on minimisation of the environmental impact of our business activities by promoting energy-efficient lighting and use of public transportation to reduce energy consumption. In addition, we proactively encourage staff to consume less energy, water and paper, by applying such as e-filings and paper recycling in our offices. Details are disclosed in the Environment, Social and Governance Report to be issued by the Company pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

COMPLIANCE WITH LAWS AND REGULATIONS

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

KEY RISKS AND UNCERTAINTIES

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

Insurance and Financial Risks

The Group's business activities are exposed to a variety of insurance risk and financial risks including market risk (foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The details of the Group's insurance risk and financial risks exposures are set out in Note 4 to the Consolidated Financial Statements in the 2024 Annual Report.

Business Risks

Banking Business

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

Insurance Business

The insurance industries in Hong Kong and Macau are highly regulated. Companies carrying on insurance business in Hong Kong and Macau must obtain authorisation from Insurance Authority and Autoridade Monetária De Macau respectively and are subject to the requirements imposed by Insurance Authority and Autoridade Monetária De Macau from time to time. Authorisation will only be granted to insurers when certain requirements under the Insurance Ordinance (Chapter 41 of the Laws of Hong Kong) and the Macau Insurance Ordinance are met. Compliance with applicable laws, rules and regulations may restrict the operations of the Group's insurance business and requires the Group to deploy significant resources and to devote considerable time to such compliance efforts. New or revised laws, rules and regulations may be introduced from time to time and such changes may have an adverse effect on the insurance business of the Group in Hong Kong and Macau.

Huaneng A-Shares

Huaneng is listed on the Shanghai Stock Exchange and Huaneng A-Shares is classified as a long-term financial asset of the Group. The dividend income from Huaneng A-Shares is affected by various factors which are beyond the Group's control, included but not limited to the results of operations, liquidity position and dividend policy of Huaneng.

The Group is required to measure Huaneng A-Shares at its fair value at the end of each reporting period and the change in fair value is recognised in other comprehensive income and accumulated separately in equity. The fair value of Huaneng A-Shares is measured with reference to the closing bid price per A-Share of Huaneng. The closing bid price per A-Share of Huaneng may be volatile and is affected by various factors which are beyond the Group's control, included but not limited to the results of operations of Huaneng, investor sentiment or confidence in the stock market and changes in economic conditions of Mainland China.

Property Investment

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

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

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 year.

CORPORATE GOVERNANCE

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 year ended 31 December 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 year ended 31 December 2024.

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 31 December 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 audited consolidated financial statements of the Group for the year ended 31 December 2024 as set out in this announcement.

SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 27 March 2025.

The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT, 2024 ANNUAL REPORT AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The announcement of annual results for the year ended 31 December 2024 is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.minxin.com.hk. The 2024 Annual Report and Environmental, Social and Governance Report will be published on the aforesaid websites and printed copies of the 2024 Annual Report will be sent to the shareholders of the Company in due course.

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

Hong Kong, 27 March 2025

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.