MIN XIN HOLDINGS LIMITED
閩信集團有限公司

(Incorporated in Hong Kong with limited liability)
(Stock code: 222)

Executive Directors:
Mr. Peng Jin Guang *(Chairman)*
Mr. Wang Fei *(Vice Chairman)*
Mr. Liu Cheng *(General Manager)*

Non-executive Directors:
Mr. Liu Lun
Mr. Hon Hau Chit

Independent Non-executive Directors:
Mr. Ip Kai Ming
Mr. Sze Robert Tsai To
Mr. So Hop Shing
Mr. Cheung Man Hoi

Registered Office:
17th Floor, Fairmont House
8 Cotton Tree Drive
Central
Hong Kong

18 May 2017

To the Qualifying Shareholders and, for information only,
the Non-Qualifying Shareholders

Dear Sir or Madam

RIGHTS ISSUE OF 137,828,596 RIGHTS SHARES
AT HK$6 PER RIGHTS SHARE
ON THE BASIS OF THREE RIGHTS SHARES FOR EVERY TEN EXISTING SHARES HELD ON THE RECORD DATE

INTRODUCTION

Reference is made to the Announcement and the Circular in relation to, among other matters, the Rights Issue and the Whitewash Waiver.

On 17 March 2017, the Board announced that the Company proposed to raise gross proceeds of not less than approximately HK$827 million before expenses by way of a rights issue of 137,828,596 Rights Shares at a price of HK$6 per Rights Share on the basis of three (3) Rights Shares for every ten (10) existing Shares held by the Qualifying Shareholders on the Record Date.

The Rights Issue is conditional on, among other things, the Whitewash Waiver being granted by the Executive and approved by the Independent Shareholders at the EGM. On 26 April 2017, the Executive granted the Whitewash Waiver which was subject to, among other things, the approval of the Independent Shareholders by way of poll at the EGM. At the EGM, the resolutions approving the Rights Issue, the Underwriting Agreement and the Whitewash Waiver were duly passed by the Independent Shareholders by way of poll. The Concert Group, including Vigour Fine which is the Underwriter and a controlling shareholder of the Company, had abstained from voting on such resolutions at the EGM.

The purpose of this Prospectus is to provide you with, among others, further details on the Rights Issue, certain financial information and other general information on the Group.

RIGHTS ISSUE

Issue Statistics

Basis of the Rights Issue	:	three (3) Rights Shares for every ten (10) existing Shares held on the Record Date
Subscription Price	:	HK$6 per Rights Share
Number of existing Shares in issue as at the Latest Practicable Date	:	459,428,656 Shares
Number of Rights Shares	:	137,828,596 Rights Shares
Amount to be raised before expenses	:	approximately HK$827 million
Underwriter	:	Vigour Fine
Total number of Shares in issue as enlarged by the Rights Shares upon completion of the Rights Issue	:	597,257,252 Shares

Assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue, the aggregate number of Rights Shares to be allotted and issued pursuant to the terms of the Rights Issue represents 30% of the Company's total number of issued Shares as at the Latest Practicable Date and will represent approximately 23.08% of the Company's total number of issued Shares as enlarged by the issue of the Rights Shares immediately after completion of the Rights Issue.

As at the Latest Practicable Date, the Company had no outstanding convertible securities, options or warrants in issue which would otherwise confer any right to subscribe for, convert or exchange into the existing Shares.

Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder's name must appear on the register of members of the Company on the Record Date and such Shareholder must not be a Non-Qualifying Shareholder.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Non-Qualifying Shareholders

The Prospectus Documents have not been registered, filed or deposited under the applicable securities legislation or equivalent legislation of any jurisdiction other than Hong Kong and Malaysia.

According to the register of members of the Company as at the Latest Practicable Date, there were eight Shareholders with registered address in a jurisdiction outside Hong Kong, namely Canada, Kuwait, Macau and Malaysia.

Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Board has made enquiries, and has obtained advices from its legal advisers as to the laws of Canada, Kuwait, Macau and Malaysia regarding the legal restrictions under the applicable securities laws and the requirements of the relevant regulatory body with respect to the offer of the Rights Shares to such Overseas Shareholders. Based on the advices provided by the Company's legal advisers, the Company is not required to obtain any approval for the despatch of the Prospectus Documents to Shareholders who reside in Macau and Malaysia either because there is no restriction or there are applicable exemptions under the laws of these jurisdictions. Accordingly, the Directors have decided to extend the Rights Issue to the six Shareholders in Macau and Malaysia holding in aggregate 80,480 Shares, who will be Qualifying Shareholders.

The Company has also been advised by legal advisers in Canada and Kuwait that, without complying with local approval and/or registration requirements and/or other formalities under the laws of Canada and Kuwait, the Rights Shares may not be offered to the Shareholders located in Canada and Kuwait. As it would not be cost-effective or expedient for the Company to comply with the approval and/or registration requirements and/or other formalities under the laws of Canada and Kuwait, the Directors have decided to exclude the two Shareholders located in Canada and Kuwait holding in aggregate 2,414,400 Shares.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders had they been Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event before dealings in the nil-paid Rights Shares end, if a premium in excess of all expenses of sale can be obtained. The aggregate net proceeds of such sale will be distributed by the Company to the Non-Qualifying Shareholders (pro-rata to their respective shareholdings on the Record Date) in Hong Kong dollars, provided that if any of such Non-Qualifying Shareholders would be entitled to a sum not exceeding HK$100, such sum will be retained by the Company for its own benefit. Any unsold nil-paid Rights Shares to which such Non-Qualifying Shareholders would otherwise have been entitled will be made available for excess application by the Qualifying Shareholders under the EAFs.

This Prospectus (without the PAL and the EAF) is sent to the Non-Qualifying Shareholders for information purposes only.

Terms of the Rights Issue

Subscription Price

The Subscription Price of HK$6 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or application for excess Rights Shares or when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares. The Subscription Price represents:

(i) a discount of approximately 14.04% to the Last Closing Price;

(ii) a discount of approximately 11.84% to the average closing price of approximately HK$6.806 per Share as quoted on the Stock Exchange for the 5 consecutive trading days ending on and including the Last Trading Day;

(iii) a discount of approximately 12.46% to the average closing price of approximately HK$6.854 per Share as quoted on the Stock Exchange for the 10 consecutive trading days ending on and including the Last Trading Day;

(iv) a discount of approximately 11.16% to the theoretical ex-right price of approximately HK$6.754 based on the Last Closing Price;

(v) a premium of approximately 3.45% to the closing price of HK$5.80 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and

(vi) a discount of approximately 42.42% to the audited consolidated net asset value per Share attributable to Shareholders of the Company of approximately HK$10.42 as at 31 December 2016.

Each Rights Share has no par value.

The Subscription Price was determined by the Directors with reference to the market price of the Shares prior to and including the Last Trading Day, the net asset value per Share as at 31 December 2015 of the Company, and the prevailing market conditions.

Basis of Provisional Allotments

The basis of the provisional allotment shall be three (3) Rights Shares for every ten (10) existing Shares held by the Qualifying Shareholders on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Fractional Entitlements to the Rights Shares

The Company will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares and the entitlements of the Qualifying Shareholders will be rounded down to the nearest whole number. No odd-lot matching services will be provided. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be provisionally allotted (in nil-paid form) to the Company or its nominee/agent, and the Company or its nominee/agent will use reasonable endeavours to sell or procure the sale of those aggregated nil-paid Rights Shares in the market for the benefit of the Company if a premium (net of expenses) can be obtained, and the Company will retain the proceeds from such sale. Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders under the EAFs.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank pari passu with the then existing Shares in issue in all respects. Holders of fully paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares.

Procedures for Acceptance and Payment or Transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than the Latest Time for Acceptance. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong

Kong and made payable to "**MIN XIN HOLDINGS LIMITED — PAL**" and crossed "**account payee only**". It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than the Latest Time for Acceptance, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Wednesday, 24 May 2017 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event, the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

Save as described under the paragraph headed "Non-Qualifying Shareholders" above, no action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy itself/himself/herself as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the aforesaid representations and warranties. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

If the Underwriter exercises the right to terminate the Underwriting Agreement or if any of the conditions of the Rights Issue as set out under the paragraph headed "Conditions of the Rights Issue and the Underwriting Agreement" of this Letter from the Board is not fulfilled on or before the Latest Time for Termination, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at their own risk to their respective registered addresses by the Registrar on or before Wednesday, 14 June 2017.

Application for Excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for:

(i) any unsold entitlements to the Rights Shares of the Non-Qualifying Shareholders had they been Qualifying Shareholders;

(ii) any unsold Rights Shares created by adding together fractions of the Rights Shares; and

(iii) any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise not subscribed for by renouncees or transferees of nil-paid Rights Shares.

Applications for excess Rights Shares can be made only by Qualifying Shareholders and only by completing an EAF (in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than the Latest Time for Acceptance. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**MIN XIN HOLDINGS LIMITED — EAF**" and crossed "**account payee only**". The Directors will allocate the excess Rights Shares (if any) at their discretion on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application. No reference will be made to the Rights Shares subscribed through applications by PAL or the existing number of Shares held by the Qualifying Shareholders. No preference will be given to top up odd lots to whole board lots.

Investors whose Shares are held by a nominee (or which are held in CCASS) should note that the Board will regard the nominee (including HKSCC Nominees Limited) whose name appears on the register of members of the Company ("Registered Nominee") as a single Shareholder under the aforesaid arrangement in relation to the allocation of excess Rights Shares. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually.

Qualifying Shareholders who wish to apply for excess Rights Shares in addition to their provisional allotment must complete and sign an EAF and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar on or before the Latest Time for Acceptance.

Share Certificates and Refund Cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for fully paid Rights Shares are expected to be posted to those who have accepted and (where applicable) applied for, and paid for, the Rights Shares by ordinary post at their own risk on or before Wednesday, 14 June 2017. Each Shareholder (except HKSCC Nominees Limited) will receive one share certificate for all allotted Rights Shares. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted to the applicants by ordinary post at their own risk on or before Wednesday, 14 June 2017.

Application for Listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. No part of the securities of the Company is listed, or dealt in, or for which listing or permission to deal is being or is proposed to be sought, on any other stock exchange. Nil-paid Rights Shares are expected to be traded in board lots of 2,000 (as the Shares are currently traded on the Stock Exchange in board lots of 2,000).

Rights Shares will be Eligible for Admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day after the date of the transaction. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp Duty and Other Applicable Fees and Charges

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, the Securities and Futures Commission transaction levy and other applicable fees and charges in Hong Kong.

Underwriting Arrangements

Principal Terms of the Underwriting Agreement

Date	:	17 March 2017, as supplemented by a supplemental underwriting agreement dated 10 April 2017
Issuer	:	The Company
Underwriter	:	Vigour Fine, a controlling shareholder of the Company
Total number of Underwritten Shares	:	71,226,616 Rights Shares
Commission:	:	No underwriting commission is payable to the Underwriter

Vigour Fine is a controlling shareholder and a connected person of the Company as defined under the Listing Rules. Accordingly, the transactions between the Company and Vigour Fine as contemplated under the Underwriting Agreement constitute a connected transaction of the Company. Pursuant to Rule 14A.92(2)(b) of the Listing Rules, as arrangements have been made in relation to excess applications in compliance with Rule 7.21 of the Listing Rules and given that no underwriting commission is payable to Vigour Fine, the Underwriting Agreement is exempted from all reporting, announcement and independent shareholders' approval requirements under the Listing Rules. It is not in the ordinary course of business of Vigour Fine to underwrite shares.

Conditions of the Rights Issue and the Underwriting Agreement

The obligations of the Underwriter under the Underwriting Agreement are conditional on the following, none of which can be waived, whether in whole or in part:

(a) the passing at the EGM of necessary resolution(s) by the Independent Shareholders to approve the Whitewash Waiver, the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder, at which the voting shall be taken on a poll and in accordance with the Listing Rules and the Takeovers Code;

(b) the granting of the Whitewash Waiver to Vigour Fine by the Executive and the fulfillment of all conditions (if any) attached to it;

(c) the registration of the Prospectus Documents (with all the documents required to be attached thereto by Section 38D of the Companies (WUMP) Ordinance) (all having been duly authorised for registration by the Stock Exchange and signed by or on behalf of all Directors) by the Registrar of Companies in Hong Kong in compliance with the Companies (WUMP) Ordinance by no later than the Posting Date;

(d) the posting of the Prospectus Documents to the Qualifying Shareholders on or before the Posting Date;

(e) all necessary approvals, permits, waivers, consents and authorisations having been obtained for the provisional allotment and allotment of the Rights Shares from the Stock Exchange as well as for the Rights Issue generally;

(f) the Listing Committee of the Stock Exchange having granted (subject only to provisional allotment and/or allotment of the Rights Shares, the posting of the Prospectus and despatch of certificates in respect of the Rights Shares and any other matters which are agreed between the Company and the Underwriter) the listing of and permission to deal in the Rights Shares (both nil-paid and fully-paid) on the Stock Exchange, in each case by no later than the first day of dealing thereof and such listing and permission to deal not being revoked prior to 4:00 p.m. on the third Business Day after the Final Acceptance Date;

(g) the Underwriting Agreement not being terminated by the Underwriter pursuant to its terms prior to the Latest Time for Termination;

(h) none of the undertakings and obligations of the Company under the Underwriting Agreement having been breached; and

(i) the warranties given by the Company under the Underwriting Agreement remaining true, accurate and not misleading in all material respects.

If any of the above conditions are not fulfilled on or before the Latest Time for Termination, or shall become incapable of being fulfilled on or before such time or date, the Underwriting Agreement may be terminated by the Underwriter by written notice to the Company, and no party to the Underwriting Agreement shall have any claim against any other party thereto for compensation, costs, damages or otherwise.

Termination of the Underwriting Agreement

If at any time between the date of the Underwriting Agreement and the Latest Time for Termination one or more of the following events or matters (whether or not forming part of a series of events) shall occur, arise, or exist:

(a) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that, any of the warranties given by the Company under the Underwriting Agreement was untrue, inaccurate, misleading or breached, and in each case the same is (in the reasonable opinion of the Underwriter) material in the context of the Rights Issue; or

(b) (i) any new law or regulation is enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;

(ii) there is any change in local, national or international financial, political, industrial or economic conditions;

(iii) there is any change of an exceptional nature in local, national or international equity securities or currency markets;

(iv) there is any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;

(v) there is any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange;

(vi) there is any suspension in the trading of the Shares on the Stock Exchange for a continuous period of ten (10) Business Days;

(vii) there is any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere which will or may materially and adversely affect the Group or a material proportion of the Shareholders in their capacity as such,

which event or events is or are in the reasonable opinion of the Underwriter:

(1) likely to have a material adverse effect on the business or financial or trading position or prospects of the Group taken as a whole; or

(2) likely to have a material adverse effect on the success of the Rights Issue or the level of Rights Shares to be Taken Up; or

(3) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue; or

(c) there is a breach by the Company of the Underwriting Agreement,

then the Underwriter may, in addition to and without prejudice to any other remedies to which the Underwriter may be entitled, by notice in writing to the Company terminate the Underwriting Agreement forthwith.

If the Underwriter exercises such right of termination, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed. Further announcement will be made if the Underwriting Agreement is terminated by the Underwriter.

Warning of the Risks of Dealing in Shares and Rights Shares in Nil-Paid Form

The Shares have been dealt in on an ex-rights basis from Tuesday, 9 May 2017. The Rights Shares are expected to be dealt with in their nil-paid form from Monday, 22 May 2017 to Monday, 29 May 2017 (both days inclusive).

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate their obligations on the occurrence of certain events including force majeure. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.

Any Shareholder or other person dealing in Shares of the Company up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Monday, 22 May 2017 to Monday, 29 May 2017 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders, and other persons contemplating dealing in securities of the Company and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

Irrevocable Undertakings

As at the Latest Practicable Date, Vigour Fine (either directly or indirectly through Samba, its subsidiary) is interested in 222,006,600 Shares, representing approximately 48.32% of the entire issued Shares of the Company.

Pursuant to the Irrevocable Undertakings, Vigour Fine has irrevocably undertaken to the Company (i) to accept and/or procure the acceptance of the Vigour Fine Committed Shares; and (ii) that the 222,006,600 Shares owned by it (either directly or indirectly through Samba, its subsidiary) will remain so owned by it and Samba from the date of the Irrevocable Undertakings up to the Record Date.

Vigour Fine has also undertaken that it will not, and Samba will not, without first having obtained the prior written consent of the Company:

(1) transfer or otherwise dispose of (including without limitation the agreement to dispose of, or the creation of any option or derivative) or acquire any Share or any interest therein between the date of the Irrevocable Undertakings and the Record Date; or

(2) transfer or otherwise dispose of (including without limitation the agreement to dispose of, or the creation of any option or derivative) or acquire (except the acceptance of and procuring the acceptance of the Vigour Fine Committed Shares under the Rights Issue pursuant to the Irrevocable Undertakings or pursuant to the Underwriting Agreement) any Share or any interest therein between the Record Date and the Final Acceptance Date.

Save for the Irrevocable Undertakings from Vigour Fine, the Board has not received any information from any other substantial Shareholders of their intention to take up the Rights Shares.

Changes in the Shareholding Structure of the Company arising from the Rights Issue

Assuming no Shares (other than the Rights Shares) are allotted and issued on or before the completion of the Rights Issue, the changes in the shareholding structure of the Company arising from the Rights Issue are as follows:

	As at the Latest Practicable Date		Shareholding upon completion of the Rights Issue: Assuming all Rights Shares are taken up by the Qualifying Shareholders and the Underwriter is not required to underwrite any Underwritten Shares		Shareholding upon completion of the Rights Issue: Assuming no Rights Shares are taken up by the Qualifying Shareholders except Vigour Fine Committed Shares and the Underwriter is required to underwrite the Underwritten Shares	
	No. of Shares	*Approximate %*	*No. of Shares*	*Approximate %*	*No. of Shares*	*Approximate %*
Concert Group						
Vigour Fine *(Note 1)*	77,121,600	16.78	100,258,080	16.78	171,484,696	28.71
Samba *(Note 2)*	144,885,000	31.54	188,350,500	31.54	188,350,500	31.54
Sub Total	222,006,600	48.32	288,608,580	48.32	359,835,196	60.25
Substantial Shareholder						
JPMorgan Chase & Co.	55,522,000	12.09	72,178,600	12.09	55,522,000	9.30
Director						
Ip Kai Ming	666,000	0.14	865,800	0.14	666,000	0.11
Public Shareholders	181,234,056	39.45	235,604,272	39.45	181,234,056	30.34
Total	459,428,656	100.00	597,257,252	100.00	597,257,252	100.00

Notes:

1. Vigour Fine is a wholly owned subsidiary of FIDG. An aggregate of 40,850,000 Shares held by Vigour Fine were pledged in favour of The Hongkong and Shanghai Banking Corporation Limited on 28 December 2016 as security for a loan. Such loan is not related to the Rights Issue.

2. Samba is a 97.39% owned subsidiary of Vigour Fine.

Reasons for the Rights Issue and Use of Proceeds

The Group is principally engaged in banking investment, provision of micro credit business, insurance, trading in motor vehicles, property development and investment, and strategic investment.

XIB is an associated company of the Company and the Company holds approximately 9.7635% equity interest in XIB as at the Latest Practicable Date. As at the Latest Practicable Date, XIB is not a Shareholder of the Company. As disclosed in the announcement of the Company on 21 June 2016, XIB and its subsidiaries ("XIB Group") contributed more than 90% of the Group's profit after tax in the ordinary course of business for the year ended 31 December 2012, 2013, 2014 and 2015 respectively and 55% of the Group's total assets contributed from the investment in XIB at 31 December 2015. The Company entered into the capital contribution agreement with XIB on 21 June 2016 to minimise the dilution effect on the shareholding percentage in XIB after the completion of the capital contribution of XIB considering the track records of operating results and future prospects of banking business of XIB Group. Pursuant to the capital contribution agreement, the Company had subscribed for 140,000,000 shares of XIB Shares (representing approximately 1.6694% of the issued share capital of XIB as enlarged by the issue of the XIB Shares) at the issue price of RMB4.8 per XIB Share. The consideration of the capital contribution was RMB672,000,000 (equivalent to approximately HK$794,976,000) and was financed by bank loan facilities.

The subscription of XIB Shares by the Company was subsequently approved in December 2016 and the capital contribution of XIB had been completed accordingly. As a result, the equity interest of the Group in XIB decreased from approximately 10.6289% to approximately 9.7635%. As disclosed in the announcement of the Company on 21 June 2016, the Company might raise funds through rights issue upon completion of the capital contribution of XIB. As disclosed in the announcement dated 23 June 2016, the Company entered into a facility agreement with banks in Hong Kong for bank loan facilities in the aggregate amount of up to HK$800 million. Such bank loan facilities shall be used for the capital contribution to XIB. Pursuant to the facility agreement, a tranche of the facilities in the aggregate amount of up to HK$600 million will become mature and payable in twelve months from the date of drawdown (i.e. 23 June 2017). The repayment of such tranche of bank loan facilities should be funds raised through a rights issue of the Company. In addition, the facility agreement is conditional upon, among other things, a letter of comfort duly signed by FIDG, the controlling shareholder of the Company, pursuant to which FIDG agreed and confirmed that it should underwrite the rights shares of the Rights Issue which were not subscribed by other shareholders of the Company.

The Group has expanded into and developed the business of trading in motor vehicles through a wholly owned subsidiary in Fujian Province since December 2016. As disclosed in the announcement of the Company dated 29 December 2016, Fujian Minxin Investments Co., Ltd., a wholly owned subsidiary of the Company incorporated in Fujian Province, the PRC, entered into a contract with an independent third party to acquire an aggregate of 50 motor vehicles at a total consideration of approximately RMB20.25 million. The Group had started the trading in motor vehicles business in December 2016 and the growth of the new business meets our expectations. For the year ended 31 December 2016, the Group has recognised an advance payment of RMB7.36 million (equivalent to approximately HK$8.22 million) for the acquisition of 50 motor vehicles from an independent third party. For the two months ended 28 February 2017, the Group has recognised the revenue from sale of motor vehicles of about RMB14.21 million (equivalent to approximately HK$16.04 million) and cost of sale of about RMB14.01 million (equivalent to approximately HK$15.82 million) respectively with a gross profit of about RMB0.2 million (equivalent to approximately HK$0.22 million).

As disclosed in the annual results announcement of the Company on 30 March 2017, the Group's share of results of XIB Group for the year ended 31 December 2016 stood at HK$470.92 million notwithstanding the dilution of the Company's shareholding in XIB from 14.8005% to 10.6289% in June 2015. XIB Group contributed more than 177% of the Group's profit after tax in the ordinary course of business for the year ended 31 December 2016 and about 64% of the Group's total assets contributed from the investment in XIB at 31 December 2016. The share of results of XIB for the year ended 31 December 2016 amounted to HK$470.92 million and represented 177.3% of the profit for the year of the Group of HK$265.61 million.

Xiamen International Investment Limited ("XIIL"), a wholly owned subsidiary of XIB, had entered into a sale and purchase agreement to acquire in aggregate 64.31% of the total issued shares of Chiyu Bank in December 2016. XIIL had procured its three wholly owned subsidiaries to acquire in aggregate 64.31% of the total issued shares of Chiyu Bank and all the conditions precedent had been satisfied and completion of the acquisition had taken place on 27 March 2017. XIB had made a significant progress in development and implemented a strategic move into Hong Kong banking market upon completion of the acquisition.

Pursuant to the requirements of the approval for the acquisition of the majority shareholding in Chiyu Bank by XIB, the Company had submitted an application to the Hong Kong Monetary Authority in respect of the minority shareholder controller of Chiyu Bank. The Company became one of the minority shareholder controllers of Chiyu Bank on 27 March 2017 according to the approval from Hong Kong Monetary Authority.

The Directors consider that the Rights Issue offers all Qualifying Shareholders the opportunity to participate and grasp the benefit of the future development of the Group. The Directors are of the view that the Rights Issue not only provides greater financial flexibility for the Company, but also offers all Qualifying Shareholders the opportunity to maintain their pro rata shareholding interests in the Company. Unlike borrowings or issuance of debt securities, the Directors consider that the rights issue would be a preferred means for the Company to raise long-term funds to finance long-term investments and new business potentials without subjecting itself to interest burden or additional debt.

It is expected that the gross proceeds raise from the Rights Issue will be approximately HK$827 million before expenses. The estimated expenses in relation to the Rights Issue, the Underwriting Agreement and the Whitewash Waiver, including financial, legal, other professional advisory fees, printing and translation expenses, registration and statutory fees, will be borne by the Company. It is expected that the estimated net proceeds raise from the Rights Issue will be approximately HK$824 million. The net proceeds of the Rights Issue will be used to repay the bank loan facilities (including the bank loan facilities obtained for financing the capital contribution of XIB mentioned above) and as the general working capital of the Group, so that the gearing ratio and interest expenses of the Company will be reduced to improve the rate of return of the Company in the long-term. For information purposes, the total outstanding amount under the bank loan facilities was about HK$750.45 million (including principle and interests) as at 28 February 2017. Furthermore, the capital base of the Company will be strengthened after completion of the Rights Issue and the improved financial position will provide sufficient internal resources and financing capacity for the Company to meet its future expansion needs.

The Company's controlling shareholder, Vigour Fine, holding approximately 48.32% interest (either directly or indirectly through Samba, its subsidiary) in the Company as at the Latest Practicable Date, has given its full support on the Company's future development prospects by entering into the Irrevocable Undertakings to take up, or to procure its subsidiary to take up, all their entitlements under the Rights Issue.

Equity Fund Raising Activities of the Company during the Past 12 Months

Save for the Rights Issue, the Company has not engaged in any equity fund raising activities or any rights issue exercise during the past 12 months immediately before the Latest Practicable Date.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

Whitewash Waiver

As at the Latest Practicable Date, Vigour Fine (either directly or indirectly through Samba, its subsidiary) is interested in 222,006,600 Shares, representing approximately 48.32% of the entire issued Shares of the Company.

Pursuant to the Underwriting Agreement, Vigour Fine has undertaken to the Company that it will fully underwrite the Underwritten Shares.

Assuming no acceptance by the Qualifying Shareholders under the Rights Issue, Vigour Fine will be required to take up the Underwritten Shares and the total shareholding of the Concert Group upon completion of the Rights Issue would amount to approximately 60.25% of the then issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares. Under such circumstance, Vigour Fine would be required to make a mandatory general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Concert Group) under Rule 26.1 of the Takeovers Code, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code is granted by the Executive.

On 26 April 2017, the Executive has granted the Whitewash Waiver subject to, among other things, the approval of the Independent Shareholders at the EGM by way of poll, in which the Concert Group shall abstain from voting on the relevant resolution(s). Such approval has been obtained at the EGM.

Information on FIDG, Vigour Fine, Samba and the Concert Group

FIDG is a state-owned enterprise under the supervision and administration of the Fujian State-owned Assets Supervision and Administration Commission and a controlling shareholder of the Company. FIDG, through Vigour Fine (its wholly owned subsidiary) and Samba (its indirectly 97.39% owned subsidiary), is interested in 222,006,600 Shares, representing approximately 48.32% of the entire issued Shares of the Company as at the Latest Practicable Date.

Vigour Fine is principally engaged in investment holding and provision of financial services. Vigour Fine is not engaged in the business of underwriting. Vigour Fine is a wholly owned subsidiary of FIDG set up in Hong Kong for the principal purpose of holding the equity interest in the Company. It is more feasible for Vigour Fine to act as the Underwriter as FIDG is established in the PRC.

Samba is a 97.39% owned subsidiary of Vigour Fine. The Company confirmed that the remaining 2.61% equity interest of Samba is held by third party independent of the Company, Vigour Fine and FIDG.

As at the Latest Practicable Date, other than approximately 48.32% interests in the issued share capital of the Company owned by the Concert Group, the Concert Group does not hold or has control or direction over any other shares, rights over shares, convertible securities, warrants or options of the Company, or any outstanding derivative in respect of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

None of the members of the Concert Group has any dealings in any securities of the Company during the Relevant Period.

As at the Latest Practicable Date, save for the Underwriting Agreement, there is no arrangement or agreement to which the Concert Group is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Rights Issue, the Underwriting Agreement and the Whitewash Waiver. There is no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Concert Group has borrowed or lent as at the Latest Practicable Date.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this Prospectus.

Yours faithfully,
By Order of the Board
MIN XIN HOLDINGS LIMITED

PENG Jin Guang
Chairman