閩港控股有限公司

FUJIAN HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00181)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHT

	2024	2023
	HK$'000	*HK$'000*
Revenue	**24,030**	35,207
Loss attributable to owners of the Company	**(33,108)**	(22,829)
Loss per share		
Basic *(HK cents per share)*	**(2.89)**	(1.99)
Diluted *(HK cents per share)*	**(2.89)**	(1.99)

RESULTS

On behalf of the Board of Directors (the "**Board**") of Fujian Holdings Limited (the "**Company**"), I hereby present the consolidated results of the Company and its subsidiaries (collectively referred to the "**Group**") for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024 (in HK Dollars)

	Notes	**2024**	2023
Revenue	4	**24,029,913**	35,206,652
Other income	6	**756,743**	816,414
Other gains and losses	7	**(12,510,335)**	(17,233,696)
Employee benefits expense		**(11,958,148)**	(13,407,499)
Depreciation of property, plant and equipment		**(2,782,327)**	(3,496,698)
Depreciation of right-of-use assets		**(2,978,212)**	(3,040,808)
Finance costs		**(84,542)**	(59,855)
Share of loss of an associate		**(11,149,083)**	(768,071)
Other operating expenses		**(16,432,152)**	(21,771,679)
Loss before tax		**(33,108,143)**	(23,755,240)
Income tax credit	8	**–**	926,168
Loss for the year attributable to owners of the Company	9	**(33,108,143)**	(22,829,072)

	Notes	2024	2023
Other comprehensive expense attributable to owners of the Company			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**(568,716)**	(775,682)
Other comprehensive expense for the year attributable to owners of the Company, net of income tax		**(568,716)**	(775,682)
Total comprehensive expense for the year attributable to owners of the Company		**(33,676,859)**	(23,604,754)
Loss per share			
Basic *(HK cents per share)*	10	**(2.89)**	(1.99)
Diluted *(HK cents per share)*	10	**(2.89)**	(1.99)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2024 (in HK Dollars)

	Notes	**2024**	2023
Non-current assets			
Property, plant and equipment		**3,517,094**	9,045,282
Right-of-use assets		**2,936,598**	3,883,545
Investment properties		**207,900,000**	227,100,000
Interest in an associate		**2,264,169**	13,543,109
Financial assets at fair value through profit or loss		**104,572,157**	95,073,000
		321,190,018	348,644,936
Current assets			
Inventories		**147,033**	189,098
Trade and other receivables	11	**1,323,708**	1,893,347
Cash and bank balances		**31,569,868**	39,473,290
		33,040,609	41,555,735
Current liabilities			
Trade and other payables	12	**7,776,732**	11,032,940
Lease liabilities		**1,032,334**	248,245
		8,809,066	11,281,185
Net current assets		**24,231,543**	30,274,550
Total assets less current liabilities		**345,421,561**	378,919,486
Capital and reserves			
Equity attributable to owners of the Company			
Share capital	13	**898,839,029**	898,839,029
Reserves		**(553,596,402)**	(519,919,543)
Total equity		**345,242,627**	378,919,486
Non-current liabilities			
Lease liabilities		**178,934**	–
		178,934	–
		345,421,561	378,919,486

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024 (in HK Dollars)

1. BASIS OF PREPARATION

Statement of compliance

The financial information relating to the years ended 31 December 2024 and 2023 included in this preliminary announcement of annual results 2024 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the consolidated financial statements for the year ended 31 December 2024 in due course.

The Company's auditor has reported on the financial statements of the Group for the years ended 31 December 2024 and 31 December 2023. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by the way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Companies Ordinance.

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. GENERAL

Fujian Holdings Limited (the "**Company**") is incorporated in Hong Kong as a public limited company and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its immediate holding company is HC Technology Capital Company Limited, a company incorporated in the British Virgin Islands and its ultimate holding company is Fujian Tourism Development Group Company Limited ("**FTDC**"), a state-owned corporation in the People's Republic of China (the "**PRC**"). The addresses of the registered office and principal place of business of the Company is Room 3306–08, 33/F, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong.

The principal activities of the Company and its subsidiaries (collectively referred to as the "**Group**") are investment holding, property investment in Hong Kong and hotel operations in the PRC.

The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liabilities in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's consolidated financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvement to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2025.
[3] Effective for annual periods beginning on or after 1 January 2026.
[4] Effective for annual periods beginning on or after 1 January 2027.

The directors of the Company anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

4. REVENUE

An analysis of revenue is as follows:

	2024	2023
Revenue from other sources		
– Gross rental income	**3,966,316**	3,891,544
Revenue from contracts with customers		
– Hotel operations	**20,063,597**	31,315,108
	24,029,913	35,206,652

5. SEGMENT REPORTING

Information reported to the Board of Directors of the Company, being the chief operating decision maker ("**CODM**"), 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

Segment revenue and results

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

	Property investment		**Hotel operations**		**Total**	
	2024	2023	**2024**	2023	**2024**	2023
REPORTABLE SEGMENT REVENUE						
Revenue from external customers	**3,966,316**	3,891,544	**20,063,597**	31,315,108	**24,029,913**	35,206,652
REPORTABLE SEGMENT RESULT						
Segment result before other gains and losses:	**3,689,305**	3,562,666	**(9,232,162)**	(2,510,679)	**(5,542,857)**	1,051,987
Net decrease in fair value of investment properties	**(19,200,000)**	(7,800,000)	**–**	–	**(19,200,000)**	(7,800,000)
Segment result	**(15,510,695)**	(4,237,334)	**(9,232,162)**	(2,510,679)	**(24,742,857)**	(6,748,013)
Unallocated income					**195,344**	11,695
Finance costs					**(84,542)**	(59,855)
Corporate administration costs					**(6,826,162)**	(6,748,996)
Gain/(loss) arising on change in fair value of financial assets at fair value through profit or loss					**9,499,157**	(9,442,000)
Share of loss of an associate					**(11,149,083)**	(768,071)
Loss before tax					**(33,108,143)**	(23,755,240)
Income tax credit					**–**	926,168
Loss for the year					**(33,108,143)**	(22,829,072)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2023: Nil).

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of other unallocated income, corporate administration costs including directors' remuneration, share of loss of an associate, gain/(loss) arising on change in fair value of financial assets at fair value through profit or loss and income tax credit. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

	Property investment		Hotel operations		Total	
	2024	2023	**2024**	2023	**2024**	2023
ASSETS						
Segment assets	**219,372,380**	240,864,111	**27,891,029**	40,608,404	**247,263,409**	281,472,515
Interest in an associate					**2,264,169**	13,543,109
Financial assets at fair value through profit or loss					**104,572,157**	95,073,000
Unallocated corporate assets					**130,892**	112,047
Consolidated total assets					**354,230,627**	390,200,671
LIABILITIES						
Segment liabilities	**(1,348,192)**	(1,742,918)	**(5,503,210)**	(8,593,373)	**(6,851,402)**	(10,336,291)
Unallocated corporate liabilities					**(2,136,598)**	(944,894)
Consolidated total liabilities					**(8,988,000)**	(11,281,185)

All assets are allocated to operating segments other than interest in an associate, financial assets at fair value through profit or loss and certain cash and bank balances.

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

Other segment information

	Property investment		Hotel operations		Unallocated		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Other segment information								
Additions to non-current assets	**–**	–	**9,503**	25,458	**83,800**	–	**93,303**	25,458
Depreciation of property, plant and equipment	**–**	–	**2,756,388**	3,474,260	**25,939**	22,438	**2,782,327**	3,496,698
Depreciation of right-of-use assets	**–**	–	**1,874,007**	1,874,007	**1,104,205**	1,166,801	**2,978,212**	3,040,808
Net decrease in fair value of investment properties	**19,200,000**	7,800,000	**–**	–	**–**	–	**19,200,000**	7,800,000
Loss on disposal of property, plant and equipment	**–**	–	**–**	9,523	**–**	–	**–**	9,523
Loss on written-off of property, plant and equipment	**–**	–	**2,729,401**	–	**21,527**	–	**2,750,928**	–

Geographical information

The Group operates in two principal geographical areas – the Mainland China and Hong Kong.

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets other than financial assets at fair value through profit or loss is presented based on the geographical location of assets are detailed below:

	Revenue from external customers		Non-current assets	
	2024	2023	**2024**	2023
Mainland China	**20,063,597**	31,315,108	**7,373,007**	26,090,476
Hong Kong	**3,966,316**	3,891,544	**209,244,854**	227,481,460
	24,029,913	35,206,652	**216,617,861**	253,571,936

Information about major customers

No external customers of the Group contributed over 10% of the Group's revenue for the years ended 31 December 2024 and 2023.

6. OTHER INCOME

	2024	2023
Bank interest income	**744,585**	666,589
Others	**12,158**	149,825
	756,743	816,414

7. OTHER GAINS AND LOSSES

	2024	2023
Net decrease in fair value of investment properties	**(19,200,000)**	(7,800,000)
Gain/(loss) arising on change in fair value of financial assets at fair value through profit or loss	**9,499,157**	(9,442,000)
Loss on disposal of property, plant and equipment	**–**	(9,523)
Loss on written-off of property, plant and equipment	**(2,750,928)**	–
Net foreign exchange (loss)/gain	**(58,564)**	17,827
	(12,510,335)	(17,233,696)

8. INCOME TAX

	2024	2023
Deferred tax:		
Current year	**–**	(926,168)
Total income tax credit recognised in profit or loss	**–**	(926,168)

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Company and its Hong Kong subsidiaries did not have any assessable profits for the year (2023: Nil).

Under the Law of the People's Republic of China on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

No provision for PRC Enterprise Income Tax has been made in the consolidated financial statements as the PRC subsidiaries incurred losses for taxation purposes for the year (2023: Nil).

9. LOSS FOR THE YEAR

	2024	2023
Loss for the year has been arrived at after (crediting)/charging:		
Gross rental income from investment properties	**(3,966,316)**	(3,891,544)
Less: direct operating expenses incurred for investment properties that generated rental income during the year	**277,011**	328,878
	(3,689,305)	(3,562,666)
Employee benefits expense (including directors' remunerations):		
Salaries and other benefits in kind	**10,872,823**	12,255,379
Contributions to retirement benefit scheme	**1,085,325**	1,152,120
	11,958,148	13,407,499
Depreciation of right-of-use assets	**2,978,212**	3,040,808
Depreciation of hotel property	**2,449,064**	2,449,064
Depreciation of other property, plant and equipment	**333,263**	1,047,634
Total depreciation	**5,760,539**	6,537,506
Auditors' remuneration	**839,500**	839,500

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share for the years ended 31 December 2024 and 2023 are based on the Group's loss attributable to the owners of the Company is based on the following data:

	2024	2023
Loss		
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	**(33,108,143)**	(22,829,072)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**1,145,546,000**	1,145,546,000

No diluted loss per share for both 2024 and 2023 were presented as there were no potential ordinary shares in issue for both 2024 and 2023.

11. TRADE AND OTHER RECEIVABLES

	2024	2023
Trade receivables	**840,256**	1,313,213
Loss allowance	**(111,622)**	(114,063)
	728,634	1,199,150
Other receivables, utility deposits and prepayments	**598,863**	698,068
Loss allowance	**(3,789)**	(3,871)
	595,074	694,197
Total trade and other receivables	**1,323,708**	1,893,347

The following is an aged analysis of trade receivables net of loss allowance presented based on the invoice dates at the end of the reporting period.

	2024	2023
0–30 days	**840,256**	1,313,213
Less: Loss allowance	**(111,622)**	(114,063)
	728,634	1,199,150

12. TRADE AND OTHER PAYABLES

	2024	2023
Trade payables	**772,418**	1,217,017
Other payables and accruals	**5,794,522**	8,459,613
Rental deposits received	**1,209,792**	1,356,310
Total trade and other payables	**7,776,732**	11,032,940

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2024	2023
0–180 days	**569,755**	1,012,002
181–360 days	**242**	–
Over 360 days	**202,421**	205,015
	772,418	1,217,017

The average credit period is 60 days (2023: 60 days).

13. SHARE CAPITAL

	2024		2023	
	Number of shares	***HK$***	*Number of shares*	*HK$*
Issued and fully paid				
At 1 January and 31 December	**1,145,546,000**	**898,839,029**	1,145,546,000	898,839,029

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 31 December 2024, the Group recorded net loss attributable to owners of the Company of approximately HK$33.11 million (2023: loss of HK$22.83 million).

The Group's net loss is mainly attributable to (i) the loss arising on change in fair value of investment properties; (ii) the loss arising on associated company; (iii) it is expected that fixed assets will be scrapped due to the expiration of the hotel's operating period in 2025 and (iv) the reduce in turnover of the hotel operation during the period under review.

The turnover of the Group for the year ended 31 December 2024 amounted to approximately HK$24.03 million, representing a decrease of approximately 31.75% from approximately HK$35.21million in the corresponding year. The decrease is mainly due to the decrease in business volume of star-rated hotel operation during the year under review.

Given our good balance sheet status and cash generation ability, our financial position continues to be strong. As at 31 December 2024, the gearing ratio (divided total liabilities by equity multiple by 100 which results in percentage) of the Group was 2.60% (2023: 2.98%).

Our group has consistently maintained a low debt ratio and possesses ample liquidity. By enhancing internal management, training, and improving systems, we will further focus on cost control to minimize cash outflows.

OPERATIONAL REVIEW

A. Star-rated hotel operation

Star-rated hotel operation is the main source of revenue for the Group. Based on the hotel location and its current facility structure, the hotel is positioned as a leisure and business hotel, expanding its sources of conference and training clients. It will also increase cultural cultivation such as the "Comrade's Home", "Chamber of Commerce Home", "Calligrapher's Home" and "Aid Friend's Home", and establish an "Education and Training Base".

After a strong start to the year, spending has slowdown as a real estate downturn weigh on consumers. For the year ended 31 December 2024, the turnover of the hotel operation was approximately HK$20.06 million (2023: HK$31.32 million), representing a decrease of approximately 35.95% from the corresponding period of last year.

For the period under review, the average occupancy rate was approximately 44% (2023: 67%), representing an decrease of 34.33% over the corresponding year. Average daily rate (ADR) was approximately RMB327 (2023: RMB340) representing an decrease of 3.82% over the corresponding year.

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 2024, together with comparative figures as of 31 December 2023:

	31 December 2024		31 December 2023	
	HK$ in thousand	***% of revenue***	*HK$ in thousand*	*% of revenue*
Accommodation revenue	**10,102**	**50%**	16,691	53%
Catering	**7,969**	**40%**	12,630	40%
Rental revenue	**1,066**	**5%**	872	3%
Others	**926**	**5%**	1,122	4%
	20,063	**100%**	31,315	100%

Accommodation revenue

The accommodation revenue was mainly determined by the number of available rooms, occupancy rate and ADR of the Group's hotel. During the year, the accommodation revenue of star-rated hotel was approximately HK$10.10 million, representing an decrease of approximately 39% over the corresponding year of 2023.

Since 2015, the hotel developed its group catering business. During the review period, the group generated approximately HK$7.97 million in revenue, representing a decrease of approximately 37 % over the corresponding year.

High quality customer service, strong cultural atmosphere, good geographical location is the core competitive advantage of the hotel. Our hotel management is taking active measures to deal with the epidemic such as practice its internal skills, expand diversified operations and start the catering sales function. Including develop the wedding banquet, the moon cake banquet, year-end banquet, graduation banquet, other banquet online to offline business and introducing the "Teacher Appreciation Banquet" WeChat official account for our hotel. We also carry out online sales cooperation with the banquet network platforms "Wedding 100" (婚禮100) and "Banquet Ge Ge" (宴格格) and we are also collaborating with third parties to launch Peking duck products, thereby diversifying our dining business model to achieve initial results in the expansion to extension of the banquet and group meals.

Looking forward, the consumer demand for leisure travel and business travel is gradually released and the confidence of the domestic hotel market is gradually recovered. The hotel business is gradually back to the right track.

Rental revenue

In order to stabilise the income of the hotel operation, the hotel leased out the shopping center in the Group's hotel. This contributed to approximately HK$1.07 million in rental revenue during the year under review, representing approximately 5% of the hotel operation's turnover.

B. Hong Kong properties held by the Group

Hong Kong's economy is affected by various external factors, many enterprises in Hong Kong have decided to move out of Central due to cost savings and some office tenants have delayed or shelved office leases, so the Hong Kong Grade A office market constantly under pressure and the group's investment property project rental rate is only about 80% during the review period. As demand remains weak and expected commercial property market rents remain under pressure, the outlook for the coming year will remain uncertain.

During the period under review, the rental income of the properties in Hong Kong was approximately HK$3.97 million, compared to the corresponding period of last year representing a increase of approximately 2%.

C. Piano Manufacturing

The Group diversified its business into piano manufacturing by acquiring a 25% equity interest in Fuzhou Harmony Piano Co. Ltd. ("**Harmony Piano**") in 2005. This business interest has brought a steady profit to the Group for the past few years. Due to multiple adverse factors including declining market sales, rising of manufacturing materials and impairment loss for the year, the Group recorded a share of loss from its interest in Harmony Piano for the year approximately HK$11.15 million for the period under review (2023: loss of approximately HK$0.77 million).

To address unfavourable factors such as declining sales, rising costs, and falling profits, Harmony Piano has implemented a series of adaptive measures. Under its existing production capacity, the company is promoting reform and innovation to enhance its long-term competitiveness and profitability.

D. Finance Leasing

The Company as at 31 December 2024 held direct equity interest of 18.44% in Fujian Huamin Leasing Company Limited (福建華閩融資租賃有限公司) ("**Fujian Huamin Leasing**"). Fujian Huamin Leasing is a PRC incorporated company and is principally engaged in the provision of financial leasing and associated services. The investment cost of the significant investment was HK$76.42 million. The fair value of the equity interest in Fujian Huamin Leasing was HK$104.57 million as at 31 December 2024, representing approximately 29.52% of the total assets of the Company as at 31 December 2024.

For the year ended 31 December 2024, the interest in finance leasing contributed approximately HK$9.50 million profit in fair value which designated at fair value through profit or loss for the year (2023: loss of approximately HK$9.44 million).

FUTURE DEVELOPMENT

The global political situation remains complex, with challenges and opportunities coexisting. It is in adversity that courage and determination are revealed, and it is through honing our skills that we achieve success. In the future, our group will concentrate its resources and actively seize opportunities, striving to expand marketing channels and further consolidate our existing markets. We will also seek a balance between maintaining our current market share and achieving reasonable profit margins. When conditions are favourable, we will explore new markets to enhance the brand influence of our company and actively explore online sales. Furthermore, we will continue to enhance our marketing efforts and foster innovative thinking to create differentiated value for our customers, attracting new clients while retaining existing ones. In terms of operational management, our group will strengthen the management and control of the supply chain, continuously improve service capabilities and operational efficiency, and work towards improving our current business situation by optimizing various costs.

Due to the hotel operation rights are expected to end by the end of 2025, the Company continue to our core principles, exercise strict risk control, and seek assets with healthy profitability and excellent growth potential for long-term investments to increase the company's profitability.

We believe that as market demand gradually recovers, the company's operational performance will continue to steadily improve, unlocking the potential and intrinsic value of our enterprise resources.

FINANCIAL REVIEW

Capital Structure

As at 31 December 2024, the total share capital of the Company was HK$898,839,029 divided into 1,145,546,000 ordinary shares.

Liquidity and Financial Resources

As at 31 December 2024, the Group had a net cash balance of approximately HK$31.57 million (2023: HK$39.47 million). The Group's net asset value (assets less liabilities) was approximately HK$345.42 million (2023: HK$378.92 million), with a liquidity ratio (ratio of current assets to current liabilities) of 3.75 (2023: 3.68). During the year under review, there was no material change in the Group's funding and treasury policies. The Directors do not expect the Company to experience any problem with liquidity and financial resources in the foreseeable future.

Charge on Assets

As at 31 December 2024, the Group had not charged any of its assets (2023: Nil).

Funding and Treasury Policies

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.

Treasury Management and Cash Funding

The Group's funding and treasury policies are designed to maintain a diversified and balanced debt profile and financing structure. The Group continues to monitor its cash flow position and debt profile, and to enhance the cost-efficiency of funding initiatives by its centralised treasury function. In order to maintain financial flexibility and adequate liquidity for the Group's operations, potential investments and growth, the Group has built a strong base of funding resources and will keep exploring cost-efficient ways of financing.

Bank Loans and Other Borrowings

There was no outstanding bank loan and other borrowing by the Company and the Group as at 31 December 2024 (2023: Nil).

Capitalised Borrowing Costs

No borrowing cost was being capitalised during the year ended 31 December 2024 (2023: Nil).

Exposure to Fluctuation in Exchange Rate and Related Hedges

There has been no significant change in the Group's policy in terms of exchange rate exposure. The Group operates mainly in Hong Kong and Mainland China. Most of the transactions and cash and cash equivalents are denominated in Hong Kong dollars ("**HK$**") and in Renminbi ("**RMB**"). The Group is exposed to foreign currency risk due to the exchange rate fluctuation of RMB against HK$. Moderate fluctuation of RMB against HK$ was expected. The Group considered the foreign currency risk exposure is acceptable. However, management of the Group will monitor foreign exposure closely and consider the use of hedging instruments when necessary.

As most of the Company's business operations are located in Hong Kong and Mainland China, the Company faces foreign currency risks due to exchange gain/loss from exchange rate fluctuations as well as currency conversion risk due to converted net asset value fluctuations of investment projects in Mainland China. To effectively manage foreign currency risk, the Company closely monitors foreign exchange markets, and utilises multiple strategic approaches, such as optimising cash management strategy and project finance instruments, to manage foreign exchange risk.

Material Acquisitions and Disposals

During the year under review, there were no material acquisition or disposal of any subsidiary, associate or joint venture of the Group.

Capital Expenditure and Commitment

During the year under review, the Group's capital expenditure was HK$0.09 million (2023: HK$0.03 million). There was no outstanding capital commitments as at 31 December 2024 and 2023.

Contingent Liability

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

Major Events

Save as aforesaid, the Group had no material capital commitments and no future plans for material investments or capital assets as at 31 December 2024.

As at 31 December 2024, the Company had only one significant investment with a value over 5 per cent of the total assets of the Company as at 31 December 2024. The significant investment represented the direct equity interest of 18.44% held in Fujian Huamin Leasing Company Limited (福建華閩融資租賃有限公司) ("**Fujian Huamin Leasing**") by the Company as at 31 December 2024. Fujian Huamin Leasing is a PRC incorporated company and is principally engaged in the provision of financial leasing and associated services. The investment cost of the significant investment was approximately HK$76.42 million. The fair value of the equity interest in Fujian Huamin Leasing was approximately HK$104.57 million as at 31 December 2024, representing approximately 29.52% of the total assets of the Company as at 31 December 2024. During the year ended 31 December 2024, the significant investment in Fujian Huamin Leasing contributed a profit arising on change in fair value of financial assets at fair value through profit or loss of HK$9.5 million and no dividend was earned during the year. The Board considers that the significant investment in Fujian Huamin Leasing allows the Group to take advantage of the tax and financial benefits from the China (Fujian) Pilot Free Trade Zone (中國(福建)自由貿易試驗區) and diversify the business of the Group to leasing and associated services within the Fujian Province, PRC and also allow the Group to diversify its streams of income.

China's financial leasing industry is projected to experience continued growth in 2025, with estimates indicating a business volume of approximately RMB12 trillion.

This growth is expected to be driven by several key factors:

- Economic Recovery: As China's economy gradually recovers, there is an anticipated increase in demand for financial leasing services across various sectors.

- Policy Support: Government initiatives aimed at promoting consumption and consumer finance are expected to bolster the financial leasing market.

- Sector-Specific Growth: Certain segments, such as consumer loan asset-backed securities (ABS) and micro and small enterprise (MSE) loan ABS, are projected to continue driving growth in securitization issuance.

However, the industry may face challenges, including stricter financial market regulations and intensified competition. To address these issues, it is recommended that Fujian Huamin Leasing deepen the implementation of policies promoting the financial leasing business, improve financing regulations, reduce financing costs, and enhance the contribution of return variables to strengthen the momentum of sustainable development.

Overall, while the financial leasing industry in China is expected to continue its growth trajectory in 2025, it will need to navigate these challenges to maintain sustainable development.

Human Resources

As at 31 December 2024, the Group had approximately 112 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.

DISTRIBUTABLE RESERVES

There was no Company's reserve available for distribution to shareholders as at 31 December 2024 (2023: Nil).

DIVIDENDS

The Directors do not recommend the payment of a dividend for the year ended 31 December 2024.

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 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its own code of conduct for dealings in securities of the Company by the Directors. In response to specific enquiries made, all Directors confirmed that they had complied with the required standards of dealings as set out in the Model Code during the year.

INVESTMENT PROPERTIES

At 31 December 2024, 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$207.90 million.

Particulars of investment property interests held by the Group at 31 December 2024 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%
Units A, C and D on 21st Floor, Wing On House, 71 Des Voeux Road Central, Hong Kong	2047	8,340	1967	100%
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%

CORPORATE GOVERNANCE PRACTICES

To create a long term value for the interests of the Shareholders is the Board's main objective. As such, the Board is highly committed to achieving a high standard of corporate governance and striving to maintain the management practices in a transparent and responsible way. The Board reviews and improves the Group's corporate governance practices and business ethics on an ongoing basis.

Save as disclosed, for the year ended 31 December 2024 and up to the date of this annual report, the Company complied with all the code provisions, where applicable, as set out in the Corporate Governance Code (the "**CG Code**") and Corporate Governance Report in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

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.

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 monitoring liquidity position from time to time to cope with business operation of the Company.

The Board had conducted a review on the effectiveness of the Group's internal control and risk management systems once during the year ended 31 December 2024 which covered financial, operational, compliance procedural and risk management functions and had considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function. In light of the size and scale of the Group's businesses, the Board is also delegated with the responsibilities for the internal control of the Group and for reviewing its effectiveness.

The Group believes that good corporate governance practices are very important for maintaining and promoting investor confidence and for the sustainable growth of the Group. The Group has therefore made continued efforts to uplift its quality of corporate governance. It has established a highly effective system of internal controls and adopted a series of measures to ensure its safety and effectiveness. As a result, the Group is able to safeguard its assets and protect the interests of its shareholders.

The Board is of the view that the systems of internal control and risk management are effective and there are no irregularities, improprieties, frauds or other deficiencies that suggest material deficiency in the effectiveness of the Group's internal control system.

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 ensure 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.

In respect of the securities transactions made by Directors and relevant employees, the Company has adopted Appendix C3 to the Listing Rules, the Model Code, as its own Code of conduct regarding the standard for securities transactions. Printed copies of the Model Code have been distributed to each Director and relevant employees of the Group as stipulated therein. Having made specific enquires of all Directors, all the Directors confirmed that they have complied with the standards set out therein.

Employees who are likely to be in possession of unpublished price-sensitive information about the Group are also subject to compliance with guidelines on no less exacting terms than the Model Code.

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 announcement.

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 2024 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 financial results of the Group for the year ended 31 December 2024. The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Company's auditors, HLB Hodgson Impey Cheng Limited ("**HLB**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by HLB 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 HKICPA and consequently no assurance has been expressed by HLB 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 hard work represents the foundation of the Group's future business development.

By Order of the Board
Fujian Holdings Limited
Yang Liyu
Executive Director

Hong Kong, 26 March 2025

As at the date of this announcement, the existing Board of Directors comprises nine Directors, including three Executive Directors, namely Mr. Yang Liyu, Mr. Su Qingpeng and Mr. Zhang Jianmin, three Non-executive Directors, namely Ms. Weng Weijian, Mr. Huang Songqing and Mr. Wu Jingchao and three Independent Non-executive Directors, namely Mr. Lam Kwong Siu, Mr. Ng Man Kung and Ms. Liu Mei Ling Rhoda.