XIN CORPORATION LIMITED
新創綜合企業有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1141)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2008

The board of directors (the "Board") of Xin Corporation Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred as the "Group") for the year ended 31 March 2008 together with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2008

	Notes	2008 HK$'000	2007 HK$'000
REVENUE	5	**129,582**	193,989
Cost of sales		**(113,747)**	(168,509)
Gross profit		**15,835**	25,480
Other income and gains	5	**8,638**	2,080
Selling and distribution costs		**(136)**	(248)
Administrative expenses		**(18,922)**	(17,499)
Net losses on investments at fair value through profit or loss		**(3,600)**	–
Impairment of goodwill		**(6,478)**	–
Other expenses		**(897)**	(1,897)
Finance costs	6	**(3,926)**	(4,273)
PROFIT/(LOSS) BEFORE TAX	7	**(9,486)**	3,643
Tax	8	**(655)**	(3,553)
PROFIT/(LOSS) FOR THE YEAR		**(10,141)**	90
Attributable to:			
Equity holders of the Company		**(12,854)**	(7,904)
Minority interests		**2,713**	7,994
		(10,141)	90
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	9		
Basic		**(HK1.6 cents)**	(HK3.6 cents)
Diluted		**N/A**	N/A

* *For identification only*

CONSOLIDATED BALANCE SHEET

31 March 2008

	2008	2007
	HK$'000	*HK$'000*
NON-CURRENT ASSETS		
Property, plant and equipment	**26**	163
Investment properties	**–**	20,188
Prepaid land lease payments	**–**	31,124
Goodwill	**–**	6,478
Total non-current assets	**26**	57,953
CURRENT ASSETS		
Inventories	**1,234**	1,970
Accounts receivable	**36,468**	75,869
Prepaid land lease payments	**–**	779
Prepayments, deposits and other receivables	**4,036**	1,105
Loan receivable	**8,000**	–
Due from related companies	**1,204**	–
Investments at fair value through profit or loss	**5,340**	–
Pledged deposits	**48,256**	–
Cash and cash equivalents	**186,285**	29,255
Total current assets	**290,823**	108,978
CURRENT LIABILITIES		
Accounts and bills payable	**6,884**	21,019
Other payables and accruals	**1,854**	22,982
Interest-bearing bank borrowings	**–**	12,079
Loan from a minority shareholder	**–**	644
Due to a minority shareholder	**34,255**	48,241
Due to a related company	**–**	18
Tax payable	**1,611**	3,659
Total current liabilities	**44,604**	108,642
NET CURRENT ASSETS	**246,219**	336
TOTAL ASSETS LESS CURRENT LIABILITIES	**246,245**	58,289

	2008	2007
	HK$'000	*HK$'000*
NON-CURRENT LIABILITIES		
Convertible notes	**69,074**	19,536
Total non-current liabilities	**69,074**	19,536
Net assets	**177,171**	38,753
EQUITY		
Equity attributable to equity holders of the Company		
Issued capital	**10,699**	4,747
Equity component of convertible notes	**12,287**	6,035
Reserves	**153,577**	27,283
	176,563	38,065
Minority interests	**608**	688
Total equity	**177,171**	38,753

Notes:

1. **BASIS OF PREPARATION**

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2008. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries. An acquisition of minority interests is accounted for using the parent entity extension method whereby the difference between the consideration and the book value of the share of the net assets is recognised as goodwill.

2. **IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS**

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 7	Financial Instruments: Disclosures
HKAS 1 Amendment	Capital Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions

Except for HKAS 1 Amendment and HKFRS 7, the adoption of HK(IFRIC)-Int 8, HK(IFRIC)-Int 9, HK(IFRIC)-Int 10 and HK(IFRIC)-Int 11 has had no material effect on the Group's financial statements for the year ended 31 March 2008.

The principal effects of adopting HKFRS 7 and HKAS 1 Amendment are as follows:

(a) HKFRS 7 Financial Instruments: Disclosures

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results of operations of the Group, comparative information has been included where appropriate.

(b) Amendment to HKAS 1 Presentation of Financial Statements – Capital Disclosures

This amendment requires the Group to make disclosures that enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

3. IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 2 Amendments	Amendments to HKFRS 2 Share-based Payment: Vesting Conditions and Cancellations [1]
HKFRS 3 (Revised)	Business Combinations [2]
HKFRS 8	Operating Segments [1]
HKAS 1 (Revised)	Presentation of Financial Statements [1]
HKAS 23 (Revised)	Borrowing Costs [1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements [2]
HKAS 32 and HKAS 1 Amendments	Puttable Financial Instruments and Obligations Arising on Liquidation [1]
HK(IFRIC)-Int 12	Service Concession Arrangements [4]
HK(IFRIC)-Int 13	Customer Loyalty Programmes [3]
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction [4]

[1] Effective for annual periods beginning on or after 1 January 2009
[2] Effective for annual periods beginning on or after 1 July 2009
[3] Effective for annual periods beginning on or after 1 July 2008
[4] Effective for annual periods beginning on or after 1 January 2008

The amendment to HKFRS 2 restricts the definition of "vesting condition" to a condition that includes an explicit or implicit requirement to provide services. Any other conditions are non-vesting conditions, which have to be taken into account to determine the fair value of the equity instruments granted. In the case that the award does not vest as a result of a failure to meet a non-vesting condition that is within the control of either the entity or the counterparty, this must be accounted for as a cancellation. The Group has not entered into share-based payment schemes with non-vesting conditions attached and, therefore, does not expect significant implications on its accounting for share-based payments.

The revised HKFRS 3 introduces a number of changes in the accounting for business combinations that will impact on the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results. The revised HKAS 27 requires that a change in the ownership interest of a subsidiary is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by the revised HKFRS 3 and the revised HKAS 27 must be applied prospectively and will affect future acquisitions and transactions with minority interests.

HKFRS 8, which will replace HKAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. This standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers.

HKAS 1 has been revised to separate owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. This standard also introduces the statement of comprehensive income: it presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expenses, either in one single statement, or in two linked statements.

HKAS 23 has been revised to require capitalisation of borrowing costs when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. As the Group's current policy for borrowing costs aligns with the requirements of the revised standard, the revised standard is unlikely to have any financial impact on the Group.

HKAS 32 and HKAS 1 Amendments permit a range of entities to recognise their capital as equity rather than as financial liabilities, and require additional disclosures for puttable financial instruments classified as equity. The amendments reinforce that there is a limited scope exception to the definition of a financial liability and no analogies should be made to these requirements.

HK(IFRIC)-Int 12 requires an operator under public-to-private service concession arrangements to recognise the consideration received or receivable in exchange for the construction services as a financial asset and/or an intangible asset, based on the terms of the contractual arrangements. HK(IFRIC)-Int 12 also addresses how an operator shall apply existing HKFRSs to account for the obligations and the rights arising from service concession arrangements by which a government or a public sector entity grants a contract for the construction of infrastructure used to provide public services and/or for the supply of public services. As the Group currently has no such arrangements, the interpretation is unlikely to have any financial impact on the Group.

HK(IFRIC)-Int 13 requires that loyalty award credits granted to customers as part of a sales transaction are accounted for as a separate component of the sales transaction. The consideration received in the sales transaction is allocated between the loyalty award credits and the other components of the sale. The amount allocated to the loyalty award credits is determined by reference to their fair value and is deferred until the awards are redeemed or the liability is otherwise extinguished. The Group has currently introduced the customer loyalty award credits arrangement and management does not expect this arrangement would have any material financial impact on the Group.

HK(IFRIC)-Int 14 addresses how to assess the limit under HKAS 19 *Employee Benefits* on the amount of a refund or a reduction in future contributions in relation to a defined benefit scheme that can be recognised as an asset, in particular, when a minimum funding requirement exists.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that the adoption of HKAS 1 (Revised) and HKFRS 8 may result in new or amended disclosures. In respect of the remaining new and revised HKFRSs, it is not yet in a position to state whether they would have a significant impact on the Group's results of operations and financial position.

4. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products they provide. Each of the Group's business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. Summary details of business segments are as follows:

- the supply and procurement segment supplies office equipment and office supplies, machinery, machinery parts, lubricating oil and bunkerage for vessels;

- the securities investment segment includes trading in equity securities; and

- the corporate and others segment consists of corporate income and expense items and holding of property.

In determining the Group's geographical segments, revenue are attributed to the segments based on the location of the customers. Assets are attributed to the segments based on the location of the assets.

There are no intersegment sales and transfers among the business segments.

(a) Business segments

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 March 2007 and 2008.

	Supply and procurement		Securities investment		Corporate and others		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:								
Sales to external customers	**129,582**	193,989	**–**	–	**–**	–	**129,582**	193,989
Other revenue and gains	**45**	345	**–**	–	**200**	1,200	**245**	1,545
	129,627	194,334	**–**	–	**200**	1,200	**129,827**	195,534
Segment results	**11,598**	21,189	**(3,600)**	–	**(6,278)**	1,200	**1,720**	22,389
Interest income and unallocated revenue and gains							**8,393**	535
Unallocated expenses							**(15,673)**	(15,008)
Finance costs							**(3,926)**	(4,273)
Profit/(loss) before tax							**(9,486)**	3,643
Tax							**(655)**	(3,553)
Profit/(loss) for the year							**(10,141)**	90

	Supply and procurement		Securities investment		Corporate and others		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Assets and liabilities:								
Segment assets	**45,834**	82,491	**6,435**	–	**8,341**	55,185	**60,610**	137,676
Unallocated assets							**230,239**	29,255
Total assets							**290,849**	166,931
Segment liabilities	**43,349**	74,403	**–**	–	**1,255**	22,161	**44,604**	96,564
Unallocated liabilities							**69,074**	31,614
Total liabilities							**113,678**	128,178
Other segment information:								
Depreciation and recognition of prepaid land lease payments	**147**	139	**–**	–	**2,070**	3,098	**2,217**	3,237
Impairment of investment properties	**–**	–	**–**	–	**–**	446	**–**	446
Impairment of goodwill	**–**	–	**–**	–	**6,478**	–	**6,478**	–
Capital expenditure	**–**	15	**–**	–	**15**	–	**15**	15

(b) Geographical segments

The following table presents revenue and certain asset and expenditure information for the Group's geographical segments for the years ended 31 March 2008 and 2007.

Group

	Singapore		The People's Republic of China (including Hong Kong and Mainland China)		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**129,582**	193,989	**–**	–	**129,582**	193,989
Other segment information:						
Segment assets	**45,834**	82,491	**245,015**	84,440	**290,849**	166,931
Capital expenditure	**–**	15	**15**	–	**15**	15

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts during the year.

An analysis of revenue, other income and gains is as follows:

	2008	2007
	HK$'000	*HK$'000*
Revenue		
Sale of goods	**129,582**	193,989
Other income		
Bank interest income	**2,574**	372
Interest income on loans receivable	**693**	–
Interest income on amount due from a related company	**30**	–
Rental income	**200**	1,200
Others	**169**	351
	3,666	1,923
Gains		
Gain on disposal of items of property, plant and equipment	**–**	157
Gain on disposal of subsidiaries	**4,562**	–
Write-back of accrued expenses	**395**	–
Others	**15**	–
	4,972	157
	8,638	2,080

6. FINANCE COSTS

	Group	
	2008	2007
	HK$'000	*HK$'000*
Interest on:		
Bank loans and other loan wholly repayable within five years	**538**	962
Convertible notes	**3,388**	3,311
	3,926	4,273

7. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	2008	2007
	HK$'000	*HK$'000*
Cost of inventories sold	**113,747**	168,509
Depreciation of items of property, plant and equipment	**156**	146
Depreciation of investment properties	**1,541**	2,312
Recognition of prepaid land lease payments	**520**	779
Minimum lease payments in respect of land and buildings	**580**	389
Auditors' remuneration	**1,080**	1,020
Employee benefits expense (excluding directors' remuneration):		
Wages and salaries	**2,552**	1,906
Pension scheme contributions	**140**	140
	2,692	2,046
Exchange losses, net	**897**	1,450
Impairment of investment properties	**–**	446
Net rental income	**(200)**	(1,200)

At 31 March 2008, the Group had no forfeited contributions available to reduce its contributions to pension schemes in future years (2007: Nil).

8. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. No Hong Kong profits tax has been provided during the year ended 31 March 2007 as the Group did not generate any assessable profits arising in Hong Kong in that year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2008	2007
	HK$'000	*HK$'000*
Group:		
Current – Hong Kong	**3**	–
Current – Elsewhere		
Charge for the year	**1,763**	3,553
Overprovision in prior years	**(1,111)**	–
Total tax charge for the year	**655**	3,553

A reconciliation of the tax expense/(credit) applicable to the profit/(loss) before tax using the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

Group – 2008

	Hong Kong *HK$'000*	**Singapore** *HK$'000*	**Mainland China** *HK$'000*	**Total** *HK$'000*
Profit/(loss) before tax	(19,593)	11,557	(1,450)	(9,486)
Tax at the applicable tax rate	(3,429)	2,080	(479)	(1,828)
Income not subject to tax	(1,400)	(348)	–	(1,748)
Expenses not deductible for tax	2,415	31	31	2,477
Tax losses not recognised	2,417	–	448	2,865
Adjustment in respect of current tax of previous periods	–	(1,111)	–	(1,111)
Tax charge at the Group's effective rate	3	652	–	655

Group – 2007

	Hong Kong *HK$'000*	Singapore *HK$'000*	Mainland China *HK$'000*	Total *HK$'000*
Profit/(loss) before tax	(15,903)	21,152	(1,606)	3,643
Tax at the applicable tax rate	(2,783)	3,807	(531)	493
Income not subject to tax	(285)	(284)	–	(569)
Expenses not deductible for tax	1,338	30	–	1,368
Tax losses not recognised	1,730	–	531	2,261
Tax charge at the Group's effective rate	–	3,553	–	3,553

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company for the year of HK$12,854,000 (2007: HK$7,904,000), and the weighted average of 792,002,196 (2007: 218,723,611) ordinary shares in issue during the year.

Diluted loss per share amounts for the years ended 31 March 2008 and 2007 have not been disclosed, as the convertible notes and share options outstanding during these years had anti-dilutive effects on the basic loss per share for these years.

FINAL DIVIDEND

The Board does not recommend to pay any final dividend for the year ended 31 March 2008 (2007: Nil).

CHAIRMAN'S STATEMENT

For the year ended 31 March 2008, the Group's revenue was HK$129,582,000 and its net loss attributable to equity holders of the Company was HK$12,854,000.

Business Overview

For the year under review, the Group's core businesses were on the supply and procurement business in the Asia Pacific Region and securities investment. Due to keen competition in sourcing business and the downturn of global economy with concerns about the impact of sub-prime crisis and worldwide inflationary pressures, the revenue and profit of the supply and procurement business decreased by 33.2% to HK$129,582,000 and dropped by 45.3% to HK$11,598,000 respectively as compared to that of last year. For securities investment, which was mainly in large capitalization H-shares and blue chips, net loss of HK$3,600,000 was recorded for the year under review.

Riding on the rapid development of the economy and local tourism industry in the People's Republic of China ("PRC"), the Board considers that there will be more travellers and tourists in the PRC and thereby increasing demand for hotel services. The Group, on 5 September 2007, entered into a conditional joint venture agreement (as supplemented on 3 December 2007) with independent third parties for the establishment of a joint venture company in the PRC which would be principally engaged in the operation of budget hotels in the PRC. In view of that not all the conditions of the joint venture agreement could be fulfilled on or before the specified date, the agreement was terminated on 3 March 2008. For details, please refer to the Company's announcements dated 13 September 2007, 3 December 2007 and 3 March 2008 and the circular of the Company dated 4 October 2007.

On 28 November 2007, the Company entered into a sale and purchase agreement with an independent third party to dispose of its entire equity interest in a group of subsidiaries, whose principal assets are the land and buildings located in Dongguan, Guangdong Province, the PRC. Details of the transaction were summarized in the Company's circular dated 12 December 2007.

Prospects

In order to accelerate the Group's growth and improve its profitability, the Board is actively seeking new opportunities to place the Group on the path to steady growth as well as any opportunities of obtaining long term equity financing to strengthen the Group's capital base.

Due to the continuous high rise of petroleum and its related products over years, the Group, in May 2008, entered into a memorandum of understanding ("MOU") in relation to the possible acquisition of 15% equity interest in a company engaged in the business of exploitation and extraction of oil in the PRC. Pursuant to the MOU, the Group has options to acquire the remaining 85% equity interest in the oil company. For details, please refer to the Company's announcement dated 26 May 2008.

Appreciation

On behalf of the Board, I would like to take this opportunity to thank our staff for their diligence, dedication and loyalty towards the Group, and to our shareholders, investors and other business partners for their support over the past year.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

The Group's revenue for the year ended 31 March 2008 was HK$129,582,000, representing a decrease of 33.2% as compared to that of last year (2007: HK$193,989,000). The decrease in revenue was due to keen competition in sourcing business and the downturn of global economy. Loss attributable to equity holders of the Company amounted to HK$12,854,000 (2007: HK$7,904,000), which included a provision of HK$6,478,000 for impairment of goodwill.

Charge on the Group's Assets

As at the balance sheet date, there were no investment properties or prepaid land lease payments pledged to secure bank borrowing advanced to the Group (2007: HK$17,769,000).

Liquidity and Financial Resources

As at 31 March 2008, the Group's total indebtedness comprised only convertible notes of HK$69,074,000 which would be repayable within two years. The convertible notes were interest-free and denominated in Hong Kong dollars. As at 31 March 2007, the total indebtedness was HK$32,259,000, including interest-bearing borrowings, loan from a minority shareholder and convertible notes. They were at fixed interest rates or interest-free and denominated in Hong Kong dollars, Renminbi or Singapore dollars. As at 31 March 2008, the Group had current ratio of 6.52 (2007: 1.00) based on current assets of HK$290,823,000 and current liabilities of HK$44,604,000.

As at 31 March 2008, the Group had neither unutilised banking facilities nor any hedging financial instruments. The Group's net current assets were HK$246,219,000 (2007: HK$336,000) and its gearing ratio (total indebtedness divided by total indebtedness and total equity) was 0.28 as at balance sheet date (2007: 0.45).

On 20 June 2007, the Company entered into (i) a conditional placing agreement with Interchina Securities Limited in relation to placing, on a best effort basis, of the Company's convertible notes ("Convertible Notes") up to HK$100,000,000; and (ii) a conditional option agreement with Vision Century Group Limited ("Vision Century") to subscribe for convertible notes ("New Vision Century Notes") up to HK$100,000,000. The initial conversion price for both convertible notes is HK$0.28 per share. For details, please refer to the Company's circular dated 19 July 2007.

On 17 September 2007, the Company issued the Convertible Notes in the aggregate principal amount of HK$40,000,000 to six subscribers and the New Vision Century Notes in the principal amount of HK$40,000,000 to Vision Century. On 18 September 2007, all these convertible notes were converted into 285,714,283 shares. Details of the transactions were summarized in the Company's announcements dated 17 September 2007 and 19 September 2007.

On 7 November 2007, the Company issued the Convertible Notes in the aggregate principal amount of HK$60,000,000 to ten subscribers and the New Vision Century Notes in the principal amount of HK$60,000,000 to Vision Century. Conversions of aggregate principal amount of HK$10,000,000 of the Convertible Notes and HK$30,000,000 of the New Vision Century Notes into 35,714,285 shares and 107,142,857 shares took place on 8 November 2007 and 17 January 2008 respectively. Details of the transactions were summarized in the Company's announcements dated 6 December 2007 and 17 January 2008.

Capital Structure

During the year under review, the issued share capital of the Company has increased as follows:

(i) *Exercise of share options granted to directors*

In April and May 2007, certain directors of the Group exercised their share options at an exercise price of HK$0.23 per share and 4,096,000 new shares were issued.

(ii) *Conversion of convertible notes*

In April and July 2007, convertible notes in the principal amount of HK$7,126,560 and HK$17,000,000 were converted at conversion price of HK$0.17 per share and HK$0.141 per share into 41,920,941 shares and 120,567,375 shares respectively.

(iii) *Conversion of the Convertible Notes and the New Vision Century Notes*

In September 2007, several conversions of aggregate principal amount of HK$80,000,000 of the Convertible Notes and the New Vision Century Notes (issued on 17 September 2007) took place, resulting in the issue of 285,714,283 shares at the conversion price of HK$0.28 per share.

In November 2007, several conversions of aggregate principal amount of HK$10,000,000 of the Convertible Notes (issued on 7 November 2007) took place, resulting in the issue of 35,714,285 shares at the conversion price of HK$0.28 per share.

In January 2008, a conversion of principal amount of HK$30,000,000 of the New Vision Century Notes (issued on 7 November 2007) took place, resulting in the issue of 107,142,857 shares at the conversion price of HK$0.28 per share.

Consequent to the aforesaid events, the issued share capital of the Company has increased by HK$5,952,000 (represented by 595,155,741 shares) to HK$10,699,000 (represented by 1,069,863,767 shares).

Post Balance Sheet Events

On 30 April 2008, 64,120,000 share options were granted to certain staff, directors and consultants of the Company. Among which, 6,208,000 share options were exercised in May 2008.

In May 2008, the Company received three conversion notices for conversions of aggregate principal amount of HK$17,500,000 of the Convertible Notes (issued on 7 November 2007), resulting in the issue of 62,499,999 shares at the conversion price of HK$0.28 per share. As at the date of this announcement, there is an outstanding balance of HK$32,500,000 of the Convertible Notes.

On 22 May 2008, the holder of the New Vision Century Notes exercised its right to convert the remaining balance of HK$30,000,000 of the New Vision Century Notes (issued on 7 November 2007) into 107,142,857 shares at the conversion price of HK$0.28 per share.

The Group, on 26 May 2008, entered into a MOU in relation to the possible acquisition of 15% equity interest in a company engaged in the business of exploitation and extraction of oil in the PRC. Pursuant to the MOU, the Group has options to acquire the remaining 85% equity interest in the oil company. For details, please refer to the Company's announcement dated 26 May 2008.

On 15 July 2008, the Board announced that it proposes to change the official registered English name of the Company from "Xin Corporation Limited" to "Poly Development Holdings Limited" (the "Change of English Name") and, upon the Change of English Name becoming effective, to adopt the new Chinese name "保興發展控股有限公司" to replace the existing Chinese name of the Company "新創綜合企業有限公司" for identification only. The Change of English Name shall be subject to, (i) the passing of a special resolution by the shareholders of the Company at the 2008 annual general meeting of the Company; and (ii) the approval by the Registrar of Companies in Bermuda. Further details are contained in the Company's announcement dated 15 July 2008.

Exposure on Equity Price Risk and Foreign Currency Risk

The Group is exposed to equity price risk arising from individual equity investments classified as trading equity investments. The Group's listed investments are listed on the Hong Kong Stock Exchange and are valued at quoted market prices at the balance sheet date.

All borrowings of the Group are denominated in Hong Kong dollars. The Group currently does not have a foreign currency hedging policy. However, management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Human Resources

As at 31 March 2008, the Group employed a total of 10 employees, among which, 5 staff were based in Hong Kong, 3 were based in the PRC and 2 were in Singapore. Remuneration packages are structured by reference to market terms and individual performance. Staff benefits plans maintained by the Group include mandatory provident fund scheme, medical insurance and discretionary bonuses.

PURCHASE, REDEMPTION OR SALE OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the year ended 31 March 2008, except for the following deviation:

Code Provision A.4.1

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

The independent non-executive directors of the Company are not appointed for a specific term but shall retire from office by rotation at least once every three years as referred to in the bye-law 87 of the Company which provides that at each annual general meeting one-third of the directors of the Company for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry of all directors of the Company, all of them confirmed that they have complied with the required standard set out in the Model Code during the year.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules, for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee also reviewed the audited consolidated financial statements of the Group for the year ended 31 March 2008. As at the date of this announcement, the audit committee comprises four independent non-executive directors of the Company.

On behalf of the Board
Suen Cho Hung, Paul
Chairman

Hong Kong, 25 July 2008

As at the date of this announcement, the Board comprises Mr. Suen Cho Hung, Paul (Chairman), Mr. Lo Ming Chi, Charles (Deputy Chairman and Chief Executive Officer), Mr. Yu Wai Man, Mr. Zhang Zhidong and Mr. Sue Ka Lok as executive directors and Mr. Wong Kwok Tai, Mr. Weng Yixiang, Mr. Lu Xinsheng and Mr. Xiong Wei as independent non-executive directors.