

主席報告書 CHAIRMAN'S STATEMENT

整體業績

截至二零零六年十二月三十一日止年度，集團錄得權益持有人應佔綜合溢利港幣10,482萬元，比較二零零五年的權益持有人應佔綜合溢利港幣5,985萬元上升75.1%，主要由於廈門國際銀行綜合淨利潤上升2,428萬元及集團投資的華能國際電力股份有限公司股份首次錄得股息收入港幣1,481萬元。每股基本盈利22.82仙，二零零五年為13.03仙。

股息

董事局議決於二零零七年六月十八日舉行之股東週年大會上建議派發截至二零零六年十二月三十一日止年度之末期股息每股港幣4仙，合共港幣18,377,146元（二零零五年：每股港幣3仙，合共港幣13,782,860元），予二零零七年六月十八日登記在本公司股東名冊上之股東。如獲通過，該末期股息將於二零零七年七月十一日或以前派發。

OVERALL RESULTS

For the year ended 31st December 2006, the Group recorded a consolidated profit attributable to equity holders of HK\$104.82 million with basic earnings per share of 22.82 cents, an increase of 75.1% from the consolidated profit attributable to equity holders of HK\$59.85 million and basic earnings per share of 13.03 cents for the year ended 31st December 2005. This is mainly due to the increase in the consolidated net profit of Xiamen International Bank by HK\$24.28 million, and the recognition of dividend income of HK\$14.81 million from the Group's investment in the shares of Huaneng Power International, Inc. for the first time.

DIVIDEND

The Directors have resolved to recommend at the forthcoming Annual General Meeting of the Company to be held on 18th June 2007 the payment of a final dividend of 4 HK cents per share totaling HK\$18,377,146 (2005: 3 HK cents per share totaling HK\$13,782,860) for the year ended 31st December 2006 to those shareholders whose names appear on the Register of Members on 18th June 2007. The proposed dividend, if approved, will be paid on or before 11th July 2007.



丁仕達先生
Mr. Ding Shi Da

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業務回顧

銀行業務

集團持有36.75%權益的主要投資項目廈門國際銀行受惠於經濟蓬勃增長，於截至二零零六年十二月三十一日止年度的業績再創新高，按香港財務報告準則要求編制之廈門國際銀行綜合淨利潤達人民幣26,140萬元，比較二零零五年的綜合淨利潤人民幣19,973萬元增長30.9%。回顧年內，根據中國會計準則編制的廈門國際銀行審計賬目，總資產首次突破人民幣300億元，存貸款業務實現了雙位數的增長，不良貸款率持續下降，利差率及非利息收入佔比均略有上升。廈門國際銀行仍將以股東價值最大化及可持續發展為目標，通過分行網絡的不斷完善，如北京分行的正式成立，在國內全面開放的金融格局中，強化經營及競爭能力。

保險業務

集團全資附屬公司閩信保險有限公司（「閩信保險」）於截至二零零六年十二月三十一日止年度錄得稅後利潤港幣630萬元，較二零零五年度之港幣669萬元，減少了5.8%，主要因為二零零六年的投資物業重估收益減少。

儘管市場競爭加劇，閩信保險仍有信心並把握機會促使其核心業務，如私家車、海外家傭及銀行轉介保險業務等得以增長。

BUSINESS REVIEW

Banking Business

Benefiting from the economic boom, the Group's major investment, a 36.75% interest in Xiamen International Bank, again delivered a record performance for the year ended 31st December 2006. Xiamen International Bank's consolidated net profit as adjusted under the requirements of the Hong Kong Financial Reporting Standards went up by 30.9% to RMB261.40 million from RMB199.73 million in 2005. During the year under review, based on the figures reported in its audited accounts prepared under PRC GAAP, the total consolidated assets of Xiamen International Bank had exceeded RMB30 billion for the first time with deposits and loans attaining a double-digit growth. Non-performing loans continued to decline while both the interest spread and non-interest income reported a slight increase. Xiamen International Bank will continue to focus on its objectives of maximizing shareholders' value and achieving sustainable growth. As such, Xiamen International Bank will, through the continuous enhancement of its branch network, such as the formal establishment of its Beijing branch, strengthen its operations and competitiveness in the fully-opened financial services landscape in Mainland China.

Insurance

Min Xin Insurance Company Limited ("MXIC"), the Group's wholly-owned subsidiary, achieved a net profit after tax of HK\$6.30 million for the year ended 31st December 2006, a decrease of 5.8% from HK\$6.69 million in 2005. This is mainly due to the decrease in contributions from the investment property revaluation gain in 2006.

Despite the increasing competition in the market, MXIC remains confident and mindful in exploiting opportunities in order to attain a growth of its core business, namely, private car, domestic helpers and bancassurance insurance.

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物業發展及投資

集團於年內獲得股東批准出售其持有投資開發房地產項目的附屬公司濟南太平洋房地產開發有限公司(「濟南太平洋」)的51%權益，並已於二零零六年六月完成交易，錄得出售收益港幣198萬元及錄得截至出售完成日之集團應佔稅後虧損港幣100萬元。於二零零五年年度集團則錄得其應佔稅後虧損港幣226萬元。

於資產負債表日後，集團透過公開拍賣成功投得位於中國江蘇省蘇州市一幅土地使用權(「該土地」)，代價為人民幣28,500萬元(相等於約港幣28,390萬元)。該土地可作住宅發展用途，其土地使用權期限為70年，由該土地交付本集團之日起計。集團已於蘇州市成立一全資外商投資企業閩信(蘇州)置業發展有限公司負責項目發展，該公司的註冊資本為港幣20,000萬元。

集團持有位於福建省福州市的二層投資物業已全數出租予第三者，為集團帶來穩定的租金收入。於截至二零零六年十二月三十一日止年度，集團錄得租金收入人民幣243萬元，較二零零五年的人民幣98萬元增長148.0%。

收費公路投資

集團經其持有30%權益的聯營公司投資的安徽省馬鞍山段收費公路於回顧年內的路費收入上升6.8%，錄得人民幣5,044萬元，去年為人民幣4,725萬元。

集團持有40%權益的聯營公司與其國內附屬公司的合作方於二零零六年三月簽訂協議，以人民幣7,000萬元出售其所持有的浙江省奉化段收費公路的所有權益。截至本報告日止，集團已代該聯營公司收取出售代價人民幣4,500萬元。

Property Development and Investment

The Group obtained approval from its shareholders to dispose of its equity interest in its 51% owned property development subsidiary, Jinan Pacific Real Estate Development Co., Ltd. ("Jinan Pacific"), during the year under review. The disposal was completed in June 2006 and the Group registered a gain on disposal of HK\$1.98 million and recorded a loss after taxation attributable to the Group of HK\$1.00 million up to the date of completion. In 2005, the Group recorded a loss after taxation attributable to the Group of HK\$2.26 million.

Subsequent to the balance sheet date, the Group successfully bid for a piece of land use right in Suzhou City, Jiangsu Province, PRC (the "Land") through public auction for a consideration of RMB285 million (equivalent to approximately HK\$283.9 million). The Land can be developed for residential use and the duration of the land use right is 70 years commencing from the date of delivery of the Land to the Group. The Group has set up a wholly-owned foreign investment enterprise, Minxin (Suzhou) Property Development Co., Ltd., with a registered capital of HK\$200 million in Suzhou City, to undertake the development project.

Two floors of the investment properties of the Group in Fuzhou, Fujian Province have been leased to third parties, generating a steady rental income to the Group. For the year ended 31st December 2006, the Group recorded a rental income of RMB2.43 million, representing an increase of 148.0% from RMB0.98 million in 2005.

Toll Road Investments

During the year under review, through its 30% owned associated company, the Group's toll road investment in Maanshan, Anhui Province, recorded a revenue of RMB50.44 million, an increase of 6.8% from RMB47.25 million in last year.

In March 2006, the Group's 40% owned associated company entered into an agreement with its joint venture partner of its subsidiary company in Mainland China to dispose of its equity interest in the toll roads in Fenghua, Zhejiang Province for a consideration of RMB70 million. Up to the date of this report, the Group has received RMB45 million on behalf of this associated company for the disposal.

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高新技術項目

集團所投資的閩信昌暉投資有限公司（「閩信昌暉」）於國內的工業用數字儀表生產業務於二零零六年創出歷史佳績。憑著其致力維護知識產權，以及受惠於國內的國民生產總值有雙位數字的增長，閩信昌暉於二零零六年錄得稅後利潤港幣1,258萬元，比較二零零五年的稅後利潤港幣995萬元上升26.4%。閩信昌暉將繼續提升其研發能力，以保持其產品在市場上的領先地位，和確保發展多樣化的新產品系列。

於華能國際電力股份有限公司的投資

於二零零六年十二月三十一日，本集團就所持有的1.08億股（「華能股份」）華能國際電力股份有限公司（「華能」）股份之公平值作出估算，有關估算乃根據華能A股的收市買入價，以及本集團與主要股東福建投資企業集團公司（「福建投資企業」）於二零零七年四月四日簽訂的股權轉讓合同轉讓3,600萬股華能股份（「該資產」）的代價而作出。於二零零六年十二月三十一日，本集團投資於華能股份之重估值為人民幣62,310萬元（相等於約港幣62,080萬元），於截至二零零六年十二月三十一日止年度，在投資重估儲備金內入賬的公平值收益（除稅前）為港幣26,140萬元（二零零五年：港幣430萬元）。集團於年內錄得股息收入港幣1,481萬元。於二零零七年四月三日，華能公布按中國會計準則編制的截至二零零六年十二月三十一日止年度業績，每股收益人民幣0.46元，比去年增長25.0%。

High-Tech Investments

In 2006, Min Faith Investments Limited ("Min Faith"), an investment of the Group engaging in the manufacturing of industrial digital instruments in Mainland China, has achieved a record profit year. Thanks to its efforts in fighting vigorously for the protection of its intellectual property rights and riding on the double digits national GDP growth in Mainland China, it recorded a profit after taxation of HK\$12.58 million in 2006, an increase of 26.4% from the profit after taxation of HK\$9.95 million in 2005. Min Faith will continue to enhance its capacity in the research and development area in order to maintain the leading position in the market place and develop diversified new product lines.

Investment in Huaneng Power International, Inc.

As at 31st December 2006, the Group has estimated the fair value of its holding of 108 million shares ("Huaneng Shares") of Huaneng Power International, Inc. ("Huaneng") with reference to the closing bid price of Huaneng's A-Share and the consideration for transferring the Group's holding of 36 million Huaneng Shares (the "Asset") to its substantial shareholder, Fujian Investment & Enterprise Holdings Corporation ("FIEC") under a share transfer agreement entered into by the Group and FIEC on 4th April 2007. The Group's investment in Huaneng Shares was revalued to RMB623.1 million (equivalent to approximately HK\$620.8 million) as at 31st December 2006 and a fair value gain (before tax) of HK\$261.4 million (2005: HK\$4.3 million) was recognised in the investment revaluation reserve for the year ended 31st December 2006. During the year under review, the Group recorded a dividend income of HK\$14.81 million from Huaneng. On 3rd April 2007, Huaneng announced its results under the PRC GAAP for the year ended 31st December 2006. The earnings per share for the year is RMB0.46, which represents an increase of 25.0% as compared with last year.

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於華能國際電力股份有限公司的投資 (續)

於二零零七年四月四日，本集團與福建投資企業簽訂股權轉讓合同（「該合同」）出售該資產。根據該合同，本集團將以現金代價人民幣14,724萬元（相等於約港幣14,874萬元）轉讓該資產予福建投資企業，並因應該資產由二零零六年三月一日直至合同完成當日期間資產淨值增加（定義見該合同）的款額作出調整。該出售構成本公司的一項主要及關聯交易，因此須於稍後召開的股東特別大會上提呈本公司的獨立股東批准。

財務回顧

於回顧年內，集團的財務狀況保持在健康的水準。按已發行股本459,428,656股（二零零五：459,428,656股）及本公司權益持有人應佔權益總額港幣169,467萬元（二零零五年：港幣132,484萬元）計算，於二零零六年十二月三十一日，每股資產淨值港幣3.69元（二零零五年：港幣2.88元）。於二零零六年十二月三十一日，總負債為港幣26,330萬元（二零零五年：港幣28,532萬元），總負債為本公司權益持有人應佔權益總額的0.16（二零零五年：0.22）。於二零零六年十二月三十一日，流動資產及流動負債分別為港幣42,958萬元（二零零五年：港幣48,719萬元）及港幣18,606萬元（二零零五年：港幣18,931萬元），流動比率為2.3倍（二零零五年：2.6倍）。

Investment in Huaneng Power International, Inc. (Continued)

On 4th April 2007, the Group entered into a share transfer agreement (the "Agreement") with FIEC to dispose of the Asset. Under the Agreement, the Group will transfer the Asset to FIEC at a cash consideration of RMB147.24 million (equivalent to approximately HK\$148.74 million), which is to be adjusted by an amount equal to the appreciation in the net asset value (as defined in the Agreement) of the Asset from 1st March 2006 to the date of completion of the Agreement. The Disposal constitutes a major and connected transaction of the Company and is therefore subject to the approval by the independent shareholders of the Company at an extraordinary general meeting to be held later.

FINANCIAL REVIEW

The Group maintained a healthy financial position during the year under review. Based on 459,428,656 shares in issue (2005: 459,428,656 shares) and total equity attributable to equity holders of the Company of HK\$1,694.67 million (2005: HK\$1,324.84 million), the net asset value per share was HK\$3.69 (2005: HK\$2.88) at 31st December 2006. As at 31st December 2006, the total liabilities of the Group were HK\$263.30 million (2005: HK\$285.32 million) and the ratio of total liabilities to total equity attributable to equity holders of the Company was 0.16 (2005: 0.22). As at 31st December 2006, the current assets and current liabilities of the Group were HK\$429.58 million (2005: HK\$487.19 million) and HK\$186.06 million (2005: HK\$189.31 million) respectively with a current ratio of 2.3 (2005: 2.6).

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財務回顧 (續)

於二零零六年十二月三十一日，集團的五年期浮動利率銀行貸款餘額港幣6,400萬元(二零零五年：港幣12,000萬元)以集團一項物業(包括租賃土地部份)作抵押，截至二零零六年十二月三十一日該物業之賬面淨值為港幣1,397萬元(二零零五年：港幣1,443萬元)。於資產負債表日後，該筆銀行貸款已全數償還，集團提取另一家銀行的三年期浮動利率貸款，作為集團在中國蘇州新收購的房地產發展項目的融資。除此以外，集團的一間非全資附屬公司濟南太平洋於二零零五年十二月三十一日尚有固定利率短期墊款港幣2,739萬元，該短期墊款已於年內於出售濟南太平洋後不再確認；於二零零六年十二月三十一日，資本負債比率(總借貸除以資產淨值)為3.8%(二零零五年：11.0%)。

於二零零六年十二月三十一日，集團之銀行存款為港幣38,430萬元(二零零五：港幣30,038萬元)，其中包括存放於中國內地若干銀行之款項人民幣23,716萬元(等值港幣23,627萬元)(二零零五年：人民幣14,102萬元，等值港幣13,550萬元)。

集團的資產、負債及收支項目主要以港幣、人民幣及美元為計算單位。自二零零五年人民幣匯率形成機制改革後，人民幣對多種主要貨幣(包括美元及港元)的匯率穩步上升。由於集團持有人民幣淨貨幣，致使集團於截至二零零六年十二月三十一日止年度錄得賬面匯兌收益約港幣565萬元(二零零五年：港幣283萬元)。除此以外，集團預期不會面對重大的外匯匯率波動風險。

FINANCIAL REVIEW (Continued)

As at 31st December 2006, the Group had a 5-year floating rate bank loan with an outstanding balance of HK\$64 million (2005: HK\$120 million). The bank loan was secured by a property (including the leasehold land component) of the Group with a net book value of HK\$13.97 million (2005: HK\$14.43 million) as at 31st December 2006. Subsequent to the balance sheet date, this bank loan was fully repaid and the Group has drawn down a 3-year floating rate loan of HK\$180 million from another bank for financing the newly acquired property project in Suzhou, Mainland China. In addition, as at 31st December 2005, the Group's non-wholly owned subsidiary, Jinan Pacific, had fixed rate short term advances amounting to HK\$27.39 million, which were derecognized after the Group's disposal of Jinan Pacific during the year under review. The gearing ratio of the Group (total borrowings and advances divided by total net assets) as at 31st December 2006 was 3.8% (2005: 11.0%).

As at 31st December 2006, bank deposits of the Group amounted to HK\$384.30 million (2005: HK\$300.38 million) which included deposits of RMB237.16 million (equivalent to HK\$236.27 million) placed with certain banks in Mainland China (2005: RMB141.02 million, equivalent to HK\$135.50 million).

The Group's assets, liabilities and receipts and payments are primarily denominated in Hong Kong Dollars, Renminbi and United States Dollars. Since the commencement of the reform of Renminbi exchange rate adjustment mechanism in 2005, the exchange rate of Renminbi against various major currencies (including United States Dollars and Hong Kong Dollars) has increased steadily. The Group's net monetary assets denominated in Renminbi has resulted in a foreign currency translation gain of approximately HK\$5.65 million (2005: HK\$2.83 million) recorded by the Group for the year ended 31st December 2006. Apart from the change in Renminbi exchange rate, the Group anticipates that it will not be exposed to material risks arising from foreign exchange rates fluctuation.

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財務擔保

於二零零五年十二月三十一日，集團一間前非全資附屬公司濟南太平洋尚有未償還擔保人民幣79萬元(折算約港幣76萬元)，此乃其為若干於中國內地購買其物業之買家取得按揭貸款而向銀行出具之擔保。於二零零六年十二月三十一日，集團因於年內出售濟南太平洋而不再承受這些擔保合約。

僱員及薪酬政策

於二零零六年十二月三十一日，集團共有55名僱員。僱員的薪酬以個別僱員的表現及資歷釐定。集團亦為僱員提供其他福利，包括退休福利及醫療福利。

未來展望

展望二零零七年，中國內地的經濟預期將保持較快的增長，儘管面臨金融業全面開放帶來的競爭壓力，我們相信投資於銀行的業務將繼續保持增長；集團並一直探索在中國內地的房地產業務的投資機會，二零零七年在蘇州市成功競投取得一幅土地，令集團開拓房地產業務的計劃邁進一步，憑藉在這範疇上擁有的經驗，集團仍會在投資機會到來之時，認真分析及作出正確的選擇，審慎投資，為股東提供具吸引力的長期增長空間。

致謝

本人謹代表董事局，對各界朋友的支持，集團管理層及各員工的忠誠服務及貢獻，致以衷心謝意。

丁仕達
主席

香港，二零零七年四月二十六日

FINANCIAL GUARANTEE

As at 31st December 2005, a former non-wholly owned subsidiary of the Group, Jinan Pacific, had outstanding guarantees of RMB0.79 million (equivalent to approximately HK\$0.76 million) granted in favour of the banks which provided mortgage loan facilities to buyers to acquire properties in Mainland China from it. As at 31st December 2006, the Group was no longer exposed to these guarantee contracts as a result of its disposal of Jinan Pacific during the year.

EMPLOYEES AND REMUNERATION POLICY

As at 31st December 2006, the Group had 55 employees. The remuneration of the employees is based on individual merits and experience. The Group also provides other benefits to the employees including retirement benefits and medical scheme.

PROSPECTS

Looking ahead into 2007, the economy of Mainland China is expected to maintain a relatively rapid growth. Notwithstanding the competitive pressure arising from full opening of the financial service industry, we believe that the performance of our investment in the banking sector will continue to boost. The Group has been exploring investment opportunities in property projects in Mainland China, and its success in bidding a piece of land in Suzhou in 2007 has enabled the Group to further develop its property investment and development business. Leveraging on the prior experience in this business area, the Group will continue to critically analyse any potential investment opportunities available to the Group and invest prudently in order to provide the shareholders with attractive long-term growth potential.

APPRECIATION

On behalf of the Board of Directors, I would like to express my appreciation and gratitude to our friends for their support, and to the management and all our staff for their dedicated services and contribution.

DING SHI DA
Chairman

HONG KONG, 26th April 2007