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FUJIAN HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 00181)

CONTINUING CONNECTED TRANSACTIONS

LEASE AGREEMENTS

On 12 May 2016, Xiamen Hotel (a wholly-owned subsidiary of the Company) as lessor and Huamin Mingrui as lessee entered into the New Lease Agreements in respect of the lease of certain premises at Xiamen Plaza for a term of one year from 16 April 2016 to 15 April 2017.

FHIG indirectly owns approximately 54.14% of the issued share capital of the Company and is the controlling shareholder of the Company. Huamin Mingrui is a non-wholly owned subsidiary of FHIG and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under each of the Lease Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio for the transactions contemplated under the Lease Agreements, on an aggregated basis, exceed 5% but is less than 25% and the maximum annual cap is less than HK\$10,000,000, the transactions contemplated under the Lease Agreements are subject to the announcement, reporting and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

LEASE AGREEMENTS

Reference is made to the announcement of the Company dated 13 April 2015 in relation to, among other matters, the Old Lease Agreements. The Old Lease Agreements had expired on 15 April 2016. Pursuant to the terms of the Old Lease Agreements, subject to the consent of Xiamen Hotel and performance by Huamin Mingrui of all its obligations during the term of the lease, Huamin Mingrui is entitled to renew the Old Lease Agreements for a year.

On 12 May 2016, Xiamen Hotel (a wholly-owned subsidiary of the Company) as lessor and Huamin Mingrui as lessee entered into the New Lease Agreements in respect of the lease of certain premises at Xiamen Plaza for a term of one year from 16 April 2016 to 15 April 2017.

Principal terms of the New Lease Agreements

Date:	12 May 2016		
Term:	16 April 2016 to 15 April 2017		
	First Lease Agreement	Second Lease Agreement	Third Lease Agreement
Lessor:	Xiamen Hotel	Xiamen Hotel	Xiamen Hotel
Lessee:	Huamin Mingrui	Huamin Mingrui	Huamin Mingrui
Leased premises:	Chinese restaurant site, west side, 1st Floor, Main Building, Xiamen Plaza, 908 Xiahe Road, Siming District, Xiamen, Fujian Province, the PRC	Half of the 2nd Floor, north-facing side, Main Building, Xiamen Plaza, 908 Xiahe Road, Siming District, Xiamen, Fujian Province, the PRC	2nd Floor terrace, Main Building, Xiamen Plaza, 908 Xiahe Road, Siming District, Xiamen, Fujian Province, the PRC
Gross floor area:	391 square metres	500 square metres	1,700 square metres
Monthly rent and service charge:	RMB50,310 (including a 10% service charge) per month for the year ending 31 December 2016	RMB32,000 (including a 10% service charge) per month for the year ending 31 December 2016	RMB43,200 (including a 10% service charge) per month for the year ending 31 December 2016
	RMB55,341 (including a 10% service charge) per month for the year ending 31 December 2017	RMB35,200 (including a 10% service charge) per month for the year ending 31 December 2017	RMB47,520 (including a 10% service charge) per month for the year ending 31 December 2017
Usage:	Uses without affecting the hotel facilities (Chinese restaurant is not appropriate as the Xiamen Plaza has a Chinese restaurant)	A western restaurant and other catering services	Auto-club and ancillary businesses

Payment of rental and service charge:

The rental and service charge under the Lease Agreements for the first month shall be payable upon the execution of the Lease Agreements, and for subsequent months, shall be payable before the 20th day of each month.

Proposed annual caps

The maximum aggregate amount payable by Huamin Mingrui to Xiamen Hotel under the Lease Agreements for the year ending 31 December 2016 and 31 December 2017 (being the rental and service charge) are RMB1,555,015 and RMB483,214 respectively, which are the annual caps for the two years ending 31 December 2017.

Renewal of leases

Upon expiration of the current term, a new lease agreement may be entered into with the agreement of Xiamen Hotel and Huamin Mingrui for a further term of one year. The monthly rental and service charge from 2018 onwards shall increase by 10% each year from the previous year.

Historical transaction value

The actual rents paid by Huamin Mingrui to Xiamen Hotel under the Old Lease Agreements for the year ended 31 December 2015 and the period from 1 January 2016 to 15 April 2016 are as follows:

Year ended 31 December 2015	RMB1,266,940 (equivalent to approximately HK\$1,472,328)
Period from 1 January 2016 to 15 April 2016	RMB488,180 (equivalent to approximately HK\$585,816)

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENTS

The entering into of the Lease Agreements will allow the Group to earn rental income from the leasing of certain premises at Xiamen Plaza. The rental and service charge payable under the Lease Agreements was agreed between the parties after arm's length negotiations with reference to the prevailing market price for Xiamen Plaza and comparable premises in the vicinity.

The Board (including the independent non-executive Directors) considers that the Lease Agreements were entered into in the ordinary and usual course of business of the Company and on normal commercial terms, and that the terms and conditions of the Lease Agreements and the related annual caps for the years ending 31 December 2016 and 2017 are fair and reasonable and in the interests of the Company and the Company's shareholders as a whole.

Mr. Wang Xiaowu, an executive Director, serves as a director of FHIG and Mr. Feng Qiang, a non-executive Director, serves as a director of Huamin Mingrui and are both deemed to have a material interest in the transactions contemplated under the Lease Agreements. Each of Mr. Wang Xiaowu and

Mr. Feng Qiang has abstained from voting on the resolutions passed by the Board to approve the same. Save as disclosed above, none of the Directors has any material interest in the transactions contemplated under the Lease Agreements and none of them was required to abstain from voting on the resolutions passed by the Board to approve the Lease Agreements.

INFORMATION ON THE GROUP THE PARTIES TO THE CONTINUING CONNECTED TRANSACTIONS

The Company was incorporated in Hong Kong with limited liability and its shares are listed on the Stock Exchange. The Group is principally engaged in hotel operation in the PRC and property investment and development in Hong Kong.

Xiamen Hotel is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in hotel operation in the PRC.

Huamin Mingrui is a company incorporated in the PRC with limited liability, and is owned as to 51% by FHIG and 49% by an independent third party. It is principally engaged in the tourism business and catering services.

FHIG is a company established in the PRC with limited liability, and is a state-owned enterprise of the PRC. It is principally engaged in the tourism business.

LISTING RULES IMPLICATIONS

FHIG indirectly owns approximately 54.14% of the issued share capital of the Company and is the controlling shareholder of the Company. Huamin Mingrui is a non-wholly owned subsidiary of FHIG and is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under each of the Lease Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio for the transactions contemplated under the Lease Agreements, on an aggregated basis, exceed 5% but is less than 25% and the maximum annual cap is less than HK\$10,000,000, the transactions contemplated under the Lease Agreements are subject to the announcement, reporting and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

“Board”	the board of Directors
“Company”	Fujian Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“FHIG”	Fujian Huamin Industrial Group Company Limited (福建華閩實業(集團)有限公司), a company established in the PRC with limited liability and a state-owned enterprise of the PRC
“First Lease Agreement”	the lease agreement dated 12 May 2016 entered into between Xiamen Hotel as lessor and Huamin Mingrui as lessee over the leasing of the Chinese restaurant site, west side, 1st Floor, Main Building, Xiamen Plaza, 908 Xiahe Road, Siming District, Xiamen, Fujian Province, the PRC
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huamin Mingrui”	Huamin Mingrui (Xiamen) Tourism Company Limited (華閩茗睿(廈門)旅遊有限公司), a company incorporated in the PRC with limited liability, and is owned as to 51% by FHIG and 49% by an independent third party
“Lease Agreements”	the Old Lease Agreements and the New Lease Agreements
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Lease Agreements”	the First Lease Agreement, Second Lease Agreement and Third Lease Agreement
“Old Lease Agreements”	the lease agreements entered into dated 13 April 2015 entered into between Xiamen Hotel as lessor and Huamin Mingrui as lessee, and as described in the announcement of the Company dated 13 April 2015 as the “Lease Agreements”
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Second Lease Agreement”	the lease agreement dated 12 May 2016 entered into between Xiamen Hotel as lessor and Huamin Mingrui as lessee over the leasing of half of the 2nd Floor, north-facing side, Main Building, Xiamen Plaza, 908 Xiahe Road, Siming District, Xiamen, Fujian Province, the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Third Lease Agreement”	the lease agreement dated 12 May 2016 entered into between Xiamen Hotel as lessor and Huamin Mingrui as lessee over the leasing of 2nd Floor terrace, Main Building, Xiamen Plaza, 908 Xiahe Road, Siming District, Xiamen, Fujian Province, the PRC
“Xiamen Hotel”	Xiamen South East Asia Hotel Company Limited (廈門東南亞大酒店有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Xiamen Plaza”	Xiamen South East Asia Hotel (廈門東南亞大酒店), a hotel located at 908 Xiahe Road, Siming District, Xiamen, Fujian Province, the PRC
“%”	per cent

By order of the Board
Fujian Holdings Limited
Wang Xiaowu
Chairman

Hong Kong, 12 May 2016

As at the date of this announcement, the Board of Directors comprises nine Directors, including three Executive Directors, namely Mr. Wang Xiaowu, Ms. Chen Danyun and Mr. Chen Yang, three Non-executive Directors, namely Mr. Feng Qiang Mr. Zhang Fan and Mr. Wang Ruilian and three Independent Non-executive Directors, namely Mr. Lam Kwong Siu, Mr. Ng Man Kung and Mr. Leung Hok Lim.