

REPORT OF THE DIRECTORS

董事報告

MANAGEMENT SERVICE CONTRACTS

The management service contracts of the Company or any of its subsidiaries are as follows:

1. According to the entrusted management service agreement entered into by FIDC and the Company in relation to FIDC's appointment as an agent to participate in the management of Fuzhou Harmony Piano Co., Ltd ("Harmony Piano") and Huamin Tourism Co. Ltd ("Huamin Tourism"), the Company will provide management services to FIDC for a term of 18 months commencing on the effective date of the agreement from 11 November 2004 to 10 May 2006 at a fixed management fee of HK\$2,000,000 per annum, and a floating management fee on the basis of 10% of the balance after deducting the fixed management fee from the net profits after tax of each of Huamin Tourism and Harmony Piano.
2. According to the management contract entered into between Yan Hei Limited ("Yan Hei"), a wholly-owned subsidiary of the Company, and Fujian Sunshine Group Limited (陽光集團, the "Sunshine Group") in relation to the appointment of the Sunshine Group as the operator to manage the daily operation of the Hotel on 30 June 2004 for a period of 10 years commencing 1 July 2004, Sunshine Group is required to pay Yan Hei a fixed annual cash payment of RMB6,660,000 (payable monthly) and a variable management fee calculated at 1% of the annual turnover of the Hotel.

CHANGE OF DIRECTORS

Mr. Wang Ruilian and Mr. Liu Xiaoting have been appointed as Executive Directors of the Company and that Ms. Mei Qiping and Ms. Chen Danyun, have resigned as Executive Directors of the Company, with effect from 14 July 2006.

管理合約

本公司或其任何附屬公司的管理合約如下：

1. 根據本公司與華閩投發就華閩投發委任本公司為代理以參與管理福州和聲鋼琴有限公司(「和聲鋼琴」)及華閩旅遊有限公司(「華閩旅遊」)訂立之委托管理協議，本公司向華閩投發提供管理服務，協議有效期由二零零四年十一月十一日至二零零六年五月十日止，為期十八個月，以收取每年2,000,000港元之固定管理費及按華閩旅遊及和聲鋼琴各自之稅後溢利淨額扣除固定管理費後之餘額提取10%作為浮動管理費。
2. 根據本公司之全資附屬公司仁禧有限公司(「仁禧」)與福建陽光集團有限公司(「陽光集團」)於二零零四年六月三十日就委任陽光集團為營辦商管理酒店而訂立之管理合同，由二零零四年七月一日起計，為期十年，陽光集團向仁禧支付每年固定現金款項人民幣6,660,000元(應按月支付)，及以該酒店每年營業額1%計算的浮動管理費。

更改董事

王瑞煉先生及劉小汀先生已獲委任為本公司執行董事，以及梅勤萍女士及陳丹雲女士已辭任本公司執行董事，生效日期均為二零零六年七月十四日。

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EMPLOYEE

During the Period, the Group had approximately 156 employees in total, with most of them working in the PRC. The remuneration package was determined with reference to the prevailing market conditions and individual performance of the employees. Apart from contractual remunerations, the Group also provides its employees with mandatory provident fund schemes and medical insurance cover.

僱員

於本期間，本集團僱員總數約156名，大部份任職於中國。薪酬待遇一般視乎市場條件及僱員個人表現而釐定，除合約薪金外，並包括有強制性公積金計劃及醫療保險計劃。

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SHARE OPTIONS

The details of share options outstanding as at 30 June 2006 as granted under the new share option scheme (the "New Scheme") adopted by the Company's shareholders on 10 May 2004 are as follows:

購股權

根據由本公司股東於二零零四年五月十日採納的新購股權計劃(「新計劃」)授出而於二零零六年六月三十日尚未行使之購股權股份詳細如下：

	Date of grant	Options held as at 1 January 2006	Options exercised during the Period	Options lapsed during the Period	Options held as at 30 June 2006	Nature of interests	Exercise price HK\$	Exercise period	% of existing Shares
	授出日期	於二零零六年一月一日持有之購股權	於期內行使之購股權	於期內失效	於二零零六年六月三十日持有之購股權	權益性質	行使價 港元	行使期	佔現有股份之百分比
Wang Xiaowu 汪小武	3 June 2004 二零零四年六月三日	5,200,000	-	-	5,200,000	Personal 個人	0.184	3 June 2004- 2 June 2014 二零零四年六月三日至 二零一四年六月二日	1.00
Mei Qiping 梅勤萍	3 June 2004 二零零四年六月三日	3,120,000	-	-	3,120,000	Personal 個人	0.184	3 June 2004- 2 June 2014 二零零四年六月三日至 二零一四年六月二日	0.60
Chen Danyun 陳丹雲	3 June 2004 二零零四年六月三日	2,080,000	-	-	2,080,000	Personal 個人	0.184	3 June 2004- 2 June 2014 二零零四年六月三日至 二零一四年六月二日	0.40
Cheung Wah Fung, Christopher 張華峰	3 June 2004 二零零四年六月三日	5,200,000	-	-	5,200,000	Personal 個人	0.184	3 June 2004- 2 June 2014 二零零四年六月三日至 二零一四年六月二日	1.00
Employees 僱員	3 June 2004 二零零四年六月三日	200,000	-	-	200,000	Personal 個人	0.184	3 June 2004- 2 June 2014 二零零四年六月三日至 二零一四年六月二日	0.04

The consideration to be paid upon acceptance of the options by each of the grantees is HKD 1.

每位承授人在每次接納購股權時所付之代價為港幣1元。

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DISCLOSURE OF INTERESTS BY DIRECTORS

Save as disclosed above, during the Period, none of the directors of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (as defined in Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Companies contained in the Listing Rules (the "Model Code").

At no time during the Period was the Company or its subsidiaries engaged in any arrangements to enable the directors of the Company or their respective spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Interests in competing businesses

During the Period, none of the directors of the Company nor their respective associates had any business which competes or is likely to compete, either directly or indirectly, with any business of the Group.

Interests in assets of the Group

During the Period, none of the directors of the Company had any direct or indirect interests in any assets which have been acquired or disposed of, or leased to, or which are proposed to be acquired or disposed of or leased to, the Company or any of its subsidiaries.

Directors' interests in contracts

None of the directors of the Company was materially interested in any contract or arrangement subsisting during the Period which is significant in relation to the business of the Group.

董事權益披露

除上文所披露外，於本期間，董事概無於本公司及其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債券中擁有或被視為擁有(i)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所（包括根據證券及期貨條例之該等條文被當作或視為擁有之權益或淡倉）；或(ii)根據證券及期貨條例第352條之規定須載入該條文所述之登記冊內之任何權益或淡倉；或(iii)須根據上市規則（「標準守則」）內所載之上市公司董事進行證券交易之標準守則知會本公司及聯交所之任何權益或淡倉。

本公司或其附屬公司在本期間任何時間概無參與任何安排，致使董事或彼等各自之配偶或未滿18歲之子女可透過購入本公司或任何其他法團之股份或債券而獲取利益。

於競爭業務中之權益

於本期間，董事或彼等各自之聯繫人士概無直接或間接擁有與本集團任何業務競爭或可能競爭之任何業務。

於本集團資產中之權益

於本期間，董事概無於本公司或其任何附屬公司已收購或出售或承租，或建議收購或出售或承租之任何資產中擁有任何直接或間接權益。

董事之合約權益

董事概無於本期間存在而就本集團業務而言屬重大之任何合約或安排中擁有重大權益。

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SUBSTANTIAL SHAREHOLDERS

As at 30 June 2006, as far as is known to the directors of the Company and the Company, and as confirmed upon reasonable enquiry, the register maintained by the Company under section 336 of the SFO shows that the following persons (not being directors and employees of the Company) had, or were deemed to have, interests or short positions in the shares and underlying shares of the Company which are required to be disclosed to the Company or the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Company or had an option in respect of such capital were as follows:

Long Positions

Name of Shareholders

股東名稱

HC Technology Capital Company Limited (“HC Technology”)

華晶科技投資有限公司(「華晶科技」)

FIDC

華閩投發

Sino Earn Holdings Limited (“Sino Earn”)

華鑫(香港)控股有限公司(「華鑫」)

Fujian Huaxing Trust & Investment Company (“FHTI”)

福建華興信託投資公司(「華興信託」)

Fujian Huaxing Industrial Company (“FHIC”)

福建華興實業公司(「華興實業」)

Notes:

(a) HC Technology beneficially holds 279,241,379 shares of the Company. Pursuant to the SFO, FIDC is deemed to be interested in the 279,241,379 shares of the Company by virtue of its being beneficially interested in 100% of the issued share capital of HC Technology. FIDC is a state-owned enterprise in the PRC.

主要股東

截至二零零六年六月三十日止，就本公司董事及本公司所知，或於彼等作出合理查詢後所能確定，按照本公司根據證券及期貨條例第336條須存置之登記冊所記錄，下列人士(並非本公司之董事及僱員)擁有或被視為擁有本公司股份或相關股份中根據證券及期貨條例第XV部第2及第3分部須向本公司或聯交所披露之權益或淡倉，或直接或間接擁有附帶權利可於所有情況下於本公司任何其他成員公司之股東大會上投票之任何類別股本面值5%以上，或擁有該等股本之購股權：

好倉

Number of shares of the Company held	% of total issued shares of the Company
所持本公司 股份數目	佔已發行本公司 股份總額百分比

279,241,379 (a)

53.7

279,241,379 (a)

53.7

72,553,382 (b)

14.0

72,553,382 (b)

14.0

72,553,382 (b)

14.0

附註：

(a) 華晶科技實益持有279,241,379股本公司股份。根據證券及期貨條例，鑑於華閩投發實益擁有華晶科技已發行股本之100%權益，因此被視為擁有279,241,379股股份權益。華閩投發為中國之國有企業。

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(b) Sino Earn beneficially holds 72,553,382 shares in the Company. Pursuant to the SFO, each of FHTI and FHIC is deemed to be interested in the 72,553,382 shares by virtue of their being beneficially interested in 30% and 70% of the issued share capital of Sino Earn respectively. Both FHTI and FHIC are state-owned corporations in the PRC.

Save as disclosed herein, as at 30 June 2006, the directors of the Company and the Company, as confirmed upon reasonable enquiry made by them and as indicated in the register maintained by the Company under section 336 of the SFO, were not aware of any other persons (other than directors and employees of the Company) had, or were deemed to have, interests or short positions in the shares and underlying shares (including any interests in options in respect of such capital), which are required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who owned any interests or short positions to be recorded in the register under Section 336 of the SFO; or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Company or had any option in respect of such capital.

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

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

(b) 華鑫實益持有72,553,382股本公司股份。根據證券及期貨條例，鑑於華興信託及華興實業分別實益擁有華鑫已發行股本之30%及70%權益，因此各自被視為擁有72,553,382股股份權益。華興信託及華興實業均為中國之國有企業。

除本文所披露者外，於二零零六年六月三十日，董事及本公司或於彼等作出合理查詢後所能確定，按照本公司根據證券及期貨條例第336條須存置之登記冊所記錄均未獲悉任何其他人士（本公司之董事及僱員除外）於股份及相關股份（包括該等股本之任何購股權權益）中擁有或被視為擁有須根據證券及期貨條例第XV部第2及第3分部之條文向本公司及聯交所披露之權益或淡倉，或概無任何其他人士佔有根據證券及期貨條例第336條，列入該條例所述之登記冊內之權益或淡倉；或直接或間接擁有附帶權利可於所有情況下於本公司任何其他成員公司之股東大會上投票之任何類別股本之面值5%或以上，或擁有該等股本之任何購股權。

購買、出售或贖回本公司之上市證券

本期間，本公司及其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

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AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with management the accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters including a review of the unaudited interim report for the Period. The existing Audit Committee comprises three Independent Non-executive Directors, Mr. Leung Hok Lim, Mr. Lam Kwong Siu and Mr. Cheung Wah Fung, Christopher.

On behalf of the Board

Fujian Holdings Limited

Wang Xiaowu

Chairman

Hong Kong, 19 September 2006

審核委員會

本公司審核委員會已經與管理層審閱本集團所採用的會計原則及方法，並討論有關內部監控及財務匯報事宜，包括審閱截至本期間未經審核之中期報告。而審核委員會現時由三名獨立非執行董事組成，包括梁學濂先生，林廣兆先生及張華峰先生。

承董事會命

閩港控股有限公司

汪小武

主席

香港，二零零六年九月十九日