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閩港控股有限公司
FUJIAN HOLDINGS LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 00181)

PROFIT WARNING
FOR THE YEAR ENDED 31 DECEMBER 2022

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance.

The Board would like to inform the Shareholders and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 and information currently available to the management, the Group expects to record a loss attributable to Shareholders of approximately HK\$8.19 million for the year ended 31 December 2022 as compared to a profit of HK\$3.64 million for the year ended 31 December 2021.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Fujian Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company (“**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 and information currently available to the management, the Group expects to record a loss attributable to Shareholders of approximately HK\$8.19 million for the year ended 31 December 2022 as compared to a profit of HK\$3.64 million for the year

ended 31 December 2021. Such loss is mainly due uncontrollable factors as explained below, as well as the decline in the number of tourists for the Group's hotel in Mainland China which negatively affected the financial performance of the Group.

The Board believes that the expected decrease in the underlying profit attributable to Shareholders for the year ended 31 December 2022 as compared to the year ended 31 December 2021 is primarily due to the following factors:

1. Deemed disposal of interest in associate

As the goodwill arising from the deemed disposal of interest in associate is less than the prior year and combined with the *impact* of a home *currency* depreciation during the period, a loss incurred on the deemed disposal of interest in associate of approximately HK\$1.2 million for the year ended 31 December 2022 as compared to a profit of HK\$3.5 million for the year ended 31 December 2021.

2. Fair value of investment properties

As the Hong Kong Grade A office market is constantly under pressure, there was a net decrease in fair value of investment property of approximately HK\$1 million for the year ended 31 December 2022 as compared to a net increase in fair value of investment properties of HK\$2 million for the year ended 31 December 2021.

3. Income tax credit

Due to the writing off of a deferred tax assets of approximately HK\$1.9 million during the year, there was a debit incurred on income tax of approximately HK\$1.4 million for the year ended 31 December 2022 as compared to a credit of HK\$1 million for the year ended 31 December 2021.

4. Share of loss of an associate

Due to the adverse market conditions during the year, there was a share of loss of an associate of approximately HK\$2.1 million for the year ended 31 December 2022 as compared to a share of loss of an associate of HK\$0.06 million for the year ended 31 December 2021.

5. Gain arising on change in fair value of financial assets at fair value through profit and loss and interest income

As the interest rate in mainland kept decreasing during the year, net gain arising on change in fair value of financial assets at fair value through profit and loss and interest income decreased for approximately HK\$0.2 million to HK\$0.8 million for the year ended 31 December 2022 as compared to a net gain arising on change in fair value of financial assets at fair value through profit and loss and interest income totaling of HK\$1 million for the year ended 31 December 2021.

6. Reduce in turnover and increase in profit of a long-term investment

Due to weak market sentiment mentioned above, turnover of the group reduced to approximately HK\$18.9 million for the year ended 31 December 2022 as compared to HK\$23.4 million for the year ended 31 December 2021. After exercising more cost control which resulted in a decrease in cost from continuing operation and increase in profit from long term investment, it partially offset the loss by approximately HK\$0.5 million for the year ended 31 December 2022.

In addition to the foregoing, the Group is performing assessment and valuation against its relevant assets and it may record impairment losses for the year ended 31 December 2022, subject to final results of such assessment and valuation being made available to the Group.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2022 and expects to release its annual results announcement for the year ended 31 December 2022 in late March 2023. The information contained in this announcement is only a preliminary assessment made by the management of the Company based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 and information available as at the date of this announcement, which is not based on any figures or information which has been audited, confirmed or reviewed by the Company's auditors or the audit committee of the Board.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Fujian Holdings Limited
Chan Tao Ming Alex
Company Secretary

27 February 2023

As at the date of this announcement, the Board comprised Ms. Lin Nuchao, Mr. Yang Liyu and Mr. Zhang Jianmin as executive directors, Mr. Wang Ruilian, Ms. Weng Weijian and Ms. Chen Danyun as non-executive directors, Mr. Lam Kwong Siu, Mr. Ng Man Kung and Ms. Liu Mei Ling Rhoda as independent non-executive directors.

Website: www.fujianholdings.com