FUJIAN HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00181)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012

FINANCIAL HIGHLIGHT

	2012	2011
	HK$'000	*HK$'000*
		(restated)
Revenue	**15,017**	14,647
Profit attributable to owners of the Company	**1,551**	4,947
Earnings per share		
Basic *(HK cents per share)*	**0.29**	0.93
Diluted *(HK cents per share)*	**0.29**	0.93

RESULTS

The Board of Directors (the "Board") of Fujian Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to the "Group") for the year ended 31 December 2012, together with the audited comparative figures for the year ended 31 December 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012 (in HK Dollars)

	Notes	**2012**	2011 (restated)
Revenue	*3*	**15,017,022**	14,647,166
Other income	*5*	**5,802,875**	6,616,670
Other gains and losses	*6*	**4,118,426**	4,990,043
Employee benefits expense		**(6,947,880)**	(5,866,796)
Depreciation		**(3,099,362)**	(3,212,093)
Amortisation of prepaid lease payment		**(1,874,007)**	(1,874,007)
Share of profit of an associate		**1,145,654**	1,107,825
Other operating expenses		**(12,740,549)**	(10,334,753)
Profit before tax		**1,422,179**	6,074,055
Income tax credit/(expense)	*7*	**129,264**	(1,126,712)
Profit for the year	*8*	**1,551,443**	4,947,343
Other comprehensive income			
Exchange differences on translating foreign operations		**402,365**	630,710
Other comprehensive income for the year		**402,365**	630,710
Total comprehensive income for the year		**1,953,808**	5,578,053
Earnings per share			
Basic (HK cents per share)	*9*	**0.29**	0.93
Diluted (HK cents per share)	*9*	**0.29**	0.93

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2012 (in HK Dollars)

	Notes	31/12/2012	31/12/2011 (restated)	01/01/2011 (restated)
Non-current assets				
Property, plant and equipment		**33,915,859**	36,763,638	40,096,323
Prepaid lease payment		**24,205,916**	26,079,923	27,953,930
Investment properties	*10*	**32,650,000**	29,800,000	28,675,000
Interest in an associate		**12,885,407**	11,531,435	10,038,350
Deferred tax assets		**1,894,269**	1,894,269	1,894,269
		105,551,451	106,069,265	108,657,872
Current assets				
Inventories		**158,984**	93,678	143,036
Trade and other receivables	*11*	**1,586,343**	9,029,332	3,002,037
Bank balances and cash		**46,413,463**	43,289,903	37,914,888
		48,158,790	52,412,913	41,059,961
Current liabilities				
Trade and other payables	*12*	**6,348,907**	5,363,032	3,450,697
Current tax liabilities		**292,265**	1,449,273	—
		6,641,172	6,812,305	3,450,697
Net current assets		**41,517,618**	45,600,608	37,609,264
Total assets less current liabilities		**147,069,069**	151,669,873	146,267,136
Capital and reserves				
Equity attributable to owners of the Company				
Share capital	*13*	**66,780,000**	66,780,000	66,780,000
Reserves		**74,185,813**	72,232,005	66,653,952
Total equity		**140,965,813**	139,012,005	133,433,952
Non-current liabilities				
Deferred tax liabilities		**6,103,256**	6,546,968	6,938,834
Trade and other payables	*12*	**—**	6,110,900	5,894,350
		6,103,256	12,657,868	12,833,184
		147,069,069	151,669,873	146,267,136

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The accounting policies and methods of computation used in these consolidated financial statements are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2011, except for the following amendments to HKFRSs that the Group has applied for the first time in the current year and which have a material effect on the amounts reported and/or the presentation and disclosures set out in these consolidated financial statements.

Amendments to HKAS 12 *Deferred Tax: Recovery of Underlying Assets*

The Group has applied for the first time the amendments to HKAS 12 *Deferred Tax: Recovery of Underlying Assets* in the current year. Under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 *Investment Property* are presumed to be recovered entirely through sale for the purposes of measuring deferred taxes unless the presumption is rebutted.

The Group measures its investment properties using the fair value model. As a result of the application of the amendments to HKAS 12, the directors reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to HKAS 12 is not rebutted. The application of the amendments to HKAS 12 has resulted in the Group not recognising any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on disposal of its investment properties. Previously, the Group recognised deferred taxes on changes in fair value of investment properties on the basis that the entire carrying amounts of the properties were recovered through use. The amendments to HKAS 12 have been applied retrospectively, resulting in the Group's deferred tax liabilities being decreased by HK$3,720,084 as at 1 January 2011 with the corresponding credit being recognised in retained earnings. Similarly, the deferred tax liabilities have been decreased by HK$4,172,175 as at 31 December 2011.

In the current year, no deferred taxes have been provided for changes in fair value of the Group's investment properties. The change in accounting policy has resulted in the Group's income tax expense for the years ended 31 December 2012 and 31 December 2011 being reduced by HK$644,313 and HK$452,091 respectively and hence resulted in profit for the years ended 31 December 2012 and 31 December 2011 being increased by HK$644,313 and HK$452,091 respectively.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

Amendments to HKAS 1 *Presentation of Financial Statements* (as part of the *Annual Improvements to HKFRSs 2009–2011 Cycle* issued in June 2012)

Various amendments to HKFRSs were issued in June 2012, the title of which is "*Annual Improvements to HKFRSs (2009–2011 Cycle)*". The effective date of these amendments is annual periods beginning on or after 1 January 2013.

The Group has applied for the first time the amendments to HKAS 1 as part of the *Annual Improvements to HKFRSs 2009–2011 Cycle* in advance of the effective date (annual periods beginning on or after 1 January 2013).

HKAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to HKAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

In the current year, the Group has applied the amendments to HKAS 12 *Deferred Tax: Recovery of Underlying Assets* for the first time, which has resulted in a material effect on the information in the consolidated statement of financial position as at 1 January 2011. In accordance with the amendments to HKAS 1, the Group has therefore presented a third statement of financial position as at 1 January 2011 without the related notes.

Impact of the application of amendments to HKAS 12

Impact on profit for the year

	2012	2011
Decrease in income tax expense and increase in profit for the year	**644,313**	452,091

Impact on net assets and equity as at 1 January 2011

	As at 01/01/2011 as previously reported	**Amendments to HKAS 12 adjustments**	**As at 01/01/2011 as restated**
Deferred tax liabilities	10,658,918	(3,720,084)	6,938,834
Total effect on net assets	129,713,868	3,720,084	133,433,952
Accumulated losses	(506,447,862)	3,720,084	(502,727,778)
Total effect on equity	129,713,868	3,720,084	133,433,952

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

Impact of the application of amendments to HKAS 12 (continued)

Impact on net assets and equity as at 31 December 2011

	As at 31/12/2011 as previously reported	Amendments to HKAS 12 adjustments	As at 31/12/2011 as restated
Deferred tax liabilities	10,719,143	(4,172,175)	6,546,968
Total effect on net assets	134,839,830	4,172,175	139,012,005
Accumulated losses	(501,952,610)	4,172,175	(497,780,435)
Total effect on equity	134,839,830	4,172,175	139,012,005

Impact on net assets and equity as at 31 December 2012

	Amendments to HKAS 12
Decrease in deferred tax liabilities	4,816,488
Increase in net assets	4,816,488
Decrease in accumulated losses	4,816,488
Increase in equity	4,816,488

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 1 (Amendments)	Government Loans[2]
HKFRS 7 (Amendments)	Disclosures — Offsetting Financial Assets and Financial Liabilities[2]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[4]
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[2]
HKFRS 10, HKFRS 12 And HKAS 27 (as revised in 2011) (Amendments)	Investment Entities[3]
HKAS 1 (Amendment)	Presentation of Items of Other Comprehensive Income[1]
HKAS 19 (as revised in 2011)	Employee Benefits[2]
HKAS 27 (as revised in 2011)	Separate Financial Statements[2]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2009–2011 Cycle except for the amendments to HKAS 1[2]
HK(IFRIC) - Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

1 Effective for annual periods beginning on or after 1 July 2012.
2 Effective for annual periods beginning on or after 1 January 2013.
3 Effective for annual periods beginning on or after 1 January 2014.
4 Effective for annual periods beginning on or after 1 January 2015.

HKFRS 9 *Financial Instruments*

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

New and revised HKFRSs in issue but not yet effective (continued)

HKFRS 9 *Financial Instruments (continued)*

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The directors anticipate that the adoption of HKFRS 9 in the future may have a significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements. HK (SIC) - Int 12 *Consolidation — Special Purpose Entities* will be withdrawn upon the effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

New and revised HKFRSs in issue but not yet effective (continued)

New and revised standards on consolidation, joint arrangements, associates and disclosures (continued)

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures*. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. HK (SIC) - Int 13 *Jointly Controlled Entities — Non-monetary Contributions by Venturers* will be withdrawn upon the effective date of HKFRS 11. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1 January 2013 with earlier application permitted provided all of these standards are applied at the same time.

The directors anticipate that these five standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013. The application of these five standards may have significant impact on amounts reported in the consolidated financial statements. However, the directors have not yet performed a detailed analysis of the impact of the application of these standards and hence have not yet qualified to the extent of the impact.

HKFRS 13 *Fair Value Measurement*

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 *Financial Instruments: Disclosures* will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

New and revised HKFRSs in issue but not yet effective (continued)

HKFRS *13 Fair Value Measurement* (continued)

The directors anticipate the application of the new standard may affect certain amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

The Group is in the process of making an assessment of what the impact of the other new or revised standards, amendments and interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

3. REVENUE

	2012	2011
Gross rental income from letting of investment properties	**1,340,803**	1,410,874
Revenue from hotel operations	**13,676,219**	13,236,292
	15,017,022	14,647,166

4. SEGMENT INFORMATION

Information reported to the Board of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of services provided.

The Group's operating and reportable segments under HKFRS 8 are as follows:

Property investment — the rental of investment properties

Hotel operations — the operation of hotel

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. SEGMENT INFORMATION (CONTINUED)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

	Property investment		Hotel operations		Consolidated	
	2012	2011	**2012**	2011	**2012**	2011
REVENUE						
Revenue from external customers	**1,340,803**	1,410,874	**13,676,219**	13,236,292	**15,017,022**	14,647,166
RESULT						
Segment result before other gains/(losses):	**1,153,557**	1,250,381	**(3,461,789)**	3,478,525	**(2,308,232)**	4,728,906
Gain arising on change in fair value of investment properties	**6,250,000**	3,925,000	**—**	—	**6,250,000**	3,925,000
Gain on disposal of an investment property	**875,873**	855,565	**—**	—	**875,873**	855,565
Impairment loss recognised on property, plant and equipment	**—**	—	**(237,960)**	(175,990)	**(237,960)**	(175,990)
Segment result	**8,279,430**	6,030,946	**(3,699,749)**	3,302,535	**4,579,681**	9,333,481
Unallocated income					**1,842,192**	569,893
Central administration costs					**(6,145,348)**	(4,937,144)
Share of profit of an associate					**1,145,654**	1,107,825
Profit before tax					**1,422,179**	6,074,055
Income tax credit/(expense)					**129,264**	(1,126,712)
Profit for the year					**1,551,443**	4,947,343

For the year ended 31 December 2012, income from granting the management right of the Group's hotel of HK$4,335,941 (2011: HK$5,897,143) is included in the segment result before other gains/(losses) of hotel operations reportable segment.

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2011: Nil).

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/loss represents the profit earned by/loss from each segment without allocation of bank interest income and other unallocated income, central administration costs including director's remuneration, share of profit of an associate and income tax credit/expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

4. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

	Property investment		Hotel operations		Consolidated	
	2012	2011	**2012**	2011	**2012**	2011 (restated)
ASSETS						
Segment assets	**79,389,076**	76,235,229	**59,537,792**	68,816,051	**138,926,868**	145,051,280
Interest in an associate					**12,885,407**	11,531,435
Unallocated corporate assets					**1,897,966**	1,899,463
Consolidated total assets					**153,710,241**	158,482,178
LIABILITIES						
Segment liabilities	**(992,038)**	(1,076,747)	**(5,634,134)**	(11,029,409)	**(6,626,172)**	(12,106,156)
Unallocated corporate liabilities					**(6,118,256)**	(7,364,017)
Consolidated total liabilities					**(12,744,428)**	(19,470,173)
Other segment information						
Capital additions	**252,714**	—	**189,894**	—	**442,608**	—
Depreciation of property, plant and equipment	**88,379**	64,832	**3,010,983**	3,147,261	**3,099,362**	3,212,093
Amortisation of prepaid lease payment	**—**	—	**1,874,007**	1,874,007	**1,874,007**	1,874,007
Gain arising on change in fair value of investment properties	**(6,250,000)**	(3,925,000)	**—**	—	**(6,250,000)**	(3,925,000)
Gain on disposal of an investment property	**(875,873)**	(855,565)	**—**	—	**(875,873)**	(855,565)
Loss on disposal and write-off of property, plant and equipment	**246**	—	**—**	75,428	**246**	75,428
Impairment loss recognised on trade receivables	**—**	—	**3,204**	82,118	**3,204**	82,118
Impairment loss recognised on other receivables	**—**	—	**3,193,039**	59,774	**3,193,039**	59,774
Impairment loss recognised on property, plant and equipment	**—**	—	**237,960**	175,990	**237,960**	175,990

4. SEGMENT INFORMATION (CONTINUED)

For the purposes of monitoring segment performance and allocating resources between segments:

All assets are allocated to operating segments other than certain bank balances and cash, interest in an associate and deferred tax assets.

All liabilities are allocated to operating segments other than certain balances of current liabilities and deferred tax liabilities.

Geographical information

The Group operates in two principal geographical areas — the People's Republic of China (excluding Hong Kong) (the "PRC") and Hong Kong.

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from external customers		Non-current assets	
	2012	2011	**2012**	2011 (restated)
PRC	**13,676,219**	13,236,292	**70,761,015**	74,292,875
Hong Kong	**1,340,803**	1,410,874	**34,790,436**	31,776,390
	15,017,022	14,647,166	**105,551,451**	106,069,265

No external customers of the Group contributed over 10% of the Group's revenue for the year ended 31 December 2012 and 2011.

5. OTHER INCOME

	2012	2011
Income from granting the management right of the Group's hotel (notes (i), (ii), (iii) and (iv))	**4,335,941**	5,897,143
Bank interest income	**1,415,190**	569,893
Others	**51,744**	149,634
	5,802,875	6,616,670

Notes:

(i) On 4 March 2008, Yan Hei Limited ("Yan Hei"), a wholly owned subsidiary of the Company and Xiamen South East Asia Company Limited ("Xiamen Plaza"), a wholly owned subsidiary of Yan Hei Limited, entered into an agreement with Fujian Sunshine Group Limited ("Sunshine Group") and 廈門敦睦酒店管理有限公司 (Xiamen Friendship International Co., Ltd) ("Friendship International"). Pursuant to the agreement, Sunshine Group agreed to transfer the management right of Xiamen South East Asia Hotel (the "Hotel"), a hotel owned by Xiamen Plaza to Friendship International.

(ii) On 4 March 2008, Xiamen Plaza entered into a management contract ("Management Contract") with Friendship International in relation to the appointment of Friendship International to manage the daily operation of the Hotel for a period of five years. Friendship International has paid RMB5 million as security deposit to Xiamen Plaza, which is refundable upon expiry of the Management Contract.

(iii) The Hotel remains the property of the Group at all time under the Management Contract and there will not be a transfer of ownership of the Hotel at or after the completion of the Management Contract. Xiamen Plaza is entitled to receive income from Friendship International which is calculated in accordance with the terms of the Management Contract.

(iv) The Management Contract was terminated on 9 October 2012 due to default in payment by Friendship International, and the Hotel has been operated by the Group since 10 October 2012.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. OTHER GAINS AND LOSSES

	2012	2011
Gain arising on change in fair value of investment properties	**6,250,000**	3,925,000
Impairment loss recognised on property, plant and equipment	**(237,960)**	(175,990)
Impairment loss recognised on trade receivables	**(3,204)**	(82,118)
Impairment loss recognised on other receivables	**(3,193,039)**	(59,774)
Loss on disposal and written-off of property, plant and equipment	**(246)**	(75,428)
Net foreign exchange gains	**427,002**	602,788
Gain on disposal of an investment property	**875,873**	855,565
	4,118,426	4,990,043

7. INCOME TAX (CREDIT)/EXPENSE

	2012	2011 (restated)
Current tax:		
PRC Enterprise Income Tax	**314,448**	1,518,578
Deferred tax:		
Current year	**(443,712)**	(680,522)
Attributable to a change in tax rate	**—**	288,656
	(443,712)	(391,866)
Total income tax (credit)/expense recognised in profit or loss	**(129,264)**	1,126,712

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Company had agreed losses brought forward to set off against the assessable profits and its Hong Kong subsidiaries did not have any assessable profits for the year (2011: Nil).

The provision for PRC Enterprise Income Tax is calculated at 25% (2011: 25%) on the assessable profit of the Group's PRC subsidiary as determined in accordance with the relevant income tax rules and regulations in the PRC.

8. PROFIT FOR THE YEAR

	2012	2011
Profit for the year has been arrived at after charging/(crediting):		
Gross rental income from investment properties	**(1,340,803)**	(1,410,874)
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	**65,199**	88,881
	(1,275,604)	(1,321,993)
Employee benefits expense (including directors' remunerations):		
Salaries and other benefits	**6,484,472**	5,410,009
Contributions to retirement benefits schemes	**463,408**	456,787
	6,947,880	5,866,796
Depreciation of hotel property	**2,449,064**	2,449,064
Depreciation of other property, plant and equipment	**650,298**	763,029
	3,099,362	3,212,093
Amortisation of prepaid lease payment	**1,874,007**	1,874,007
Total depreciation and amortisation	**4,973,369**	5,086,100
Auditors' remuneration	**530,000**	495,000
Cost of inventories recognised as other operating expenses	**22,437**	49,451
Share of tax of an associate (included in share of profit of an associate)	**419,575**	391,064

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share for the year ended 31 December 2012 is based on the Group's profit attributable to the owners of the Company of HK$1,551,443 (2011: HK$4,947,343 (restated)) and on the weighted average number of 534,240,000 (2011: 534,240,000) ordinary shares in issue during the year.

10. INVESTMENT PROPERTIES

	2012	2011
FAIR VALUE		
Balance at beginning of year	**29,800,000**	28,675,000
Disposal	**(3,400,000)**	(2,800,000)
Gain on properties revaluation	**6,250,000**	3,925,000
Balance at end of year	**32,650,000**	29,800,000

The fair value of the Group's investment properties at 31 December 2012 and 2011 have been arrived at on the basis of a valuation carried out at that date by Norton Appraisals Limited, independent qualified professional valuer not connected with the Group. Norton Appraisals Limited is a member of the Hong Kong Institute of Surveyors, and has appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation, which conforms to the HKIS Valuation Standards, was arrived on the open market value basis.

All of the Group's property interests held under operating leases to earn rentals are measured using the fair value model and are classified and accounted for as investment properties.

The carrying amount of investment properties shown above are situated on:

	2012	2011
Land and building in Hong Kong:		
Long-term lease	**—**	3,400,000
Medium-term lease	**32,650,000**	26,400,000
	32,650,000	29,800,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. TRADE AND OTHER RECEIVABLES

	2012	2011
Trade receivables	**395,217**	492,107
Less: Allowance for doubtful debts	**(84,237)**	(249,662)
	310,980	242,445
Other receivables, utility deposits and prepayments	**17,586,299**	21,701,480
Less: Allowance for doubtful debts	**(16,310,936)**	(12,914,593)
	1,275,363	8,786,887
Total trade and other receivables	**1,586,343**	9,029,332

An aged analysis of trade receivables net of allowance for doubtful debt at the end of reporting period, based on the invoice date, is as follows:

	2012	2011
Current to six months	**310,980**	242,445
Over six months and within one year	**—**	—
Over one year	**—**	—
	310,980	242,445

The average credit period on rendering services is 45 days.

Included in the Group's trade receivable balance are debtors with aggregate amount of Nil (2011: HK$2,726) which are past due as at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is 45 days. (2011: 45 days).

An aged analysis of trade receivables that are not considered to be impaired is as follows:

	2012	2011
Neither past due nor impaired	**310,980**	239,719
Past due but not impaired		
Current to six months	**—**	2,726
Over six months and within one year	**—**	—
Over one year	**—**	—
	310,980	242,445

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

The movement in the allowance for doubtful debts on trade receivables is as follows:

	2012	2011
Balance at beginning of the year	**249,662**	160,430
Impairment loss recognised on receivables	**3,204**	82,118
Amounts written off during the year as uncollectible	**(172,278)**	—
Foreign exchange translation gains	**3,649**	7,114
Balance at end of the year	**84,237**	249,662

The movement in the allowance for doubtful debts on other receivables is as follows:

	2012	2011
Balance at beginning of the year	**12,914,593**	12,398,426
Impairment loss recognised on other receivables	**3,193,039**	59,774
Amounts written off during the year as uncollectible	**(38,323)**	—
Foreign exchange translation gains	**241,627**	456,393
Balance at end of the year	**16,310,936**	12,914,593

Included in the allowances for doubtful debts are individually impaired trade receivables and other receivables with balances of HK$84,237 and HK$16,310,936 (2011: HK$249,662 and HK$12,914,593) respectively. The individually impaired receivables related to customers that were in financial difficulties or in dispute and the management assessed that the recovery of the amounts is doubtful. The Group does not hold any collateral over these balances.

An aged analysis of impaired trade and other receivables is as follows:

	2012	2011
Current to six months	**—**	—
Over six months and within one year	**3,203,708**	—
Over one year	**13,191,465**	13,164,255
	16,395,173	13,164,255

12. TRADE AND OTHER PAYABLES

	2012	2011
Trade payables	**1,076,180**	1,038,683
Other payables	**5,272,727**	10,435,249
Total trade and other payables	**6,348,907**	11,473,932
Less: other payables classified as non-current liabilities *(note)*	**—**	(6,110,900)
	6,348,907	5,363,032

Note:

At 31 December 2011, pursuant to the Management Contract, Friendship International paid RMB5 million, equivalent to HK$6,110,900, as security deposit to Xiamen Plaza, which is refundable upon expiry of the Management Contract.

The Management Contract was terminated on 9 October 2012 due to default in payment by Friendship International.

An aged analysis of trade payables at the end of the reporting period is as follows:

	2012	2011
Current to six months	**243,335**	310,313
Over six months and within one year	**3,134**	145,078
Over one year	**829,711**	583,292
	1,076,180	1,038,683

The average credit period is 45 days.

13. SHARE CAPITAL

	2012		2011	
	Number of shares	**HK$**	Number of shares	HK$
Authorised				
Ordinary shares of HK$0.125 each	**3,040,000,000**	**380,000,000**	3,040,000,000	380,000,000
Issued and fully paid				
At beginning of year and end of year	**534,240,000**	**66,780,000**	534,240,000	66,780,000

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Negatively impacted by an increase in annual distribution to Railway Department of HK$0.78 million together with the impairment loss on other receivables of approximately HK$3.20 million as well as the termination of the management contract over the operation right of Group's Hotel on 9 October 2012, the Group no longer enjoys the income from granting the management right of the Group's Hotel, the profit attributable to owners of the Group approximately HK$1.55 million (2011: HK$4.95 million (restated)), representing a reduction of 68.69%. On the other hand, net cash balance increased by 7.21% to HK$46.41 million (2011: HK$43.29 million).

The turnover of the Group for the year ended 31 December 2012 amounted to approximately HK$15.02 million, representing an increase by approximately 2.52% as compared to approximately HK$14.65 million in the previous year. The increase is mainly due to the appreciation of Renminbi during the year under review.

During the year under review, the Group had to account for gain arising on change in fair value of investment properties aggregate of 6.25 million (2011: 3.93 million).

Given our strong balance sheet and cash generation ability, our financial position continues to be strong. For the year ended 31 December 2012, the gearing ratio (divided non-current liabilities by equity plus non-current liabilities multiple by 100 which results in percentage) of the Group was 4.15% (2011: 8.35% (restated)).

OPERATIONAL REVIEW

A. ***Star-rated hotel operation***

Star-rated hotel operation is the main source of revenue for the Group. For the year ended 31 December 2012, turnover of the hotel was approximately HK$13.68 million (2011: HK$13.24 million), representing an increase of approximately 3.32% from the corresponding financial year.

For the year under review, the occupancy rate was approximately 43.9% (2011: 45.6%) representing a decrease of 3.73% over the previous year. Average daily rate (ADR) was approximately RMB238 (2011: RMB233) representing an increase of 2.15% over the previous year.

OPERATIONAL REVIEW (CONTINUED)

A. *Star-rated hotel operation (continued)*

Pursuant to the terms of the agreement dated 4 March 2008 (the "Management Contract") entered into by and between Xiamen South East Asia Company Limited ("Xiamen Plaza"), an indirectly wholly-owned subsidiary of the Company, and 廈門敦睦酒店管理有限公司 ("Xiamen Friendship International Co., Ltd") ("Friendship International"), Friendship International was granted the operation right of the hotel for a term of five years starting from 4 March 2008. Under the Management Contract, the annual net income generated to the Group is guaranteed at RMB6.66 million plus 1% of the annual turnover of the hotel (the "Guaranteed Income Level"). Where the audited net income of the hotel on adding back amortization and depreciation expenses for a year is less than the Guaranteed Income Level for the same year as at 31 December, Friendship International is required to pay the shortfall to Xiamen Plaza after a consensus is reached between Friendship International and Xiamen Plaza.

The Management Contract was subsequently terminated on 9 October 2012 due to default in payment by Friendship International, and the hotel has been operated by the Group since 10 October 2012. As such, the Group no longer enjoys the Guaranteed Income Level and any profit or loss generated from the operation of the Hotel has to be borne by the Group. The Group had received approximately RMB3.50 million from Friendship International for the operation of the hotel for the year ending 31 December 2012 before the termination of the Management Contract.

The following table sets out the amount and percentage of contributions from different businesses of the star-rated hotel operation for the year ended 31 December 2012, together with comparative figures of 2011:

	31 December 2012		31 December 2011	
	HK$ in thousand	***% in turnover***	*HK$ in thousand*	*% in turnover*
Accommodation revenue	**11,390**	**83%**	11,563	87%
Rental revenue	**2,286**	**17%**	1,666	12%
Other	**—**	**—**	7	1%
	13,676	**100%**	13,236	100%

OPERATIONAL REVIEW (CONTINUED)

A. *Star-rated hotel operation (continued)*

Accommodation revenue

The accommodation revenue was mainly determined by the number of available rooms, occupancy rate and ADR of the Group's hotels. During the reporting year, the accommodation revenue of star-rated hotels was approximately HK$11.39 million, representing a decrease of approximately 1.49% over 2011 or a reduction of 5.30% when the appreciation of Renminbi was excluded. It was mainly because the accommodation revenue loss stemming from competition among star-rated hotels further intensified, there is a situation of oversupply in the industry and the interior facility is functional obsolescence. This directly affected the accommodation revenue of star-rated hotels.

Rental revenue

In order to stabilize the income of the hotel operation, the hotel operator let out the shopping centre in the Group's hotel. This contributed to approximately HK$2.29 million in rental revenue during the year under review, representing an increase of approximately 38% over 2011.

Increasing costs arising from the operating environment especially from increasing wages and inflation remains the key challenge for the hotel industry. To overcome these adversities, the Group will continue to implement tight cost control measures and seek further improvement in operational efficiency to minimize the adverse impacts.

B. *Hong Kong properties held by the Group*

The occupancy rate for the properties of the Group in Hong Kong is nearly full during the year under review. It brought a steady rental income to the Group.

For the year ended 31 December 2012, the rental income of properties in Hong Kong was approximately HK$1.34 million, while the rental income was approximately HK$1.41 million in year 2011. The decrease was mainly resulted from the disposal of property during the year under review.

With the support of the strong local economy and most of existing tenancy contracts of the Group's properties will only expire after 2012; therefore, the impact on the rental income in 2013 is expected to be insignificant.

For the year ended 31 December 2012, the Company disposed the property located at Shops No. 65 on Ground Floor, Shaukiwan Centre, No. 407 Shau Kei Wan Road, Hong Kong. Pursuant to the sales and purchase agreement, the Company agreed to sell, and the purchaser agreed to purchase, the above-mentioned property for a cash consideration of HK$4.38 million. The disposal was completed in the financial year under review.

OPERATIONAL REVIEW (CONTINUED)

C. *Piano manufacturing*

The Group diversified its business into the piano manufacturing sector by acquiring a 25% equity interest of Fuzhou Harmony Piano Co. Ltd. ("Harmony Piano") in 2005. This business interest brought a steady profit to the Group for the year under review.

FUTURE DEVELOPMENT

Recently, there was sign of improvement in China's economy. However, sustainability of such rebound in future was questioned. The Group remains prudent in planning its future strategies as global economic climate clouded with various uncertainties.

Exploring opportunities remain the strategies of the Group, although we will monitor the situation cautiously and adjust our development plan accordingly under the existing unfavorable conditions.

FINANCIAL REVIEW

Capital structure

As at 31 December 2012, the total issued share capital of the Company was HK$66,780,000 divided into 534,240,000 ordinary shares of HK$0.125 each.

Liquidity and Financial Resources

As at 31 December 2012, the Group had a net cash balance of approximately HK$46.41 million (2011: HK$43.29 million). The Group's net asset value (assets less liabilities) was approximately HK$140.97 million (2011: HK$139.01 million (restated)), with a liquidity ratio (ratio of current assets to current liabilities) of 7.25 (2011: 7.69). This high level of liquidity and available funding will enable the Group to meet its expected future working capital requirements and to take advantage of growth opportunities for the business. During the year, there was no material change in the Group's funding and treasury policy. The Directors do not expect the Company to experience any problem with liquidity and financial resources in foreseeable future.

Charge on Assets

As at 31 December 2012, the Group has not charged any of its assets.

FINANCIAL REVIEW (CONTINUED)

Exposure to fluctuation in exchange rate and related hedges

The Group's monetary assets, liabilities and transactions are principally denominated in Hong Kong dollars and Renminbi. Operating outgoings incurred by the Group's subsidiary in the mainland China are mainly denominated in RMB as well as its revenue. The management is of the opinion that the Group's exposure to foreign exchange rate risks is not significant and hedging through the use of derivative instruments is considered unnecessary. Any material fluctuation in the exchange rates of Hong Kong dollar or Renminbi may have an impact on the operating results of the Group.

The funding and treasury policies of existing subsidiaries of the Group are centrally managed and controlled by the Group's senior management in Hong Kong.

Disposal and Acquisitions

For the year ended 31 December 2012, the Company disposed the property located at Shops No. 65 on Ground Floor, Shaukiwan Centre, No. 407 Shau Kei Wan Road, Hong Kong. Pursuant to the sales and purchase agreement, the Company agreed to sell, and the purchaser agreed to purchase, the above-mentioned property for a cash consideration of HK$4.38 million. The disposal was completed in the financial year under review.

Contingent Liability

The Group did not have any significant contingent liability during the year.

Major Events

As at 31 December 2012, the Group had no material capital commitments and no future plans for material investments or capital assets.

Human Resources

As at 31 December 2012, the Group had approximately 96 employees in Hong Kong and Xiamen. The remuneration package was determined with reference to performance and the prevailing market rate. The Group also provides employees with training, the opportunity to join its mandatory provident fund scheme and medical insurance cover.

DIVIDENDS

The Company did not propose any dividends for the year ended 31 December 2012. The Directors do not recommend the payment of a dividend for the year ended 31 December 2012.

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

Neither the Company nor its subsidiaries, had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2012.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted Appendix 10 to the Listing Rules, the Model Code, as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made with all Directors and the Directors have complied with the requirements set out in the Model Code for the year ended 31 December 2012.

INVESTMENT PROPERTIES

At 31 December 2012, the investment properties of the Group were revalued by an independent firm of professional surveyor and property valuer on an open market value basis at HK$32.65 million.

Particulars of investment property interests held by the Group at 31 December 2012 are as follows:

Investment properties	**Leasehold expiry**	**Gross floor area** *(square feet)*	**Year of completion**	**Group's attributable interest**
Hong Kong				
Commercial				
Shop Nos. 1, 3 and 4 on Ground Floor together with open yard adjoining thereto and the whole of First and Second Floors, Sun Ming Court, Nos. 84–90 Castle Peak Road, Sham Shui Po, Kowloon	2047	10,464	1981	50%
Others				
Motor cycle parking space Nos. 54, 55, 56, 57 and 58 of Yuet Ming Building, No. 52 Yuet Wah Street, Kwun Tong, Kowloon	2047	—	1975	100%

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Adapting and adhering to recognized standards of corporate governance principles and practices has always been one of the top priorities of the Company. The Board of Directors ("the Board") believes that good corporate governance is one of the areas that lead to the success of the Company and in balancing the interests of shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

Save as disclosed below, the Company has fully complied throughout the year 2012 with the applicable code provisions in the Code on Corporate Governance Practices (effective until 31 March 2012) and the Corporate Governance Code (the "Code") (effective from 1 April 2012) set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Code provision A.6.7 of the New CG Code requires that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. LAM Kwong Siu and CHEUNG Wah Fung, independent non-executive directors and Mr. FENG Qiang and Mr. YE Tao, non-executive directors, did not attend annual general meeting of the Company held on 27 April 2012 due to their engagement in their own official business.

Code provision A.6.7 of the New CG Code also requires that non-executive directors should give the board on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance. Mr. YE Tao, non-executive Directors did not attend the board meetings during the year due to his engagement in his own official business.

Code provision E.1.2 of the New CG Code requires that the chairman of the board should attend the annual general meeting. Mr. WANG Xiaowu, the chairman of the board, did not attend the annual general meeting of the Company held on 27 April 2012 due to his engagement in his own official business.

Save as the aforesaid and in the opinion of the Directors, the Company has met all code provisions as set out in the Former CG Code and the New CG Code during the year ended 31 December 2012.

RISK MANAGEMENT

The Company's management believes that risk management is an essential component of the Group's administrative structure. The management assists the Board in evaluating material risk exposure existing in the Group's business, including investment risk, interest rate risk, liquidity risk etc, and participates in designing and formulating appropriate risk management and internal control measures, and to ensure its implementation in daily operational management.

RISK MANAGEMENT (CONTINUED)

The management considers that the investment risk management measures provide guarantee to the Group through its way of seeking new development opportunities, as to secure reasonable return in every investment, to reduce investment risks and to avoid possible loss attributable to investments.

The Group's risk management towards liquidity aims to ensure that under all circumstances there exists sufficient capital to fulfill repayment obligations of all debts due, to maintain good creditworthiness, to finance reasonable investment opportunities and to fuel business development. The Group's accounting department is responsible for daily financial activities and monitors liquidity position from time to time to cope with business operation of the Company.

CORPORATE CORRESPONDENCE

The Company commits to report to the shareholders of the Company the Group's corporate information in a timely and punctual way through notifying or mailing to all shareholders via press release, Interim Report and Annual Report. The circular of the Annual General Meeting will be distributed to all shareholders of the Company at least 21 days prior to the meeting, which set out the requirements and the procedure of the vote and the relevant details of other proposed resolutions. The printed copies of the Group's Annual Report and Interim Report have been dispatched to all the shareholders.

The Company also maintains a corporate website on which comprehensive information about the Group is provided.

The Company is committed to ensuring that it is fully compliant with disclosure obligations stipulated under the Listing Rules and other applicable laws and regulations, and that all shareholders and potential investors have an equal opportunity to receive and obtain externally available information that is released by the Group.

CORPORATE MONITOR

The Board is responsible for monitoring the Group's overall corporate reporting process and control system, while the corporate reporting standard is handled by the accounting department, which makes regular review of resources allocation and financial reporting system properly. Compliance with Code on Corporate Governance Practices, the Listing Rules, SFO and other applicable laws and regulations are handled by the Company Secretary. The Company's management meets with the Executive Directors regularly to review and brief the reporting system, and the Audit Committee annually to review and brief the reporting system.

A package of detailed materials setting out the duties and responsibilities of the Directors of the Company is provided to each newly appointed Director of the Company, in which it is especially specified the applicable rules and regulations (including the Listing Rules) that the first time appointed Directors of the Company shall notice and understand.

SUFFICIENCY OF PUBLIC FLOAT

Based on information available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as of the date of this report.

PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE WEBSITE

This announcement is published on the websites of the Company (www.fujianholdings.com) and the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2012 will be dispatched to shareholders of the Company and available on the above websites in due course.

AUDIT COMMITTEE AND AUDITORS

The Audit Committee of the Company has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2012. The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2012 as set out in this announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on this announcement.

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.

By Order of the Board
Fujian Holdings Limited
Wang Xiaowu
Chairman

Hong Kong, 22 March 2013

As at the date of this announcement, the existing Board of Directors comprises eight Directors, including three Executive Directors, namely Mr. Wang Xiaowu, Mr. Wang Ruilian and Mr. Liu Xiaoting, two Non-executive Directors, namely Mr. Feng Qiang and Mr. Ye Tao and three Independent Non-executive Directors, namely Mr. Lam Kwong Siu, Mr. Cheung Wah Fung, Christopher and Mr. Leung Hok Lim.