

CHAIRMAN'S STATEMENT 主席報告

On behalf of the Board of Directors (the "Board") of Fujian Holdings Limited (the "Company") together with its subsidiaries (the "Group"), I am pleased to present the annual report and the audited consolidated results of the Group for the year ended 31 December 2006.

For the year ended 31 December 2006, the Group recorded profit attributable to the equity holders of the Company of approximately HK\$10.08 million, representing an decrease of 10% as compared with profit attributable to the equity holders of the Company of approximately HK\$11.28 million for the nine months ended 31 December 2005 ("last year"). Net assets value increased by 5%, a net increase of approximately HK\$4.74 million to approximately HK\$92.6 million as compared with last year. The gearing ratio decreased from 31% last year to 26%. Basic earnings per share was HK1.94 cents for the year ended 31 December 2006 as compared to basic earnings per share of approximately HK2.17 cents last year.

BUSINESS REVIEW

In the past year, the Company continued to manage the Group's assets effectively and entered into a supplemental agreement with the contractor of Xiamen South East Asia Hotel (the "Hotel"). The renovation of the Hotel and its application of "four-star" grading brought about further enhancement in asset quality and the value of its operating rights. The entrusted management service agreement entered into between the Company and the Group's controlling Shareholder Fujian Investment and Development Company Limited ("FIDC") expired in May 2006, while the loan agreement entered into between the Company and Brilliant Well Investment Limited, wholly-owned subsidiary of FIDC expired in August 2006. Both had gained a reasonable overall investment return. The property lease business operation in Hong Kong based on prudent financial principles and the appropriate arrangement of idle funds provided stable cash inflow to the Company.

本人謹代表閩港控股有限公司(「本公司」)及其附屬公司(「本集團」)之董事會(「董事會」)，欣然提呈本集團截至二零零六年十二月三十一日止年度之財政年度報告及經審核綜合業績。

截至二零零六年十二月三十一日止年度，本集團錄得本公司權益持有人應佔溢利約為1,008萬港元，比二零零五年十二月三十一日止九個月(「去年度」)本公司權益持有人應佔溢利約為1,128萬港元減少10%。資產淨值比去年度增加5%，淨增約為474萬港元，達至約為9,260萬港元。資本負債比率由去年度31%減至26%。截至二零零六年十二月三十一日止年度，每股基本盈利1.94港仙，去年度每股基本盈利約為2.17港仙。

業務回顧

過去一年，公司繼續有效經營集團資產，與廈門東南亞大酒店(「東酒」)承辦商簽訂了補充協定。酒店重新裝修和申評「四星」的活動，使資產質量和酒店經營權價值得到進一步提升。本公司與本集團之控股公司之華閩投資發展有限公司(「華閩投發」)訂立的委託管理協議已於二零零六年五月到期；本公司與華閩投發之全資附屬公司寶利裕投資有限公司訂立的貸款合同於二零零六年八月到期，整體取得合理的投資回報。經營香港物業出租業務，並遵循穩健理財的原則，合理安排閒置資金，為公司帶來穩定的現金收入。

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PROSPECT

In 2007, the Group will continue to operate under prudent approaches, strengthen its existing businesses and recover non-performing assets and the debt restructuring works of the Hotel, so as to further optimize its financial position. With the "four star" grading of the Hotel, it is believed that the Hotel's turnover and operating profit will achieve reasonable growth. Meanwhile, the Group will proactively capture business opportunities and explore new businesses in order to create new sources of profit.

The Board is of the view that the Group has sound corporate governance practices. Together with the dedication and relentless efforts of its management and the staff, the Board believes that the Group's business development will have a breakthrough, bringing beneficial returns to the shareholders.

ACKNOWLEDGEMENTS

I would like to take this opportunity to extend my sincere gratitude to all shareholders, business partners and customers for their support, and to all our colleagues for their efforts, hard work and dedication. Their hardwork represents the foundation of the Group's future business development.

Wang Xiaowu

Chairman

Hong Kong, 18 April 2007

展望

2007年集團將繼續實行穩健經營的方針，鞏固現有業務，做好盤活資產和酒店債務重組工作，進一步優化財務狀況。隨著東酒被評為「四星」，相信酒店營業額和經營利潤將出現合理增長。同時，積極捕捉商機，開拓集團新業務，增加新的盈利點。

董事會認為本集團企業管治良好，經過管理層和員工積極進取和努力，董事會相信，本集團之業務發展將有突破，並為股東帶來良好的回報。

致謝

本人謹此感謝各位股東、合作伙伴及客戶在過去一年對本集團的鼎力支持。本人亦藉此衷心感謝集團全體員工的辛勤工作和無私奉獻，他們的努力為集團未來業務的發展奠定了堅實基礎。

汪小武

主席

香港，二零零七年四月十八日