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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your shares in Fujian Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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FUJIAN HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00181)

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE TRANSFER OF PROPERTY AND ISSUE OF SHARES UNDER SPECIFIC MANDATE

Financial Adviser to the Company



ASIAN CAPITAL
(CORPORATE FINANCE) LIMITED

卓亞(企業融資)有限公司

**Independent Financial Adviser
to the Independent Board Committee and
to the Independent Shareholders**



VC CAPITAL LIMITED
滙盈融資有限公司

A letter from the Board is set out on pages 6 to 23 of this circular. A letter from the Independent Board Committee is set out on pages 24 to 25 of this circular. A letter from the Independent Financial Adviser is set out on pages 26 to 43 of this circular. A notice convening the EGM to be held at Ballroom, 1st Floor, South Pacific Hotel, 23 Morrison Hill Road, Wanchai, Hong Kong, on 11 August 2016 at 10 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM, together with the reply slip, is enclosed with this circular.

Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the registered office of the Company at Room 3306-08, 33rd Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish but the authority of your proxy will be invalidated forthwith.

25 July 2016

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

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| “associate(s)” | has the meaning ascribed to it under the Listing Rules |
| “Board” | the board of Directors |
| “Company” | Fujian Holdings Limited, a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Stock Exchange |
| “Completion” | completion of the Transfer and Subscription in accordance with the Sale and Purchase Agreement and the Subscription Agreement |
| “Completion Date” | the date on which Completion takes place |
| “Condition(s)” | the conditions precedent under the paragraph “Conditions precedent to the Subscription” |
| “connected person(s)” | has the meaning ascribed to it in the Listing Rules |
| “Consideration” | the consideration for the Transfer in the amount of HK\$148,000,000 |
| “Director(s)” | the director(s) of the Company |
| “EGM” | the extraordinary general meeting of the Company to be convened to consider and, if appropriate, approve the Transfer and the Specific Mandate |
| “FHGC” | Fujian Huaxing Group Company Limited* (福建省華興集團有限責任公司), a company established in the PRC with limited liability |
| “FHIC” | Fujian Huaxing Industrial Company* (福建華興實業公司), which is deemed to be beneficially interested in 70% issued share capital of Sino Earn |
| “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 |
| “FHTI” | Fujian Huaxing Trust & Investment Company* (福建華興信託投資公司), which is deemed to be beneficially interested in 30% issued share capital of Sino Earn |

DEFINITIONS

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| “FIDG” | Fujian Investment & Development Group Company Limited* (福建省投資開發集團有限責任公司), a company established in the PRC with limited liability and a state-owned enterprise of the PRC |
| “FIHC” | Fujian Investment Holdings Company Limited* (華閩投資集團有限公司), a company established in Hong Kong with limited liability |
| “FJSOASAC” | the State-owned Assets Supervision and Administration Commission of Fujian Province* (福建省人民政府國有資產監督管理委員會) |
| “FTDC” | Fujian Tourism Development Group Company Limited* (福建省旅遊發展集團有限責任公司), a company established in the PRC with limited liability and a state-owned enterprise of the PRC |
| “FTIG” | Fujian Tourism Investment Group Company Limited* (福建旅遊投資集團有限公司), a company established in the PRC with limited liability and a state-owned enterprise of the PRC, the issued share capital of which is 100% owned by FTDC |
| “Group” | the Company and its subsidiaries |
| “HC Technology” or “Subscriber” | HC Technology Capital Company Limited, a controlling Shareholder which beneficially holds 425,830,722 Shares, representing approximately 53.14% of the issued share capital of the Company |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Huamin Mingrui” | Huamin Mingrui (Xiamen) Tourism Company Limited* (華閩茗睿(廈門)旅遊有限公司), a company established in the PRC with limited liability |
| “Independent Board Committee” | a committee of the Board established for the purpose of considering the Transfer and the Subscription, comprising all the independent non-executive Directors who are independent of the Transfer and the Subscription |

DEFINITIONS

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| “Independent Financial Adviser” | VC Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Independent Shareholders” | Shareholders other than HC Technology, Sino Earn and their associates (which are deemed to be interested in 506,436,154 Shares in aggregate) |
| “Independent Party(ies)” | persons who themselves are parties independent of, and not connected with, the Company and its connected persons |
| “Last Trading Date” | 17 June 2016 |
| “Latest Practicable Date” | 20 July 2016 |
| “Long Stop Date” | 31 December 2016 or such other date as the parties may agree in writing |
| “Listing Committee” | has the meaning ascribed to it under the Listing Rules |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange |
| “Main Board” | the stock exchange operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange |
| “Office A” | Units 2101–2102, 21st Floor, Wing On House, No. 71 Des Voeux Road Central, Central, Hong Kong |
| “Office C & Office D” | Units 2106–2111, 21st Floor, Wing On House, No. 71 Des Voeux Road Central, Central, Hong Kong |
| “Pinoge” | Pinoge Company Limited, a company established in Hong Kong with limited liability and a wholly-owned subsidiary of FTDC |
| “PRC” | the People’s Republic of China |
| “Property” | Offices A, C and D on 21st Floor, Wing On House, No.71 Des Voeux Road Central, Hong Kong, as further described in the Sale and Purchase Agreement |

DEFINITIONS

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| “Purchaser” | Champ Profit Asia Investment Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company, being the purchaser to the Transfer |
| “Remaining Purchase Price” | the Consideration minus the Total Subscription Price, being HK\$20 |
| “Sale and Purchase Agreement” | the agreement for the sale and purchase of property dated 17 June 2016 entered into between the Vendor and the Purchaser in respect of the Transfer |
| “SFC” | The Securities and Futures Commission of Hong Kong |
| “SFO” | The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Shareholder(s)” | the holders of the Shares |
| “Share(s)” | ordinary share(s) in the capital of the Company |
| “Sino Earn” | Sino Earn Holdings Limited, a company established in Hong Kong with limited liability |
| “Specific Mandate” | the specific mandate proposed to be granted to the Directors by the Shareholders at the EGM for the allotment and issuance of the Subscription Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription” | the subscription for the Subscription Shares by the Subscriber pursuant to the Subscription Agreement |
| “Subscription Agreement” | the agreement dated 17 June 2016 entered into among the Company, the Subscriber, the Vendor and the Purchaser in respect of, among other things, the Subscription |
| “Subscription Price” | the subscription price of HK\$0.43 per Subscription Share |
| “Subscription Shares” | an aggregate of 344,186,000 Shares to be subscribed by the Subscriber pursuant to the Subscription Agreement |
| “Total Subscription Price” | the Subscription Price multiplied by the number of Subscription Shares, being the amount of HK\$147,999,980 |

DEFINITIONS

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| “Transfer” | the transfer of the Property to the Purchaser from the Vendor pursuant to the terms of the Sale and Purchase Agreement and the Subscription Agreement |
| “Vendor” | Hua Min Tourism Company Limited* (華閩旅遊有限公司), a company incorporated in Hong Kong with limited liability, being an indirect wholly-owned subsidiary of FTDC |
| “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, a hotel located at 908 Xiahe Road, Siming District, Xiamen, Fujian Province, the PRC |
| “%” | per cent |

** For identification purpose only. English names of the PRC established companies/entities in this circular are only literal translations of their official Chinese names.*

LETTER FROM THE BOARD



FUJIAN HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00181)

Executive Directors

Wang Xiaowu (*Chairman*)
Chen Danyun
Chen Yang

Registered Office:

Room 3306–08, 33rd Floor
West Tower
Shun Tak Centre
200 Connaught Road Central
Hong Kong

Non-executive Directors

Feng Qiang
Zhang Fan
Wang Ruilian

Independent non-executive Directors

Lam Kwong Siu
Leung Hok Lim
Ng Man Kung

25 July 2016

To the Shareholders

Dear Sirs,

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO THE TRANSFER OF PROPERTY
AND
ISSUE OF SHARES UNDER SPECIFIC MANDATE**

INTRODUCTION

Reference is made to the announcement of the Company dated 17 June 2016 in relation to, among other things, the Transfer and the Subscription. The purpose of this circular is to provide you with, among other things, (i) further details of the Transfer and the Subscription; (ii) the valuation report and certain financial information in respect of the Property; (iii) the recommendation from the Independent Board Committee; (iv) the advice from the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders; and (v) the notice of the EGM.

LETTER FROM THE BOARD

Principal terms of the Sale and Purchase Agreement and the Subscription Agreement are set out below.

THE SALE AND PURCHASE AGREEMENT

Date

17 June 2016 (after trading hours)

Parties

- (1) Champ Profit Asia Investment Limited (as the Purchaser);
- (2) Hua Min Tourism Company Limited* (as the Vendor);

As at the Latest Practicable Date, the Vendor was an indirect wholly-owned subsidiary of FTDC, and FTDC is a controlling Shareholder.

Property to be acquired

The Property is located at Offices A, C and D on 21st Floor, Wing On House, No.71 Des Voeux Road Central, Hong Kong. The Property is a commercial property with a gross floor area of approximately 8,340 square feet, and is currently leased out by the Vendor with an aggregate rental income attributable to the Property from 1 June 2015 to 31 May 2016 amounted to HK\$3,972,700 (exclusive of rates, management fees and air-conditioning fees and other outgoings). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the tenants to the Property (including Hua Min Tourism Reservation Co., Ltd.) and their respective ultimate beneficial owner were Independent Parties as at the Latest Practicable Date.

According to the profit and loss statement of the Property issued by Kreston CAC CPA Limited as set out in Appendix II to this circular, the rental income attributable to the Property (exclusive of rates, management fees and air-conditioning fees and other outgoings) for each of the financial years ended 31 December 2014 and 31 December 2015 amounted to HK\$3,787,200, the profit before taxation attributable to the Property for the periods mentioned above amounted to HK\$3,768,811 and HK\$3,761,013 respectively and the profit after taxation attributable to the Property for the periods mentioned above amounted to HK\$3,212,946 and HK\$3,206,434 respectively.

As at the Latest Practicable Date, the Vendor was the sole legal and beneficial owner of the Property. The Vendor acquired the Property in 27 May 1993, and the original acquisition cost of the Property to the Vendor was HK\$36,080,000.

LETTER FROM THE BOARD

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor after taking into account of, among other things, the appraised value of the Property as at the valuation date of 1 June 2016 in the amount of HK\$148,000,000 in a valuation report issued by Norton Appraisals Limited. Details of the valuation report are set out in Appendix IV to this circular.

The Sale and Purchase Agreement may be terminated by written agreement of the parties.

Completion of the Transfer

Completion will take place on or before 31 December 2016.

Other conditions of the Sale and Purchase Agreement

The Sale and Purchase Agreement incorporates the conditions set out in Part A of the Second Schedule to the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong) ("CPO"). In case of any inconsistency or conflict between the provisions of the Sale and Purchase Agreement and the provisions of the CPO, then so far as the law allows and permits, the provisions of the Sale and Purchase Agreement shall prevail.

THE SUBSCRIPTION AGREEMENT

Date

17 June 2016 (after trading hours)

Parties

- (1) the Company (as the issuer);
- (2) HC Technology Capital Company Limited (as the Subscriber);
- (3) Hua Min Tourism Company Limited* (as the Vendor); and
- (4) Champ Profit Asia Investment Limited (as the Purchaser)

As at the Latest Practicable Date, the Subscriber was a wholly-owned subsidiary of FTDC, and is a controlling Shareholder which holds 425,830,722 Shares, representing approximately 53.14% of the issued share capital of the Company.

Subject matter

The Subscriber shall subscribe for, and the Company shall allot and issue to the Subscriber, the aggregate number of the Subscription Shares and the Purchaser shall make the payment of the Remaining Purchase Price in cash to the Vendor at Completion in consideration of the Transfer by the Vendor to the Purchaser at Completion.

LETTER FROM THE BOARD

Subscription Shares

The Subscription Shares, represent:

- (1) approximately 42.95% of the issued Shares as at the Last Trading Date;
- (2) approximately 42.95% of the issued Shares as at the Latest Practicable Date; and
- (3) approximately 30.05% of the issued Shares as enlarged by the Subscription Shares.

Subscription Price

The Subscription Price being HK\$0.430 per Subscription Share, represents:

- (1) a premium of approximately 7.50% to the closing price of HK\$0.400 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (2) a premium of approximately 4.88% to the average closing price of HK\$0.410 per Share for the last five consecutive trading days immediately prior to the Last Trading Date;
- (3) a premium of approximately 3.74% to the average closing price of HK\$0.415 per Share for the last ten consecutive trading days immediately prior to the Last Trading Date;
- (4) a premium of approximately 2.87% to the average closing price of HK\$0.418 per Share for the last fifteen consecutive trading days immediately prior to the Last Trading Date; and
- (5) a discount of approximately 8.51% to the closing price of HK\$0.470 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

The Subscription Price was determined with reference to the recent market conditions and the market price of the Shares after negotiations on an arm's length basis between the parties.

Conditions precedent to the Subscription

The Subscription is conditional upon the following Conditions having been satisfied (or waived, as applicable).

- (1) the requisite majority of the Independent Shareholders approving the Subscription and the Specific Mandate at a general meeting of the Shareholders;
- (2) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares on Main Board of the Stock Exchange;

LETTER FROM THE BOARD

- (3) the listing of the Shares or the Shares on the Main Board of the Stock Exchange not having been cancelled or withdrawn and neither the Stock Exchange nor the SFC having indicated that the listing of the Shares on the Main Board of the Stock Exchange will be cancelled or withdrawn before, at or after Completion or that it will object to the continued listing of the Shares on the Main Board of the Stock Exchange;
- (4) all necessary governmental and regulatory approvals and consents regarding the Subscription having been obtained by the Company;
- (5) the warranties in the Subscription Agreement remaining true, accurate, complete and correct in all material respects and not misleading in any material respect up to and including the Completion Date; and
- (6) the conditions referred to in the Sale and Purchase Agreement.

The Conditions set out in paragraphs (3), (4), (5) and (6) above may be waived in whole or in part and conditionally or unconditionally by the Company and the Purchaser by written notice to the Vendor and the Subscriber on or before 5:00 p.m. on the Long Stop Date. For the avoidance of doubt, the Conditions in paragraphs (1) and (2) above shall not be waived by any party.

Specific Mandate

The Subscription Shares will be allotted and issued under the Specific Mandate to be obtained from the Independent Shareholders at the EGM.

Ranking and listing of Subscription Shares

The Subscription Shares will rank, upon issue, *pari passu* in all respect with the Shares in issue as at the date of allotment. An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Completion

Subject to the fulfillment (or waiver, as applicable) of the Conditions, Completion shall take place at the date and time as agreed by the parties. For the avoidance of doubt, completion of the Transfer and the Subscription shall occur simultaneously.

At Completion:

- (1) the Vendor and the Purchaser shall complete the Transfer upon the terms and conditions of the Sale and Purchase Agreement;
- (2) the Purchaser shall make full payment of the Remaining Purchase Price in immediately available funds by direct transfer to the designated account of the Vendor maintained with a licensed bank in Hong Kong;

LETTER FROM THE BOARD

- (3) the Company shall allot and issue the Subscription Shares to the Subscriber and shall promptly thereafter register the Subscriber as a member of the Company in respect of the Subscription Shares; and
- (4) at the option of the Subscriber, the Company shall issue the share certificates in respect of the Subscription Shares in the name of the Subscriber and shall either (i) deliver to the Subscriber definitive share certificates in respect of the Subscription Shares or otherwise as the Subscriber may direct; or (ii) deliver the share certificates to Hong Kong Securities Clearing Company Limited for credit to such account with the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited as may be instructed by the Subscriber for such purpose.

There will not be a change of control of the Company after Completion.

Representations and warranties

The representations and warranties given by each of the Company, the Purchaser, the Vendor and the Subscriber to other parties under the Subscription Agreement are representations and warranties common to subscription agreements of a similar nature.

- (1) The Company represents and warrants to the Subscriber and the Vendor that:
 - (a) the Company has been duly incorporated and is validly existing under the laws of Hong Kong;
 - (b) the entry into by the Company of, or the performance by the Company of its obligations under, the Subscription Agreement and the transactions contemplated therein (including the allotment and issue of the Subscription Shares pursuant to the Subscription Agreement) does not and will not cause any violation or breach of (i) the constitutional documents of the Company; (ii) the laws, rules and regulations of any jurisdiction to which the Company is subject in respect of the transactions contemplated under the Subscription Agreement; or (iii) any agreement or other instrument binding upon the Company or any judgment, order or decree of any governmental authority having jurisdiction over the Company;
 - (c) the Subscription Agreement has been duly authorised, executed and delivered by the Company and constitutes a legal and binding obligation of the Company enforceable against it in accordance with its terms;
 - (d) subject to the Conditions being satisfied, it has full power, authority and capacity to allot and issue the Subscription Shares, and has taken all actions required, including but not limited to, the obtaining of all necessary approvals and consents of the governmental authorities in order to enter into and perform its obligations under the Subscription Agreement and the transactions contemplated therein;

LETTER FROM THE BOARD

- (e) the Specific Mandate is capable and sufficient to cover the allotment and issue of the Subscription Shares to the Subscriber; and
 - (f) the Subscription Shares will upon allotment and issue:
 - (i) be duly authorised, validly allotted and issued in accordance with the constitutional documents of the Company and all applicable laws, rules and regulations;
 - (ii) be fully paid and free from all encumbrances and shall rank *pari passu* in all respects with the Shares in issue at the date of allotment;
 - (iii) be freely transferable and not subject to any restriction on transfer or disposal by any law, contract or otherwise; and
 - (iv) be duly listed, and admitted to trading, on the Main Board of the Stock Exchange.
- (2) The Purchaser represents and warrants to the Subscriber and the Vendor that:
- (a) the Purchaser has been duly incorporated and is validly existing under the laws of Hong Kong;
 - (b) the entry into by the Subscriber of, or the performance by the Purchaser of its obligations under, the Subscription Agreement and the transactions contemplated therein does not and will not cause any violation or breach of (i) the constitutional documents of the Purchaser; (ii) the laws, rules and regulations of any jurisdiction to which the Purchaser is subject in respect of the transactions contemplated under the Subscription Agreement; or (iii) any agreement or other instrument binding upon the Purchaser or any judgment, order or decree of any governmental authority having jurisdiction over the Subscriber;
 - (c) the Subscription Agreement has been duly authorised, executed and delivered by the Purchaser and constitutes a legal and binding obligation of the Vendor enforceable against it in accordance with its terms; and
 - (d) it has taken all actions required, including but not limited to, the obtaining of all necessary approvals and consents of the governmental authorities in order to enter into and perform its obligations under the Subscription Agreement and the transactions contemplated therein.
- (3) The Vendor represents and warrants to the Company and the Purchaser that:
- (a) the Vendor has been duly incorporated and is validly existing under the laws of Hong Kong;

LETTER FROM THE BOARD

- (b) the entry into by the Vendor of, or the performance by the Vendor of its obligations under, the Subscription Agreement and the transactions contemplated therein does not and will not cause any violation or breach of (i) the constitutional documents of the Vendor; (ii) the laws, rules and regulations of any jurisdiction to which the Vendor is subject in respect of the transactions contemplated under the Subscription Agreement; or (iii) any agreement or other instrument binding upon the Vendor or any judgment, order or decree of any governmental authority having jurisdiction over the Vendor;
 - (c) the Subscription Agreement has been duly authorised, executed and delivered by the Vendor and constitutes a legal and binding obligation of the Vendor enforceable against it in accordance with its terms; and
 - (d) it has taken all actions required, including but not limited to, the obtaining of all necessary approvals and consents of the governmental authorities in order to enter into and perform its obligations under the Subscription Agreement and the transactions contemplated therein.
- (4) The Subscriber represents and warrants to the Company and the Purchaser that:
- (a) the Subscriber has been duly incorporated and is validly existing under the laws of British Virgin Islands;
 - (b) the entry into by the Subscriber of, or the performance by the Subscriber of its obligations under, the Subscription Agreement and the transactions contemplated therein does not and will not cause any violation or breach of (i) the constitutional documents of the Subscriber; (ii) the laws, rules and regulations of any jurisdiction to which the Vendor is subject in respect of the transactions contemplated under the Subscription Agreement; or (iii) any agreement or other instrument binding upon the Subscriber or any judgment, order or decree of any governmental authority having jurisdiction over the Subscriber;
 - (c) the Subscription Agreement has been duly authorised, executed and delivered by the Subscriber and constitutes a legal and binding obligation of the Subscriber enforceable against it in accordance with its terms; and
 - (d) it has taken all actions required, including but not limited to, the obtaining of all necessary approvals and consents of the governmental authorities in order to enter into and perform its obligations under the Subscription Agreement and the transactions contemplated therein.
- (5) The Vendor and the Subscriber represents and warrants to the Company and the Purchaser that in relation to the Property:
- (a) the Vendor has good and marketable title to Property;

LETTER FROM THE BOARD

- (b) the building ownership certificate thereof is of good standing, proper, subsisting and remaining in force;
- (c) the Property is free from any encumbrance at Completion;
- (d) the Property is not subject to any restrictive covenants, easement, limitation, approval and permit in favour of any third party or other third parties' rights;
- (e) all government rents and payments and amounts payable in relation to each of them has been paid in full, and there are no circumstances which would entitle any person to exercise any powers of entry and taking possession of the Property in consequence of any such payment or amount not having been paid in full;
- (f) all requests and notices made or issued by the relevant government authorities have been fully complied with and performed, and there are no obligations or requests not performed or not complied with;
- (g) there are no mandatory purchase orders or resumption orders, or any other similar orders or directives which may affect the Property, and there are no closure orders, demolition orders or removal orders, or any other similar orders or directives which may affect the Property;
- (h) there are no disputes with the owners and tenants of the neighboring property of the Property in relation to the boundary of or the means of entry to each of them, and there are no other complaints, actions, disputes or requests, or any other similar applications which may materially affect each of them or the use thereof;
- (i) all necessary permits, consents and approvals in relation to real property such as building ownership certificate have been obtained and the covenants and obligations thereunder have been observed and performed; the current use of the Property is in compliance with applicable laws and there are no circumstances which would cause such consents and approvals to be forfeited, dismissed, withdrawn or ceased to be renewed;
- (j) the Vendor has not contracted to sell or part with the possession of or let or grant any option, right of pre-emption, right of first refusal over or otherwise dispose of its interest in the Property or any part thereof and has not mortgaged, charged or otherwise encumbered such interest or agreed to do so;
- (k) no written notices, orders or direction have been issued from the government and/or the relevant authorities under any public health, pollution or environmental laws or regulations;

LETTER FROM THE BOARD

- (l) the use of Property is not in breach of the permitted user specified by the government leases or the occupation permit (if any) issued by the relevant governmental authorities and the Vendor has not received written notice that the current use of the Property is in breach of any applicable laws regulating the current use; and
- (m) the Vendor has the sole benefit of all rights, covenants and easements necessary for the use and enjoyment of the Property for as long as it may own the same including (without limitation) access to and from the Property and to utilities at all points at which access is presently gained.

Each of the warranties shall:

- (i) be construed as separate and independent and shall not be limited by reference to anything in the Subscription Agreement; and
- (ii) be made as of the date of the Subscription Agreement and be deemed to be repeated immediately before Completion with reference to the facts and circumstances then existing.

Each party is entering into the Subscription Agreement and the transactions contemplated under the Subscription Agreement (including the Subscription) in reliance on the warranties made by the other parties.

Termination of the Subscription

The Company may, by notice in writing to the other parties, terminate the Subscription Agreement at any time before the Completion Date in any of the following circumstances:

- (1) if any of the Conditions have not been fulfilled (or waived) on or before the Long Stop Date;
- (2) if the Sale and Purchase Agreement is terminated in accordance with its terms;
- (3) if there shall have come to the notice of the Company any breach of, or any event rendering untrue, inaccurate, incomplete, incorrect or misleading in any respect, any of the warranties given by the parties as set out in the Subscription Agreement;
- (4) if the listing of the Shares on the Main Board of the Stock Exchange has been cancelled or withdrawn or the Stock Exchange has indicated that the listing of the Shares on the Main Board of the Stock Exchange will be cancelled or withdrawn; or
- (5) if there is (i) any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls; (ii) a general moratorium on commercial banking activities in Hong Kong or the PRC by any governmental authority; (iii) an outbreak or escalation of hostilities or act of terrorism, and which, with respect to any of (i) to (iii) above, individually or in aggregate, is or is reasonably expected to have a material adverse effect; or (iv) a suspension or material limitation of trading in securities generally on the Stock Exchange.

LETTER FROM THE BOARD

CHANGES IN THE SHAREHOLDING STRUCTURE

The table below sets out the Company's shareholding structure (i) as at the Latest Practicable Date; and (ii) immediately after the allotment and issue of Subscription Shares:

| Shareholder | As at the Latest Practicable Date | | Immediately after the allotment and issue of Subscription Shares | |
|--|--|-----------------------|---|-----------------------|
| | <i>No. of Shares</i> | <i>approximate %</i> | <i>No. of Shares</i> | <i>approximate %</i> |
| HC Technology (the Subscriber) and its associates <i>(Notes a and c)</i> | 433,882,772 | 54.14% | 778,068,772 | 67.92% |
| Sino Earn <i>(Notes b and c)</i> | <u>72,553,382</u> | <u>9.05%</u> | <u>72,553,382</u> | <u>6.33%</u> |
| Subtotal | 506,436,154 | 63.19% | 850,622,154 | 74.25% |
| Independent Shareholders | <u>294,923,846</u> | <u>36.81%</u> | <u>294,923,846</u> | <u>25.75%</u> |
| Total | <u><u>801,360,000</u></u> | <u><u>100.00%</u></u> | <u><u>1,145,546,000</u></u> | <u><u>100.00%</u></u> |

Notes:

- (a) HC Technology and its associates hold 433,882,772 Shares (representing approximately 54.14% of the issued share capital of the Company), among which (i) 425,830,722 Shares (representing approximately 53.14% of the issued share capital of the Company) are held by HC Technology; and (ii) 8,052,050 Shares (representing approximately 1.00% of the issued share capital of the Company) are held by Pinoge. The issued share capital of each of HC Technology and Pinoge is 100% beneficially owned by FIHC, which is in turn 100% beneficially owned by FHIG, which is in turn 100% beneficially owned by FTDC, a state-owned corporation under the control and supervision of FJSOASAC in the PRC. Pursuant to the SFO, each of FIHC, FHIG and FTDC is deemed to be interested in 433,882,772 Shares.
- (b) Sino Earn beneficially holds 72,553,382 Shares. The issued share capital of Sino Earn is owned as to 30% by FHTI and 70% by FHIC respectively. Both of FHTI and FHIC are 100% beneficially owned by FHGC, which is in turn 100% beneficially owned by FIDG, a state-owned corporation in the PRC under the control and supervision of FJSOASAC. Pursuant to the SFO, each of FHTI, FHIC, FHGC and FIDG is deemed to be interested in 72,553,382 Shares.
- (c) Save for the fact that both FTDC and FIDG are under the control and supervision of FJSOASAC, there is no other shareholding relationships between FTDC together with its associates (i.e. FHIG, FIHC, HC Technology, Pinoge and the Group) and FIDG together with its associates (i.e. FHGC, FHTI, FHIC and Sino Earn).

LETTER FROM THE BOARD

SUMMARY OF THE PRINCIPAL TERMS OF TENANCY AGREEMENTS

| | Tenancy agreement dated 6 July 2016 | Tenancy agreement dated 21 January 2016 | Tenancy agreement dated 19 June 2013 |
|----------------------------------|---|---|--|
| PREMISES RENTED | Office A (also known as offices 01-02) | Office C and portions of office D (also known as rooms 2106-2110) | Portions of office D on 21st Floor |
| TENANT | Boton Flavors and Fragrances (Hong Kong) Limited | Hua Min Tourism Reservation Co., Ltd. | Wing Fung Realty Investment Limited |
| PAYMENT TERMS | Payable in advance without any deduction on the 1st day of each and every calendar month during the term of tenancy | Payable in advance without any deduction on the 1st day of each and every calendar month during the term of tenancy | Payable in advance without any deduction on the 29th day of each and every calendar month |
| TERM OF TENANCY | Two years from 1 June 2016 to 31 May 2018 (both days inclusive) | Two years from 1 January 2016 to 31 December 2017 (both days inclusive) | Three years from 29 August 2013 to 28 August 2016 (both days inclusive) |
| RENT PER MONTH AND PAYMENT TERMS | HK\$88,000 per calendar month exclusive of management fees, rates and government rent and all other utilities charges. | HK\$212,000 per calendar month exclusive of management fees, rates and government rent and all other utilities charges. | HK\$62,700 per calendar month exclusive of management fees, rates and government rent and all other utilities charges |
| OVERDUE RENT | The tenant shall pay to the landlord interest upon such rent or other sum at 2% over the best lending rate of The Hongkong and Shanghai Banking Corporation Limited at the date upon which the rent or other sum became due until the said rent or other sum shall have been paid, such interest to be calculated on a monthly basis. Interest payable by the tenant upon arrears of rent shall not itself be deemed to be rent | The tenant shall pay to the landlord interest upon such rent or other sum at 2% over the best lending rate of The Hongkong and Shanghai Banking Corporation Limited at the date upon which the rent or other sum became due until the said rent or other sum shall have been paid, such interest to be calculated on a monthly basis. Interest payable by the tenant upon arrears of rent shall not itself be deemed to be rent | The tenant shall pay to the landlord interest upon such rent or other sum at 2% over the best lending rate of The Hongkong and Shanghai Banking Corporation Limited at the date upon which the rent or other sum became due until the said rent or other sum shall have been paid, such interest to be calculated on a monthly basis |

LETTER FROM THE BOARD

| | Tenancy agreement dated 6 July 2016 | Tenancy agreement dated 21 January 2016 | Tenancy agreement dated 19 June 2013 |
|-----------------------|--|--|--|
| REPAIR OBLIGATIONS | <p>In the event of the premises or any part thereof at any time being damaged or destroyed by fire, water, storm, wind, typhoon, defective construction, white-ants, earthquake, subsidence of the ground or any other cause (not attributable to the act or default of the tenant) so as to be rendered unfit for use and occupation or being declared unfit for use and occupation or becoming subject to a closure order or is inaccessible due to any cause whatsoever, then the rent or a fair proportion thereof, according to the nature and extent of the damage sustained, shall abate and be suspended until the premises shall be again rendered fit for occupation and use, and the landlord shall pay to the tenant the amount of any such abatement in so far as the rent shall have been paid in advance, provided the amount of such abatement shall be such sum as shall either be agreed between the parties in writing or in the event of the parties failing to reach agreement be determined by a single arbitrator in accordance with the provisions of the Arbitration Ordinance (Cap.609) or any statutory modification or re-enactment thereof for the time being in force, and provided always that the landlord shall be under no obligation to reinstate the premises if by reason of the condition of the premises or any local regulations or other circumstances beyond the control of the landlord it is not practicable or reasonable so to do and provided that if the landlord shall fail to reinstate the premises within one month of receiving a written notice to reinstate the same from the tenant or if the premises are declared unfit for use and occupation or shall remain subject to the said closure order or otherwise remain uninhabitable for a period of one month, the tenant may forthwith or within a reasonable time thereafter terminate this agreement without prejudice to the rights and remedies of either party against the other in respect of any antecedent claim or breach of the agreements stipulations terms and conditions therein contained and without prejudice to the right of the tenant to recover the sum paid hereunder by way of deposit.</p> | <p>In the event of the premises or any part thereof at any time being damaged or destroyed by fire, water, storm, wind, typhoon, defective construction, white-ants, earthquake, subsidence of the ground or any other cause (not attributable to the act or default of the tenant) so as to be rendered unfit for use and occupation or being declared unfit for use and occupation or becoming subject to a closure order or is inaccessible due to any cause whatsoever, then the rent or a fair proportion thereof, according to the nature and extent of the damage sustained, shall abate and be suspended until the premises shall be again rendered fit for occupation and use, and the landlord shall pay to the tenant the amount of any such abatement in so far as the rent shall have been paid in advance, provided the amount of such abatement shall be such sum as shall either be agreed between the parties in writing or in the event of the parties failing to reach agreement be determined by a single arbitrator in accordance with the provisions of the Arbitration Ordinance (Cap.609) or any statutory modification or re-enactment thereof for the time being in force, and provided always that the landlord shall be under no obligation to reinstate the premises if by reason of the condition of the premises or any local regulations or other circumstances beyond the control of the landlord it is not practicable or reasonable so to do and provided that if the landlord shall fail to reinstate the premises within one month of receiving a written notice to reinstate the same from the tenant or if the premises are declared unfit for use and occupation or shall remain subject to the said closure order or otherwise remain uninhabitable for a period of one month, the tenant may forthwith or within a reasonable time thereafter terminate this agreement without prejudice to the rights and remedies of either party against the other in respect of any antecedent claim or breach of the agreements stipulations terms and conditions therein contained and without prejudice to the right of the tenant to recover the sum paid hereunder by way of deposit.</p> | <p>In the event of the premises or any part thereof at any time being damaged or destroyed by fire, water, storm, wind, typhoon, defective construction, white-ants, earthquake, subsidence of the ground or any other cause (not attributable to the act or default of the tenant) so as to be rendered unfit for use and occupation or being declared unfit for use and occupation or becoming subject to a closure order or is inaccessible due to any cause whatsoever, then the rent or a fair proportion thereof, according to the nature and extent of the damage sustained, shall abate and be suspended until the premises shall be again rendered fit for occupation and use, and the landlord shall pay to the tenant the amount of any such abatement in so far as the rent shall have been paid in advance, provided the amount of such abatement shall be such sum as shall either be agreed between the parties in writing or in the event of the parties failing to reach agreement be determined by a single arbitrator in accordance with the provisions of the Arbitration Ordinance (Cap.609) or any statutory modification or re-enactment thereof for the time being in force, and provided always that the landlord shall be under no obligation to reinstate the premises if by reason of the condition of the premises or any local regulations or other circumstances beyond the control of the landlord it is not practicable or reasonable so to do and provided that if the landlord shall fail to reinstate the premises within one month of receiving a written notice to reinstate the same from the tenant or if the premises are declared unfit for use and occupation or shall remain subject to the said closure order or otherwise remain uninhabitable for a period of one month, the tenant may forthwith or within a reasonable time thereafter terminate this agreement without prejudice to the rights and remedies of either party against the other in respect of any antecedent claim or breach of the agreements stipulations terms and conditions therein contained and without prejudice to the right of the tenant to recover the sum paid hereunder by way of deposit.</p> |

Consideration

The Consideration is HK\$148,000,000, which shall be fully paid by the Purchaser to the Vendor upon completion of the Transfer.

LETTER FROM THE BOARD

INFORMATION OF THE VENDOR AND THE SUBSCRIBER

The Vendor was incorporated in Hong Kong with limited liability, and was an indirect wholly-owned subsidiary of FTDC (a controlling Shareholder) as at the Latest Practicable Date. Its principal business activity is tourism business.

The Subscriber was incorporated in British Virgin Islands with limited liability, and is an indirect wholly-owned subsidiary of FTDC. Its principal business activity is investment holding.

INFORMATION OF THE PURCHASER AND THE GROUP

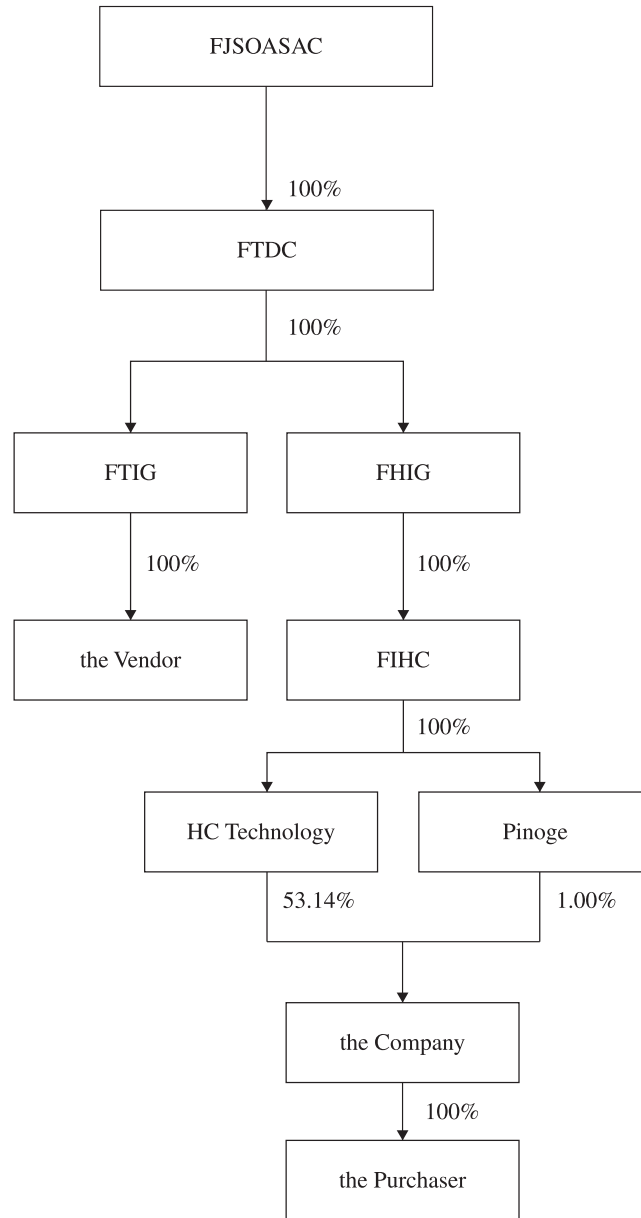
The Purchaser was incorporated in Hong Kong with limited liability, and is a wholly-owned subsidiary of the Company. Its principal business activity is investment holding.

The Group is principally engaged in the businesses of hotel and property development, property investment and investment holding.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE PARTIES

The graph below sets out the shareholding structure of the parties as at the Latest Practicable Date:



FINANCIAL IMPACT OF THE TRANSFER TO THE GROUP

The Transfer is expected to have positive effects on the revenue and earnings of the Group as the rental income contributed by the tenant(s) under the respective tenancy agreement(s) of the Property will be consolidated into the Group after Completion. According to the unaudited pro forma financial information of the Group as set out in Appendix III to this circular, upon completion of the Transfer and assuming the Transfer was completed on 31 December 2015, the net

LETTER FROM THE BOARD

assets of the Group will increase from approximately HK\$234.8 million to approximately HK\$381.4 million, representing an increase of approximately HK\$147.3 million in consolidated total assets and an increase of approximately HK\$0.7 million in consolidated total liabilities of the Group.

REASONS FOR AND BENEFITS OF THE TRANSFER AND THE SUBSCRIPTION

The Group is principally engaged in the businesses of hotel and property development, property investment and investment holding. The Group has been exploring appropriate investment opportunities and is optimistic about the long-term prospect of the property market in Hong Kong. The Board considers that the Transfer would enlarge and diversify the Group's existing investment properties portfolio with high quality assets, strengthen the income and cash flow base of the Group and provide capital appreciation potential to the Group. The Group intends to operate the Property as long-term investment to earn rental income through retaining the existing tenancy agreements, for a term of two or three years expiring between 28 August 2016 and 31 May 2018. Upon expiry of the tenancy agreements, the Company intends to either renew or seek new tenants based on the prevailing market rental.

The Board considers that the Subscription reflects the confidence and commitment of HC Technology, a controlling Shareholder, towards the long-term and sustainable development of the Company, and that the continuing support of the controlling Shareholder is crucial to ensure the business stability and long-term development of the Group.

On the above basis, the Group entered into the Sale and Purchase Agreement and the Subscription Agreement, and the Directors (including the independent non-executive Directors) consider that the terms of the Sale and Purchase Agreement and the Subscription Agreement are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date, FTDC, through the Subscriber and Pinoge, its wholly-owned subsidiaries, held 433,882,772 Shares (representing approximately 54.14% of the issued share capital of the Company). In addition, FTDC, through FTIG, its wholly-owned subsidiary, held 100% issued share capital of the Vendor. As such, the Vendor and the Subscriber are connected persons of the Company. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transfer exceed 25% but below 100%, the Transfer constitutes a major and connected transaction of the Company subject to the reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

Pursuant to Rule 13.36 of the Listing Rules, the Subscription Shares will be issued under a Specific Mandate subject to the approval by the Shareholders. As set out above, the Subscriber, which is a controlling Shareholder, is a connected person of the Company and is considered as being interested in the Transfer and the Subscription. Accordingly, the Subscriber, Sino Earn and

LETTER FROM THE BOARD

their associates (which are deemed to be interested in 506,436,154 Shares in aggregate) shall abstain from voting on the proposed resolution to approve the Transfer and the Specific Mandate at the EGM. Save for the aforesaid and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries as at the Latest Practicable Date, no other Shareholder is involved in or interested in the Transfer or the Subscription which requires him to abstain from voting on the proposed resolution to approve the Transfer and the Specific Mandate at the EGM.

Mr. Wang Xiaowu and Mr. Chen Yang, executive Directors, serve as directors of the Subscriber, Ms. Chen Danyun, an executive Director, serves as a director of the Vendor and Mr. Feng Qiang, a non-executive Director, serves as a director of FTIG, which holds 100% issued share capital of the Vendor and are therefore deemed to be interested in the Sale and Purchase Agreement and the Subscription Agreement. As such, Mr. Wang Xiaowu, Ms. Chen Danyun, Mr. Chen Yang and Mr. Feng Qiang have abstained from voting on the relevant resolution of the Board in approving the Sale and the Purchase Agreement and the Subscription Agreement. Save as disclosed above, none of the Directors had material interests in the Sale and Purchase Agreement or the Subscription Agreement, and was required to abstain from voting on the relevant resolution of the Board.

THE EGM

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the Transfer and the Specific Mandate to issue the Subscription Shares.

An Independent Board Committee comprising all the independent non-executive Directors has been established to consider the terms of the Sale and Purchase Agreement and the Subscription Agreement and the transactions contemplated thereunder and to advise and make recommendations to the Independent Shareholders as to how to vote at the EGM on the ordinary resolution regarding the Transfer and the Subscription as contemplated under the Sale and Purchase Agreement and the Subscription Agreement respectively. Mr. Lam Kwong Siu, Mr. Leung Hok Lim and Mr. Ng Man Kung have been appointed by the Board to serve as members of the Independent Board Committee. None of the members of the Independent Board Committee has any material interest in the Sale and Purchase Agreement, the Subscription Agreement and the transactions contemplated thereunder. VC Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Shareholders and potential investors should note that the Completion is subject to the fulfilment and/or waiver of the conditions precedent of the Subscription Agreement and, as such, the Transfer and the Subscription as contemplated may or may not complete. Shareholders and potential investors should also note that there are risks associated with the Transfer and the Subscription and they should consider and assess all the risks carefully. Shareholders and potential investors are reminded to exercise extreme caution when dealing in the securities of the Company.

LETTER FROM THE BOARD

RECOMMENDATIONS

VC Capital Limited was appointed by the Company as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders regarding the Sale and Purchase Agreement and the Subscription Agreement.

Your attention is drawn to the letter from the Independent Board Committee regarding the Sale and Purchase Agreement and the Subscription Agreement as set out on pages 24 to 25 of this circular. Your attention is also drawn to the letter from VC Capital Limited to the Independent Board Committee and the Independent Shareholders in respect of the same matters, which is set out on pages 26 to 43 of this circular.

The Independent Board Committee, having taken into account the advice of VC Capital Limited, considers that the Sale and Purchase Agreement and the Subscription Agreement are on normal commercial terms, and the terms of the Sales and Purchase Agreement and the Subscription Agreement are fair and reasonable, and in the best interests of the Company and its Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution at the EGM to approve the Sale and Purchase Agreement, the Subscription Agreement and the transactions contemplated thereunder.

The Directors (including the independent non-executive Directors) considers that the Sale and Purchase Agreement and the Subscription Agreement are on normal commercial terms, and the terms of the Sales and Purchase Agreement and the Share Subscription Agreement are fair and reasonable and in the best interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution at the EGM to approve the Sale and Purchase Agreement, the Subscription Agreement and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information contained in the appendices to this circular.

By order of the Board
Fujian Holdings Limited
Wang Xiaowu
Chairman

* *for identification purposes only*



FUJIAN HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00181)

25 July 2016

To the Independent Shareholders

Dear Sirs,

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO THE TRANSFER OF PROPERTY**

We refer to the circular dated 25 July 2016 (the “**Circular**”) of the Company of which this letter forms part. Terms used in this letter shall have the meanings as defined in the Circular unless the context requires otherwise.

We, being the independent non-executive Directors, have been appointed to form the Independent Board Committee to advise you as to whether the terms of the Sale and Purchase Agreement and the Subscription Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and whether the Sale and Purchase Agreement, the Subscription Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole. VC Capital Limited has been appointed as the Independent Financial Adviser in this regard. We wish to draw your attention to the letter from the Board as set out from pages 6 to 23 of the Circular and the letter from the Independent Financial Adviser as set out from pages 26 to 43 of the Circular which contain, among other things, their advice, recommendations to us regarding the Transfer and the Subscription and the principal factors and reasons taken into consideration for their advice and recommendations.

Having taken into account the advice and recommendations of the Independent Financial Adviser and the principal factors and reasons taken into consideration by them in arriving at their opinion, we consider that the Sale and Purchase Agreement and the Subscription Agreement are on normal commercial terms, and the terms of the Sales and Purchase Agreement and the Subscription Agreement are fair and reasonable, and in the best interests of the Company and its Shareholders as

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution at the EGM to approve the Sale and Purchase Agreement, the Subscription Agreement and the transactions contemplated thereunder.

Yours faithfully,

Mr. Lam Kwong Siu

Mr. Leung Hok Lim

Mr. Ng Man Kung

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice to the Independent Board Committee and the Independent Shareholders from VC Capital Limited in respect of the Transfer and the issue of Shares under Specific Mandate for the purpose of incorporation into this circular.



25 July 2016

*To: The Independent Board Committee and the Independent Shareholders of
Fujian Holdings Limited*

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE TRANSFER OF THE PROPERTY AND ISSUE OF SHARES UNDER SPECIFIC MANDATE

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether (i) the terms of the Sale and Purchase Agreement and the Subscription Agreement are fair and reasonable and on normal commercial terms and the Transfer is in the ordinary and usual course of business of the Company; and (ii) the Transfer and the Subscription are in the interests of the Company and the Shareholders as a whole, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 25 July 2016 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 17 June 2016 (after trading hours), the Company announced that the Purchaser (being a wholly-owned subsidiary of the Company) and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Property at a Consideration of HK\$148,000,000. The Consideration was arrived at after arm’s length negotiations between the Purchaser and the Vendor after taking into account of, among other things, the appraised value of the Property as at the valuation date of 1 June 2016 in the amount of HK\$148,000,000 in a valuation report issued by Norton Appraisals Limited.

Upon Completion, the Subscriber shall subscribe for, and the Company shall allot and issue 344,186,000 Shares at the Subscription Price of HK\$0.43 per Subscription Share to the Subscriber for settlement of HK\$147,999,980 of the Consideration, and the Purchaser shall make the payment of the Remaining Purchase Price of HK\$20 in cash to the Vendor.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, FTDC, through the Subscriber and Pinoge, its wholly-owned subsidiaries, held 433,882,772 Shares, representing approximately 54.14% of the issued share capital of the Company. In addition, FTDC, through FTIG, its wholly-owned subsidiary, held 100% issued share capital of the Vendor. As such, the Vendor and the Subscriber are the connected persons of the Company. As certain applicable percentage ratios in respect of the Transfer exceed 25% but below 100%, the Transfer constitutes a major and connected transaction of the Company and is subject to the reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules. The Subscriber, being a controlling Shareholding and a connected person of the Company, is considered as being interested in the Transfer and the Subscription. Accordingly, the Subscriber, Sino Earn and their associates, which are deemed to be interested in 506,436,154 Shares in aggregate, shall abstain from voting on the proposed resolution to approve the Transfer and the Specific Mandate at the EGM. Save for the aforesaid and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries as at the Latest Practicable Date, no other Shareholder is involved in or interested in the Transfer or the Subscription which requires him to abstain from voting on the proposed resolution to approve the Transfer and the Specific Mandate at the EGM.

An Independent Board Committee, comprising Mr. Lam Kwong Siu, Mr. Ng Man Kung and Mr. Leung Hok Lim, has been established to make recommendation to the Independent Shareholders as to whether (i) the terms of the Sale and Purchase Agreement and the Subscription Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned; (ii) the Sale and Purchase Agreement, the Subscription Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote at the EGM on the ordinary resolution regarding the Sale and Purchase Agreement, the Subscription Agreement and the transactions contemplated thereunder.

In our capacity as the independent financial adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion as to (i) the terms of the Sale and Purchase Agreement and the Subscription Agreement are fair and reasonable and on normal commercial terms and the Transfer is in the ordinary and usual course of business of the Company; (ii) the Transfer and the Subscription are in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote at the EGM on the ordinary resolution regarding the Transfer and the Subscription and the transactions contemplated under the Sale and Purchase Agreement and the Subscription Agreement respectively. Our appointment as the independent financial adviser to advise the Independent Board Committee in respect of the Transfer and the Subscription has been approved by the Independent Board Committee.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

VC Capital Limited (“**VC Capital**”) is not associated with the Company, the Vendor, the Subscriber, Sino Earn, the Purchaser or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly, is considered eligible to give independent advice on the terms of the Transfer and the Subscription and the transactions contemplated under the Sale and Purchase Agreement and the Subscription Agreement respectively. Apart from normal professional fees payable to us in connection with this engagement, no arrangement exists whereby VC Capital will receive any fees or benefits from the Company, the Vendor, the Subscriber, Sino Earn, the Purchaser or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them.

In formulating our opinion, we have relied on the information and facts supplied and opinions expressed by the management of the Group. We have assumed that all information and representations provided by the management of the Group, for which they are solely responsible, were true and accurate at the time they were prepared or made and will continue to be so up to the Latest Practicable Date. Should there be any subsequent material changes which occurred during the period from the date of the Circular up to the date of the EGM and would affect or alter our opinion, we will notify the Independent Board Committee and the Independent Shareholders as soon as possible. We have no reason to doubt the truth, accuracy or completeness of the information and representations made to us by the management of the Group. We have been advised that no material facts have been omitted from the information supplied and opinions expressed. As such, we have no reason to suspect that any relevant information has been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided by the management of the Group to us, nor are we aware of any facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading.

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business and affairs or the future prospects of the Group, nor have we carried out any independent verification of the information provided by the management of the Group.

All Directors jointly and severally accept full responsibility for the accuracy of information contained in the Circular and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion on the Transfer and the Subscription, we have taken into consideration the following principal factors and reasons:

(1) Background information of the Company

The Group is principally engaged in the businesses of hotel and property development, property investment and investment holding.

As at the Latest Practicable Date, the Group held the following investment property interests:

| 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% |
| Hotel property | Expiry of joint venture period | Site area (square feet) | Gross floor area (square feet) | Group's attributable interest |
| PRC | | | | |
| Xiamen Plaza 908 Xiahe Road, Kaiyuan District, Xiamen, Fujian Province, The People's Republic of China | 2025 | 60,381 | 225,827 | 100% |

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group generated approximately HK\$9.3 million and HK\$24.3 million from hotel operations, representing approximately 87.5% and 94.6% of the total revenue for the year ended 31 December 2014 and the year ended 31 December 2015 respectively. However, hotel operations recorded segment loss of approximately HK\$4.3 million and HK\$5.1 million for the year ended 31 December 2014 and the year ended 31 December 2015 respectively.

On the other hand, the Group generated approximately HK\$1.3 million and HK\$1.4 million from the rental of investment properties; and recorded segment profit of approximately HK\$8.0 million and HK\$5.3 million for the year ended 31 December 2014 and the year ended 31 December 2015 respectively after taking into account the gain arising on change in fair value of investment properties of approximately HK\$6.9 million in the year ended 31 December 2014 and approximately HK\$4.0 million in the year ended 31 December 2015. According to the Annual Report 2015, the occupancy rate for the properties of the Group in Hong Kong is nearly full during the year ended 31 December 2015, which brought a steady rental income to the Group. The rental income of the properties in Hong Kong was approximately HK\$1.39 million, while the Group recorded approximately HK\$1.34 million for the corresponding period of last year. With the support of the stable local economy growth, the Group was confident in delivering continued revenue growth in 2016. Positive rental reversion and stable occupancy will drive revenue growth for the Group's properties.

Having considered earning rental from investment properties is one of the principal business activities of the Group, we are of the view that the Transfer for rental earning purpose is in the ordinary and usual course of business of the Company.

(2) Reasons and benefits of the Transfer

The Group has been exploring appropriate investment opportunities and is optimistic about the long-term prospect of the property market in Hong Kong.

According to the research and forecast report — Hong Kong Office 1st Q 2016 (the “**Research Report**”) from the website of an independent global real estate service provider (which services include property sales, leasing, appraisal and valuation), capital values will hold up in 2016 for two reasons. The first explanation is that real interest rates in Hong Kong (currently about -2%) will stay in negative territory for some time yet due to the prospect of slower interest rate increases, as interest rates in the US will clearly not rise as far or as fast as originally expected in 2016. Coupled with a sustainable positive rate of inflation in Hong Kong, the negative real interest environment should cause office prices to hover at expensive levels. The second reason is the fact of too much capital chasing too little stock, especially when more closed-end funds are scheduled to expire in 2016, not to mention Chinese offshore investment continues. Hong Kong's capital markets in general represent a relatively safe harbour for long-term investment in view of lower currency risk compared with other markets in Asia, thanks to the dollar peg system. From the perspective of Chinese firms, concerns persist about further depreciation of the renminbi, and investment in Hong Kong is a simply way for Chinese investors to diversify away risk and hedge against currency weakness. Moreover, some Chinese corporates are considering the feasibility of buying offices for owner

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occupation as a long term strategic move to reduce risk and increase annual operating cash flow by removing all together the question of rental affordability. For all these reasons, prices for en-bloc office purchases should hold up in 2016. Nevertheless, there are always some individual owners which may offload their office units at lower prices due to weakening confidence. The sales prices for strata-title offices are estimated to slide 5% in 2016.

According to the same report, overall Grade A office vacancy rate remained at a low level of 2.7% in the first quarter of 2016; rates in the submarkets of Central and Kowloon East continued to trend downwards. Despite falling rental affordability in Central, the sustained demand from PRC-based financial companies helped push the Central vacancy rate down from 1.5% in fourth quarter of 2015 to 1.4% in the first quarter of 2016. With vacancy rates sitting close to record low levels, overall Grade A office rents increased mildly by 1.1% quarter on quarter to HK\$73.1 per square feet per month in the first quarter of 2016. This followed a 13.5% growth in 2015. Grade A rents in Central are now 1% behind their peak level in May 2011, averaging HK\$119.6 per square feet per month in the first quarter of 2016. Based on the Research Report which mentioned that Chinese corporations have continued to snap up costly office spaces in the Central and Admiralty districts despite stock market volatility so far in 2016 and the current low vacancy rate in Central, we are of the view that demand for office spaces in the vicinity area close to the Property can sustain and the sales prices would be stable with fluctuations under the current prevailing market condition. The Research Report also predicted that overall Grade A office rents will grow 5.4% in 2016, with Island East district taking the lead at a projected growth of 9.0%, followed by Central (8.4%) and Wan Chai/Causeway Bay (6.4%).

The Property is located at Offices A, C and D on 21st Floor, Wing On House, No.71 Des Voeux Road Central, Central, Hong Kong. The Property is a commercial property with a gross floor area of approximately 8,340 square feet. Units A, C and D are currently leased out by the Vendor. Tenancy for Unit A has been renewed on 6 July 2016 for a term of two years to 31 May 2018; and monthly rental was increased from HK\$78,000 to HK\$88,000 (exclusive of management fees, rates and government rent and all utilities charges). Unit C and a portion of Unit D generate aggregate rental of HK\$212,000 per month (exclusive of management fees, rates and government rent and all utilities charges) for a term of two years to 31 December 2017. Other portion of Unit D generates rental of HK\$62,700 per month (exclusive of management fees, rates and government rent and all utilities charges) for a term of three years to 28 August 2016.

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The Group intends to operate the Property as long-term investment to earn rental income through retaining the existing tenancy agreements. The following table sets forth the total gross rental income and the respective rental yield implied by the Consideration:

| Period | Gross rental income to the Group under the tenancy agreement | Rental yield implied by the Consideration |
|---|---|--|
| From 1 January 2014 to 31 December 2014 | HK\$3,787,200 | 2.56% |
| From 1 January 2015 to 31 December 2015 | HK\$3,787,200 | 2.56% |
| From 1 June 2015 to 31 May 2016 | HK\$3,972,700 | 2.68% |

Taking into consideration of the facts that (i) the Transfer is in the ordinary and usual course of business of the Group; (ii) the Transfer represents an opportunity for the Group to diversify and expand its investment portfolio; (iii) demands in the market for Hong Kong office properties are expected to maintain; and (iv) the Property is for long term investment purpose and would contribute stable rental income to the Group, we concur with management of the Company that the Transfer is in the interests of the Company and the Shareholders as a whole.

(3) Principal terms of the Sale and Purchase Agreement and the Subscription Agreement

On 17 June 2016 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Property at a Consideration of HK\$148,000,000.

Consideration

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor after taking into account of, among other things, the appraised value of the Property as at the valuation date of 1 June 2016 in the amount of HK\$148,000,000. The Consideration of HK\$148,000,000 is equivalent to the amount of valuation in a valuation report issued by Norton Appraisals Limited.

The Company, the Subscriber, the Vendor and the Purchaser entered into the Subscription Agreement pursuant to which the parties agreed that the consideration for the Property shall be satisfied by: (i) the allotment of 344,186,000 Subscription Shares by the Company to the Subscriber at the Total Subscription Price; and (ii) the payment by the Purchaser to the Vendor of the Remaining Purchase Price, being HK\$20 in cash. The Directors consider that issue of Subscription Shares to satisfy the Consideration will help to reduce cash outlay that may be required for the Transfer.

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We discussed with the management of the Company to understand the reason why the current structure of the transaction is adopted and noted that it was the Company's decision to issue 344,186,000 Subscription Shares under the Subscription Agreement after arm's length negotiation with the Vendor. The Remaining Purchase Price of HK\$20 is the difference between the Consideration and the Total Subscription Price. Having considered that (i) the Subscription Price represented a premium of approximately 7.50% over the closing price per Share on the date of Subscription Agreement, (ii) as demonstrated in the paragraph headed "Comparison with other connected transactions with consideration issue" below in this letter, such premium falls within the range of the Comparables from a discount of 21.56% to a premium of 27.74% to/over the closing price of the shares as at the last trading day prior to the release of the relevant announcements; and (iii) the issue of Subscription Shares to satisfy the Consideration will help to reduce cash outlay that may be required for the Transfer, we are of the view that the current structure of the transaction is fair and reasonable, and in the interest of the Company and Shareholders as a whole.

Valuation

To assess the fairness and reasonableness of the Consideration, we have reviewed the valuation report as contained in Appendix IV of this Circular and discussed with the independent valuer regarding the methodology adopted for and the basis and assumptions used in arriving at the valuation. In the course of our discussion with the independent valuer, we note that the independent valuer carried out a site visit to the Property on 26 May 2016 and inspected the Property. Based on the valuation report, in valuing the property interest, the independent valuer has adopted investment approach by taking into account the current rents passing and the reversionary income potential of the tenancies. Independent valuer confirmed that in valuing the Property, it has complied with all relevant requirements set out in Chapter 5 of the Listing Rules and the HKSI Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

For our due diligence purpose, we have reviewed and enquired into (i) the terms of engagement of the independent valuer with the Company; (ii) the independent valuer's qualification and experience in relation to the preparation of the valuation report; and (iii) the steps and due diligence measures taken by the independent valuer for conducting the valuation. From the engagement letter and other relevant information provided by the independent valuer and based on our interview with it, we are satisfied with the terms of engagement of the independent valuer as well as its qualification and experience for preparation of the valuation report. The independent valuer has also confirmed that it is independent to the Group, the Vendor, the Subscriber and their respective associates.

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Further details of the basis and assumptions of the valuation are included in the valuation report as contained in Appendix IV to this Circular. During our discussion with the independent valuer regarding the basis and assumptions of the valuation, we have not found any material facts which may lead us to doubt the principal basis and assumptions adopted for or the information used in the valuation.

As the Consideration of HK\$148,000,000 is equivalent to the amount of valuation, we are of the view that the terms of the Sale and Purchase Agreement are on normal commercial terms and the Consideration is fair and reasonable so far as the Independent Shareholders are concerned.

Consideration Shares

According to the Letter from the Board, the 344,186,000 Subscription Shares represent (i) approximately 42.95% of the issued Shares as at the Latest Practicable Date; and (ii) approximately 30.05% of the issued Shares as enlarged by the Subscription Shares. The Subscription Shares will rank, upon issue, *pari passu* in all respect with the Shares in issue as at the date of allotment. The Subscription Shares will be allotted and issued under the Specific Mandate to be obtained from the Independent Shareholders at the EGM.

The Subscription Price of HK\$0.43 represents:

- (i) a premium of approximately 7.50% to the closing price of HK\$0.400 per Share as quoted on the Stock Exchange on the Last Trading Date (i.e. 17 June 2016);
- (ii) a premium of approximately 4.88% to the average closing price of HK\$0.410 per Share for the last five consecutive trading days immediately prior to the Last Trading Date;
- (iii) a premium of approximately 3.74% to the average closing price of HK\$0.415 per Share for the last ten consecutive trading days immediately prior to the Last Trading Date;
- (iv) a premium of approximately 2.87% to the average closing price of HK\$0.418 per Share for the last fifteen consecutive trading days immediately prior to the Last Trading Date; and
- (v) a discount of approximately 8.51% to the closing price of HK\$0.470 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

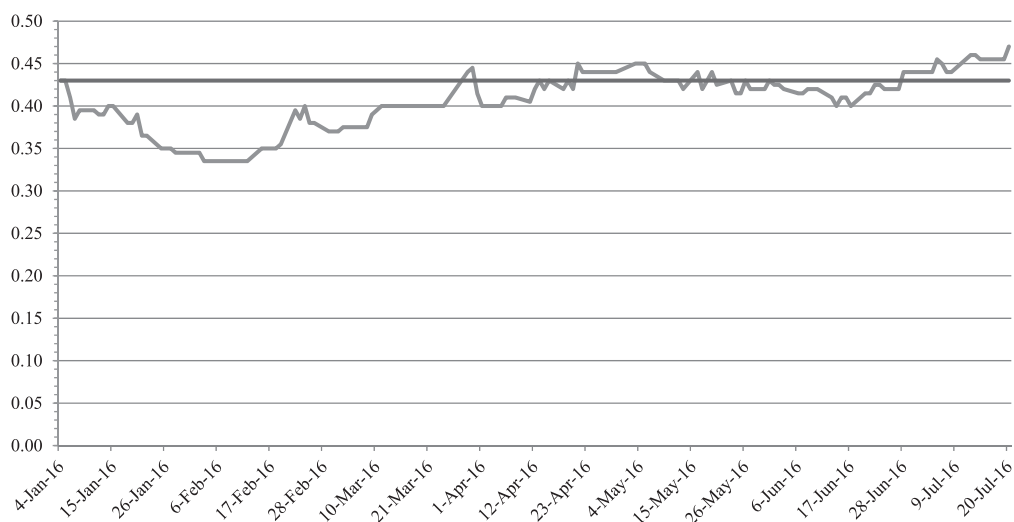
The Subscription Price was determined with reference to the recent market conditions and the market price of the Shares after negotiations on an arm's length basis between the parties.

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Historical share price performance

Set out below is the movements in the closing price of the Shares during the period from 1 January 2016 up to and including the Latest Practicable Date (the “**Review Period**”):

The daily closing price of the Shares during the Review Period (HK\$)



Source: website of the Stock Exchange (www.hkex.com.hk)

During the Review Period, the lowest and highest closing prices of the Shares were HK\$0.335 per Share from 3 February 2016 to 12 February 2016 and HK\$0.470 per Share on the Latest Practicable Date as quoted on the Stock Exchange. The average daily closing price of the Shares during the Review Period is approximately HK\$0.408 per Share. The Subscription Price represents (i) a discount of approximately 8.51% to the highest closing price; (ii) a premium of approximately 5.39% over the average daily closing price; and (iii) a premium of approximately 28.36% over the lowest closing price during the Review Period.

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The closing price of the Shares was on a steady downward trend from HK\$0.430 per Share on 1 January 2016 to its bottom of HK\$0.335 per Share from 3 February 2016 to 12 February 2016. It was consistent with the trend of Hang Sang Index which dropped from 21,327 on 1 January 2016 to 18,992 on 3 February 2016.

The closing price of the Shares fluctuated up and down with a general upward moving trend from HK\$0.350 on 15 February 2016 to HK\$0.445 on 30 March 2016. The Directors confirmed that they were not aware of any reasons for the upward moving trend of the closing price of the Shares. After the trading hours on 24 March 2016, the Company announced the result of the Group for the year ended 31 December 2015 that net loss increased significantly to approximately HK\$2,136,000 for the year ended 31 December 2015 from approximately HK\$500,000 for the year ended 31 December 2014. However, the closing price of the Shares surged to HK\$0.440 by 10.00% on 29 March 2016, being the first trading day of the publication of the said announcement. Thereafter, the closing price of the Shares dropped to HK\$0.415 on 31 March 2016. The Directors confirmed that they were not aware of any reasons for the fluctuation of the closing price of the Shares.

Starting from 1 April 2016 until the Latest Practicable Date, the closing price of the Shares was relatively stable ranging between HK\$0.400 and HK\$0.470. We noted that, after the trading hours on 12 May 2016 and 18 May 2016, the Company made announcements regarding a continuing connected transaction of lease agreement and changes in controlling shareholders respectively. Nevertheless, the closing price of the Shares remained stable after the release of the announcements. After the trading hours on 17 June 2016, the Company announced the Transfer of the Property and the issue of Shares under specific mandate. On 20 June 2016, being the first trading day after the release of the announcement, the closing price of the Shares increased from HK\$0.400 to HK\$0.415. The closing price of the Shares then steadily increased and reached to the highest closing price during the Review Period of HK\$0.470 on the Latest Practicable Date. The Directors confirmed that they were not aware of any reasons for the fluctuation of the closing price of the Shares.

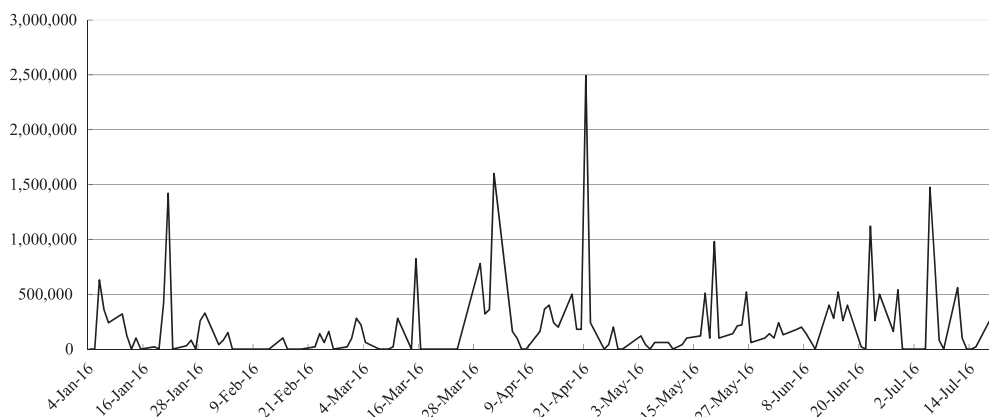
Taking into consideration factors including (i) the Subscription Price represented a premium of approximately 7.50% over the closing price per Share on the Last Trading Date; (ii) the Subscription Price represented a premium of approximately 5.39% over the average daily closing price of the Shares during the Review Period; (iii) the Subscription Price is within the range of the closing price of the Shares during the Review Period; and (iv) there was a steady trend in the closing price of the Shares since 1 April 2016, we are of the view that the Subscription Price is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

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Historical trading volume

Set out below is the daily trading volume of the Shares during the Review Period:

The daily trading volume of the Shares during the Review Period



Source: website of the Stock Exchange (www.hkex.com.hk)

The average daily trading volume of the Shares per month, and the respective percentage of the average daily trading volume as compared to the total number of issued Shares at the beginning of each calendar month during the Review Period are tabulated as follows:

| 2016 | Average Daily Trading Volume <i>Number of Shares</i> | Number of issued Shares at the beginning of each month <i>Number of Shares</i> | Percentage of the average daily trading volume to total number of issued Shares at the beginning of each month <i>Approximately %</i> |
|------------------------|--|--|---|
| January | 216,375 | 801,360,000 | 0.03% |
| February | 42,778 | 801,360,000 | 0.01% |
| March | 154,474 | 801,360,000 | 0.02% |
| April | 352,862 | 801,360,000 | 0.04% |
| May | 173,333 | 801,360,000 | 0.02% |
| June | 259,524 | 801,360,000 | 0.03% |
| July (<i>Note 2</i>) | 273,435 | 801,360,000 | 0.03% |

Source: website of the Stock Exchange (www.hkex.com.hk)

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Notes:

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days during the relevant month/period which exclude any trading day on which trading of Shares on the Stock Exchange was suspended for the whole trading day.
2. Up to the Latest Practicable Date.

As illustrated in the table above, the average daily trading volume of the Shares in each month/period during the Review Period ranged from approximately 42,778 Shares to approximately 352,862 Shares, representing approximately 0.01% and 0.04% of the total number of Shares issued at the beginning of the respective months.

We noted that trading in the Shares had been historically inactive and the Shares were hence rather illiquid. The trading volume of the Shares increased from approximately 0.05% to approximately 0.18% of the total number of issued Shares at the beginning of the month on 21 January 2016, which was in line with the downward movement of the closing price by 6.41% on that day. The trading volume of the Shares increased from approximately 0.04% to approximately 0.20% of the total number of issued Shares at the beginning of the month on 1 April 2016, few days after the release of the announcement of annual result for the year ended 31 December 2015. The trading volume of the Shares increased from approximately 0.02% to approximately 0.31% of the total number of issued Shares at the beginning of the month on 21 April 2016, which was in line with the upward movement of the closing price by approximately 7.14% on that day. The trading volume of the Shares increased from nil to approximately 0.18% of the total number of issued Shares at the beginning of the month on 5 July 2016, which was in line with the upward movement of the closing price by approximately 3.41% on that day. The Directors confirmed that they were not aware of any reasons for the relatively large increases of the trading volume of the Shares on the aforementioned dates. Apart from the aforementioned dates, we consider that the trading volume of the Shares was relatively thin during the Review Period.

Taking into account that the trading of the Shares had been illiquid in the open market, which may imply that it is difficult for the Group to raise fund with large size through equity fundraising activities for the acquisition due to lack of interested potential investors, we are of the view that the Subscription Price is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

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Comparison with other connected transactions with consideration issue

In assessing the reasonableness of the terms of the Subscription, we have based on the information available from the Stock Exchange's website, identified an exhaustive list of 8 connected transactions announced by companies listed on the Stock Exchange since 1 March 2016 to Latest Practicable Date (the "**Comparables**"). For the purpose of our analysis, the basis of our selection of the Comparables is as follows: (i) connected transaction which is also an acquisition and (ii) the acquisition is fully or partly settled by issue of shares as consideration. We consider that the selection of more than 4-month period from 1 March 2016 to be sufficient and appropriate for our analysis as it has covered the prevailing market conditions and sentiments in the Hong Kong stock market at the time which the terms of the Subscription were determined. Taking into account that the terms of the Comparables are determined under similar market conditions and sentiments as the Subscription, we consider that the Comparables may reflect the recent market trend of the connected transactions, which is also an acquisition with issue of shares as consideration, thus we consider the Comparables are fair and representative samples for comparison. Shareholders should note that the purpose of the Comparables is to provide a general reference for recent market trend of connected transaction, which is also an acquisition with consideration issue, regardless of their respective businesses, scale of operations, track record, asset base, future prospects, shares trading liquidities, proposed use of proceeds and market capitalisation. Details of our findings on the Comparables are summarised in the table below.

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| Company name | Stock code | Announcement date | Total consideration amount for the transaction (HK\$ million) <i>Approximately</i> | Type of notifiable transaction | Issue price of the shares (HK\$) | Premium/ (Discount) of the Issue price over/to the closing price of the shares as at the last trading day prior to the release of the announcement (%) | Premium/ (Discount) of the issue price over/to the average closing price of the shares for the last five trading day prior to the release of the announcement (%) |
|---|------------|-------------------|---|--------------------------------|----------------------------------|--|---|
| ELL Environmental Holdings Limited | 1395 | 17-Jun-16 | 172.5 | Major transaction | 0.500 | 9.89% | 7.76% <i>(Note 3)</i> |
| China Modern Dairy Holdings Ltd. | 1117 | 16-Jun-16 | 494.4 | Discloseable transaction | 1.460 | 9.77% | 7.35% |
| CNC Holdings Limited | 8356 | 03-Jun-16 | 600.0 | Very substantial transaction | 0.200 | (21.56%) | (17.01%) |
| O Luxe Holdings Limited | 860 | 25-May-16 | 588.0 | Major transaction | 0.300 | 0.00% | (1.60%) |
| Digital Domain Holdings Limited | 547 | 28-Apr-16 | 232.5 | Major transaction | 0.596 | (5.40%) | (10.51%) |
| China Precious Metal Resources Holdings Co., Ltd. | 1194 | 20-Apr-16 | 376.0 | Discloseable transaction | 0.230 | 5.02% | 5.99% |
| Nanjing Sinolife United Company Limited | 3332 | 06-Apr-16 | 133.0 | Discloseable transaction | 3.500 | 27.74% | 31.48% <i>(Note 3)</i> |
| China Zenith Chemical Group Limited | 362 | 21-Mar-16 | 143.0 | Discloseable transaction | 0.305 | 7.02% | 25.00% |
| Max | | | | | | 27.74% | 31.48% |
| Min | | | | | | (21.56%) | (17.01%) |
| Average | | | | | | 4.06% | 6.06% |
| Median | | | | | | 6.02% | 6.67% |
| The Company | | 17-Jun-16 | 148.0 | Major transaction | 0.43 | 7.50% | 5.91% <i>(Note 2)</i> |

Source: Website of the Stock Exchange (www.hkex.com.hk)

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Note 1: Zhengzhou Coal Mining Machinery Group Company Limited (stock code: 0564) made an announcement regarding a very substantial acquisition and connected transaction with consideration issue on 29 March 2016. Since the issue involved only A Shares in the transaction, we consider the transaction is not applicable in our analysis.

Note 2: To be consistent with the calculation of the Comparables, the premium is calculated based on the Subscription Price over the average closing price of the shares for the last five trading day prior to the release of the announcement (including the Last Trading Date).

Note 3: The announcements of Nanjing Sinolife United Company Limited (Stock code: 3332) and ELL Environmental Holdings Limited (stock code: 1395) were made on 6 April 2016 (after trading hours) and 17 June 2016 (after trading hours), respectively. In both announcements, the average closing price for the last five trading days prior to the release of announcement (i.e. prior to the last trading day) was mentioned. For the consistency with other Comparables, we re-calculated the average closing price for the last five trading days for these two companies to include the last trading day.

Based on the above illustration, the premium/discount represented by the issue price per consideration share issued by the respective Comparables over/to their respective closing prices immediately prior to the release of their respective announcements ranged from a discount of approximately 21.56% to a premium of approximately 27.74% with an average of premium of approximately 4.06% and a medium of premium of approximately 6.02%. The Subscription Price represents a premium of approximately 7.50% over the closing price per Share on the Last Trading Day, which falls within the range of the Comparables but was greater than the medium premium and the average premium of the Comparables.

In addition, the premium/discount represented by the issue price per consideration share issued by the respective Comparables over/to their respective average closing prices for the last five consecutive trading days immediately prior to the release of their respective announcements ranged from a discount of approximately 17.01% to a premium of approximately 31.48% with an average of premium of approximately 6.06% and a medium of premium of approximately 6.67%. The Subscription Price represents a premium of approximately 5.91% over the average closing prices for the last five consecutive trading days immediately prior to the release of the announcement, which falls within the range of the Comparables and was at the similar level with the medium premium and the average premium of the Comparables.

Despite the respective range of premium/discount of the Comparables is wide, having taken into account that (i) the Subscription Price represents a premium over the closing price per Share on the Last Trading Day, which falls within the range of the Comparables ; (ii) there was a steady trend in the closing price of the Shares since 1 April 2016; and (iii) the low liquidity of the Shares during the Review Period, we consider that the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

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(4) Potential dilution effects

Based on the table under the section headed “Changes in the shareholding structure” of the Letter from the Board, as at the Latest Practicable Date, Independent Shareholders were interested in approximately 36.81% of the issued share capital of the Company. Immediately after the allotment and issue of Subscription Shares, the aggregate shareholding interests of Independent Shareholders in the Company would be diluted to approximately 25.75% of the enlarged issued share capital of the Company.

Having considered the reasons for and possible benefits of the Transfer, and the analyses on the fairness and reasonableness of the Consideration and the Subscription Price, we consider that the potential dilution in the shareholding interests of the Independent Shareholders in the Company is acceptable.

(5) Financial effects of the Transfer and the Subscription

A. Net assets

We noted from the “Unaudited pro forma financial information of the Group” in Appendix III of this Circular that upon completion of the Transfer and assuming the Transfer was completed on 31 December 2015, the net assets of the Group will increase from approximately HK\$234.8 million to approximately HK\$381.4 million, representing an increase of approximately HK\$147.3 million in consolidated total assets and an increase of approximately HK\$0.7 million in consolidated total liabilities of the Group.

B. Earnings

Upon the Completion, it is expected that the future earnings of the Group would be improved by the net rental income (after deduction of relevant expenses and taxes) contributed by the tenant(s) under the respective tenancy agreement(s) of the Property. The Group recorded net loss of approximately HK\$2.1 million and loss per Share of 0.33 Hong Kong cents for the year ended 31 December 2015. Management of the Company advised that rental income to be generated from the Property after Completion would not lead the Group to turnaround from loss per Share to earnings per Share for the year ending 31 December 2016.

We have been advised by the management of Company that based on the following assumptions: (i) the Group would record the same loss for the year ending 31 December 2016 as for the year ended 31 December 2015 (i.e. loss of approximately HK\$2.1 million); (ii) apart from the Property, no other assets would be acquired by the Group for profit generating purpose during the year ending 31 December 2016; and (iii) the Completion would take place in early August 2016, the Group will earn total rental income of approximately HK\$1.8 million (after deduction of relevant expenses including management fees, rates and government rent) from the Property for the year ending 31 December 2016. The Group’s estimated loss per Share for the year ending 31 December

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2016 would be 0.03 Hong Kong cents per Share (based on 1,145,546,000 Shares in the enlarged issued share capital of the Group after issuance of Subscription Shares immediately following the Completion).

C. Liquidity

According to the Annual Report 2015, the bank balances and cash of the Group as at 31 December 2015 amounted to approximately HK\$127.3 million. Given that the Transfer will not involve any immediate large cash outlay of the Group (save for the payment of HK\$20 of Consideration and other related fees and expenses) as the Consideration will be satisfied essentially by the issue of Subscription Shares by the Company, such settlement method would enable the Group to conserve more financial resources for its future development.

RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that (i) the terms of the Sale and Purchase Agreement and the Subscription Agreement are fair and reasonable and on normal commercial terms and the Transfer is in the ordinary and usual course of business of the Company; and (ii) the Transfer and the Subscription are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favor of the resolution at the EGM to approve the Transfer and the Subscription and the transactions contemplated under the Sale and Purchase Agreement and the Subscription Agreement respectively.

Yours faithfully,
For and on behalf of
VC Capital Limited

Philip Chau
Managing Director

Evelyn Fan
Director

FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the years ended 31 December 2013, 2014 and 2015 are disclosed on pages 43–132 of the annual report 2013 of the Group published on 2 April 2014, pages 48–136 of the annual report 2014 of the Group published on 9 April 2015 and pages 53–140 of the annual report 2015 of the Group published on 19 April 2016, which were published on both the Stock Exchange website (www.hkexnews.hk) and the Company's website (<http://www.fujianholdings.com>).

STATEMENT OF INDEBTEDNESS

As at 31 May 2016, the Group had significant capital commitments contracted but not provided for in the consolidated financial statements in relation to acquisition of property, plant and equipment amounting to approximately RMB2,365,000 (equivalent to approximately HK\$2,795,000).

Apart from intra-group liabilities as the date of business on 31 May 2016, the Group did not have any outstanding bank or other borrowings, mortgages, charges, debentures or other loan capital, bank overdrafts, loans or other similar indebtedness, guarantee, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase or other finance lease commitments or other contingent liabilities.

RECENT DEVELOPMENT AND FINANCIAL AND TRADING PROSPECT

The rental income of the properties of the Group in Hong Kong was approximately HK\$1.34 million and HK\$1.39 million for the financial years ended 31 December 2014 and 31 December 2015, respectively. The occupancy rate for the properties of the Group in Hong Kong was nearly full during 2015, which brought a steady rental income to the Group.

The Board believes that the Transfer is in line with the Group's strategy in investment in income generating real estate with potential of capital appreciation of Property in the long term. After the completion of the Transfer, the Directors expect that the Group's financial position shall remain solid in terms of the financial and trading prospects of the Group for at least the current financial year ending 31 December 2016. The Directors are not aware of any material information which may be relevant thereto, including all special trade factors or risks (if any) which are not mentioned elsewhere in this circular and which are unlikely to be known or anticipated by the general public, and which could materially affect the profits of the Group for the financial year ending 31 December 2016.

With the support of the stable local economy growth, the Board believes that the Transfer gave opportunity to build on the momentum of revenue growth as it provides a steady income stream to the Group.

WORKING CAPITAL

The Directors are of the opinion that in the absence of unforeseeable circumstance, taking into account of the internal resources of the Group and the effect of the Transfer, the Group will have sufficient working capital for its present requirements for at least the next twelve months following the date of this circular.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2015 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

PROFIT AND LOSS STATEMENT OF THE PROPERTY

Kreston CAC CPA Limited**陳與陳會計師事務所有限公司**

25 July 2016

Private and Confidential

The Board of Directors,
Fujian Holdings Limited
Room 3306–3308, 33/F
West Tower, Shun Tak Centre
200 Connaught Road Central
Hong Kong

Dear Sirs,

We have reviewed the accompanying profit and loss statements of the property located at office A, C and D, 21/F, Wing On House, No 71 Des Voeux Road Central, Hong Kong (“the property”) for the years ended 31 December, 2013, 2014 and 2015 and for the three months ended 31 March, 2016 (the relevant period) and the notes thereon (Appendix 1). The profit and loss statements of the property have been prepared by the directors of the Vendor, Hua Min Tourism Company Limited in accordance with the underlying books and records, the relevant tenancy agreements and the Vendor’s accounting policies.

Vendor’s Responsibility for the profit and loss statements of the property

Directors of the Vendor are responsible for the preparation of these profit and loss statements of the property in accordance with the underlying books and records, the relevant tenancy agreements and the relevant accounting policies used by the Vendor. They are also responsible for such internal control as they determine is necessary to enable the preparation of these profit and loss statements of the property that are free from material misstatement, whether due to fraud or error.

Our Responsibility for the profit and loss statements of the property

Our responsibility is to express a conclusion on these profit and loss statements of the property. We conducted our review in accordance with Hong Kong Standard on Review Engagement (HKSRE) 2400 (Revised), Engagements to Review Historical Financial Statements. HKSRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the profit and loss statements of the property are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review in accordance with HKSRE 2400 (Revised) is a limited assurance engagement. The reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with Hong Kong Standards on Auditing. Accordingly, we do not express an audit opinion on these profit and loss statements of the property.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the profit and loss statements of the property for the relevant period are not properly compiled and derived from the underlying books and records, the relevant tenancy agreements and relevant accounting policies used by the Vendor.

Kreston CAC CPA Limited*Certified Public Accountants***LAU Kwok Wa**

Practising certificate no. P02460

Appendix 1

| | 3 months ended 31 Mar 2016 <i>HK\$</i> | Year ended 31 Dec 2015 <i>HK\$</i> | Year ended 31 Dec 2014 <i>HK\$</i> | Year ended 31 Dec 2013 <i>HK\$</i> |
|--|--|--|--|--|
| Rental income | | | | |
| — from Hua Min Tourism Reservation Co. Ltd. | 636,000 | 2,098,800 | 2,098,800 | 1,213,400 |
| — from other tenants | <u>422,100</u> | <u>1,688,400</u> | <u>1,688,400</u> | <u>1,636,600</u> |
| | 1,058,100 | 3,787,200 | 3,787,200 | 2,850,000 |
| Property direct expenses | <u>—</u> | <u>(26,187)</u> | <u>(18,389)</u> | <u>(32,026)</u> |
| Profit before taxation | 1,058,100 | 3,761,013 | 3,768,811 | 2,817,974 |
| Taxation | <u>(158,089)</u> | <u>(554,579)</u> | <u>(555,865)</u> | <u>(398,977)</u> |
| Profit after taxation | <u>900,011</u> | <u>3,206,434</u> | <u>3,212,946</u> | <u>2,418,997</u> |

Note 1: The rental income is exclusive of rates, management fees and air-conditioning fees which are borne by tenants.

Note 2: Property direct expenses are repairs charges and expenses on tenancies renewal.

Note 3: Taxation is calculated at 16.5% of the profit before tax less relevant annual commercial building allowances on the property.

Note 4: On 31 July, 2013, the entire shares representing 51% in Hua Min Tourism Reservation Co., Ltd. originally held by the Vendor were sold to C-Travel International Limited which is an Independent Party.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP
ASSUMING COMPLETION OF THE TRANSFER

The unaudited pro forma consolidated statement of financial position of the Group (the “Unaudited Pro Forma Financial Information”) has been prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2015 extracted from the Company’s annual report for the year ended 31 December 2015 and adjusted for the effects of the Transfer as described in the accompanying notes which are directly attributable and factually supportable and was prepared in accordance with paragraph 4.29 of the Listing Rules to illustrate how the Transfer would affect the financial position of the Group as if the Transfer had taken place on 31 December 2015. As the Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its hypothetical nature, it does not purport to represent what the financial position of the Group would be on actual completion of the Transfer.

| | Consolidated statement of financial position of the Group as at 31 December 2015 HK\$ (Note 1) | Pro forma adjustments HK\$ | Notes | Unaudited pro forma consolidated statement of financial position of the Group HK\$ |
|---|--|----------------------------------|-------|---|
| Non-current assets | | | | |
| Property, plant and equipment | 35,993,029 | | | 35,993,029 |
| Prepaid lease payment | 18,583,895 | | | 18,583,895 |
| Investment properties | 45,450,000 | 160,630,000 | 2 | 206,080,000 |
| Interest in an associate | 16,767,744 | | | 16,767,744 |
| Deferred tax assets | 1,894,269 | | | 1,894,269 |
| | <u>118,688,937</u> | | | <u>279,318,937</u> |
| Current assets | | | | |
| Inventories | 324,666 | | | 324,666 |
| Trade and other receivables | 1,493,295 | | | 1,493,295 |
| Bank balances and cash | 127,321,976 | (12,630,020) | 2 | 113,957,932 |
| | | (1,470,000) | 3 | |
| | | 735,976 | 4 | |
| | <u>129,139,937</u> | | | <u>115,775,893</u> |
| Current liabilities | | | | |
| Trade and other payables | 8,257,344 | 735,976 | 4 | 8,993,320 |
| Net current assets | <u>120,882,593</u> | | | <u>106,782,573</u> |
| Total assets less current liabilities | <u>239,571,530</u> | | | <u>386,101,510</u> |
| Capital and reserves | | | | |
| Equity attributable to owners of the Company | | | | |
| Share capital | 747,839,049 | 147,999,980 | 2 | 895,839,029 |
| Reserves | (512,989,572) | (1,470,000) | 3 | (514,459,572) |
| Total equity | <u>234,849,477</u> | | | <u>381,379,457</u> |
| Non-current liabilities | | | | |
| Deferred tax liabilities | 4,722,053 | | | 4,722,053 |
| | <u>239,571,530</u> | | | <u>386,101,510</u> |

Notes:

1. The figures are extracted from the audited consolidated statement of financial position of the Group as at 31 December 2015 as included in the annual report of the Company for the year ended 31 December 2015 dated 24 March 2016.
2. Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Property at a Consideration of HK\$148,000,000; and (ii) the Company, the Subscriber, the Vendor and the Purchaser entered into the Subscription Agreement pursuant to which the parties agreed that the Consideration shall be satisfied by: (a) the allotment of 344,186,000 Shares by the Company to the Subscriber at the Total Subscription Price; and (b) the payment by the Purchaser to the Vendor of the Remaining Purchase Price, being HK\$20 in cash.

The pro forma fair value of the Subscription Shares is assumed to be HK\$147,999,980 as at 31 December 2015. The pro forma fair value of the Subscription Shares is determined by reference to the published closing market price of HK\$0.43 per share at 31 December 2015 as if the Transfer was completed on 31 December 2015 and is subject to changes using the market price as at the actual date of completion of the Transfer.

The adjustments reflect the recognition and settlement of the cost of the Property of HK\$160,630,000 arising from the Transfer, as if the Transfer had been completed as at 31 December 2015. The cost of the Property comprises (i) the purchase price of the Property of HK\$148,000,000 for the Transfer; (ii) the stamp duty of HK\$12,580,000 in respect of the Transfer; and (iii) the estimated legal fee and other transaction costs of HK\$50,000 directly attributable to the Transfer.

The Group intends to hold the properties for rental and/or capital appreciation purposes. Therefore, these properties are classified as investment properties for the purposes of the unaudited pro forma consolidated statement of financial position of the Group.

3. The adjustment reflects the payment of the estimated legal and professional fees of HK\$1,470,000 attributable to the preparation and issue of this circular.
4. The Property is sold subject to the existing tenancy agreements. Pursuant to the Sale and Purchase Agreement, the Vendor has to transfer the rental deposits from tenants in respect of the Property to the Group upon the Completion. The adjustments reflect the recognition of the rental deposits from tenants of HK\$735,976 in respect of the Property, as if the Transfer had been completed as at 31 December 2015.
5. No adjustment has been made to reflect any operating results or other transactions of the Group entered into subsequent to 31 December 2015.

B. REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP ASSUMING COMPLETION OF THE TRANSFER

The following is the text of a report received from our reporting accountants, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong, addressed to the Directors and prepared for the sole purpose of inclusion in this Circular.



31/F, Gloucester Tower
The Landmark
11 Pedder Street Central
Hong Kong

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION INCLUDED
IN A CIRCULAR****TO THE DIRECTORS OF FUJIAN HOLDINGS LIMITED**

We have completed our assurance engagement to report on the compilation of the unaudited pro forma financial information of Fujian Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 December 2015 and related notes (the "Unaudited Pro Forma Financial Information") as set out in Section A of Appendix III of the circular dated 25 July 2016 (the "Circular") issued by the Company, in connection with the Company's proposed major and connected transaction in relation to the Transfer (as defined in the Circular) of Property (as defined in the Circular). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Section A of Appendix III of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed major and connected transaction in relation to the Transfer of Property on the Group's financial position as if the Transfer had taken place at 31 December 2015. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's consolidated financial statements for the year ended 31 December 2015, on which an audit report has been published.

DIRECTORS' RESPONSIBILITY FOR THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

REPORTING ACCOUNTANTS' RESPONSIBILITIES

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2015 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

Hong Kong, 25 July 2016

The following is the text of letter and valuation certificate prepared for the purpose of incorporation in this circular, received from Norton Appraisals Limited, an independent property valuer, in connection with their valuation as at 1 June 2016 of the property interest to be held by the Company in the Hong Kong Special Administrative Region of the People's Republic of China.



Unit 2401-02, 24/F, Jubilee Centre
46 Gloucester Road
Wan Chai, Hong Kong
Tel: (852) 2810 7337 Fax: (852) 2810 6337

25 July 2016

The Directors
Fujian Holdings Limited
Room 3306-3308, 33/F
West Tower, Shun Tak Centre
200 Connaught Road Central
Hong Kong

Our Ref: NAL/PW/OP/R16114

Dear Sirs,

Re: Valuation of Units A, C and D on 21st Floor, Wing On House, 71 Des Voeux Road Central, Hong Kong

In accordance with the instruction from Fujian Holdings Limited (hereinafter referred to as “the Company”) for us to value the above captioned property interest in the Hong Kong Special Administrative Region (hereinafter referred to as “Hong Kong”), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for providing you with our opinion of value of the property interest as at 1 June 2016 (hereinafter referred to as the “Date of Valuation”) for inclusion in the circular issued by the Company.

This letter, forming part of our valuation report, identifies the property interest being valued, explains the basis and methodology of our valuation, and lists out the assumptions and title investigation, which we have made in the course of our valuation, as well as the limiting conditions.

Our valuation is our opinion of market value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

In valuing the property interest, we have adopted Investment Approach by taking into account the current rents passing and the reversionary income potential of the tenancies.

Our valuation has been made on the assumption that the owner sells the property interest on the open market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which could serve to affect the value of the property interest.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interest or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interest is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

We have caused title searches to be made at the relevant Land Registry in respect of the property interest. However, we have not searched the original documents to verify the ownership or to ascertain the existence of any amendments.

We have inspected the exterior and the interior of the subject property on 26th May, 2016. The inspection of the Property was undertaken by our Mr. M. K. Wong, *MHKIS RPS (GP)*, who has over 25 years' experience in the valuation of properties in Hong Kong. We have assumed in our valuation that the property was in satisfactory exterior and interior decorative order without any unauthorized extensions or structural alterations as at the Date of Valuation, unless otherwise stated. We were not instructed to undertake any structural surveys, test the services or arrange for any investigations to be carried out to determine whether any deleterious materials have been used in the construction of the Property. Our valuation has therefore been undertaken on the basis that the Property was in satisfactory repair and condition and contains no deleterious materials and that services function satisfactorily.

We have not carried out on-site measurements to verify the correctness of the floor area of the subject property but have assumed that the floor area shown on the documents and floor plans available to us are correct. Dimensions, measurements and areas included in the attached valuation certificate are based on information contained in the documents provided to us and are, therefore, only approximations.

We have relied to a considerable extent on the information provided by the Company and have accepted advice on such matters as planning approvals, statutory notices, easements, tenures, floor area and all other relevant materials regarding the property interest.

In valuing the subject property, we have complied with all the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

Unless otherwise stated, all monetary amounts stated in our valuation certificate are in Hong Kong Dollars.

We hereby confirm that we have neither present nor prospective interests in the Company, the property interest or the value reported herein.

Our Valuation Certificate is enclosed herewith.

Yours faithfully,
For and on behalf of
Norton Appraisals Limited
Paul M. K. Wong
MHKIS, RPS (G.P.)
Director

Note: Mr. Paul M. K. Wong is a Registered Professional Surveyor who has more than 25 years' experience in the valuation of properties in Hong Kong and the PRC.

VALUATION CERTIFICATE

Property interest to be held for investment

| Property | Description and Tenure | Particulars of Occupancy | Capital value in its existing state as at 1 June 2016 |
|--|--|---|---|
| Units A, C and D on 21st Floor, Wing On House, 71 Des Voeux Road Central, Hong Kong 755/1,000 of 1,000/42,700 equal and undivided shares of and in Section A and Remaining Portion of Marine Lot No. 381 (the "Lots") | <p>Wing On House (the "building") is a 32-storey office building located in the central business district of Hong Kong, it is the area where many multinational financial services corporations/consulates/law firms have their headquarters in this area. The building is completed in 1967.</p> <p>The subject property comprises Units A, C and D on 21st Floor of the building with a total gross floor area of approximately 8,340.16 sq.ft..</p> <p>The Lots are held under a Government Lease for a term of 999 years commencing from 15th August, 1903 at a total annual Government rent of HK\$298.</p> | <p>The subject property is fully leased to three separate tenants with the last tenancy expiring on 31 May 2018, yielding a total monthly rental of HK\$362,700 (exclusive of management fees, rates and government rent and other utilities charges.)</p> <p>The tenant shall pay to the landlord interest upon the overdue rent or other sum at 2% over the best lending rate of The Hongkong and Shanghai Banking Corporation Limited at the date upon which the rent or other sum became due until the said rent or other sum shall have been paid.</p> | <p>HK\$148,000,000 <i>(100% interest)</i></p> |

Notes:

- (i) The registered owner of the subject property is Hua Min Tourism Company Limited vide Memorial No. UB4123211.
- (ii) The subject property is subject to the following encumbrances:
 - (a) Deed of Mutual Covenant vide Memorial No. UB2199280 dated 15 December, 1981;
 - (b) Sub-Deed of Mutual Covenant and Grant vide Memorial No. UB4645190 dated 12 January, 1990;
 - (c) Confirmatory Deed of Deed of Mutual Covenant vide Memorial No. UB6267082 dated 4 June, 1995;
 - (d) Option of Purchase in favor of Fujian Finance Company Limited vide Memorial No. UB6338541 dated 14 June, 1995; and
 - (e) Confirmatory Deed vide Memorial No. UB7335988 dated 17 October, 1997.
- (iii) The Property lay within an area zoned for "Commercial" use under Central District (HPA 4) Outline Zoning Plan No. S/H4/15 exhibited on 11 December, 2015.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in the compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would made any statement herein misleading.

SHARE CAPITAL

The issued share capital of the Company as at the Latest Practicable Date and immediately following the Completion is as follows:

Number of Shares

| | |
|-----------------------------|--|
| 801,360,000 | Shares in issue as at the Latest Practicable Date |
| <u>344,186,000</u> | Subscription Shares |
| <u><u>1,145,546,000</u></u> | Shares in issue immediately following the Completion |

There is no nominal value of the Shares.

DISCLOSURE OF DIRECTOR'S INTERESTS AND SHORT POSITION IN THE COMPANY**(a) Directors', chief executives' interests in Shares and short positions in the Shares**

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or (b) to be recorded into the register required to be kept therein, pursuant

to section 352 of the SFO, or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules were as follows:

Long and short positions in Shares

| Name of Director | Capacity | As at the Latest Practicable Date | |
|------------------|----------|-----------------------------------|---|
| | | Number of Shares (Note a) | Approximate percentage of total number of Shares in issue |
| Wang Xiaowu | Personal | 1,560,000 (L) | 0.19% |
| Chen Danyun | Personal | 420,000 (L) | 0.05% |

Note:

(a) The letter “L” denotes a long position.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor chief executives of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

(b) Substantial shareholders and other persons

So far as was known to the Directors, as at the Latest Practicable Date, the persons (not being Directors or chief executives of the Company) whose interests in Shares which were notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register to be kept under section 336 of the SFO, or who were interested

in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any member of the Group were as follows:

Long and short positions in Shares

Substantial shareholders

| Name of Shareholder | Capacity | As at the Latest Practicable Date | |
|----------------------------------|------------------------------------|-----------------------------------|---|
| | | Number of Shares (Note d) | Approximate percentage of total number of Shares in issue |
| HC Technology (Notes a and c) | Beneficial owner | 425,830,722 (L) | 53.14% |
| FIHC (Notes a and c) | Interest of controlled corporation | 433,882,772 (L) | 54.14% |
| FHIG (Notes a and c) | Interest of controlled corporation | 433,882,772 (L) | 54.14% |
| FTDC (Notes a and c) | Interest of controlled corporation | 433,882,772 (L) | 54.14% |
| Sino Earn (Notes b and c) | Beneficial owner | 72,553,382 (L) | 9.05% |
| FHTI (Notes b and c) | Interest of controlled corporation | 72,553,382 (L) | 9.05% |
| FHIC (Notes b and c) | Interest of controlled corporation | 72,553,382 (L) | 9.05% |
| FHGC (Notes b and c) | Interest of controlled corporation | 72,553,382 (L) | 9.05% |
| FIDG (Notes b and c) | Interest of controlled corporation | 72,553,382 (L) | 9.05% |

Notes:

- (a) HC Technology and its associates hold 433,882,772 Shares (representing approximately 54.14% of the issued share capital of the Company), among which (i) 425,830,722 Shares (representing approximately 53.14% of the issued share capital of the Company) are held by HC Technology; and (ii) 8,052,050 Shares (representing approximately 1.00% of the issued share capital of the Company) are held by Pinoge. The issued share capital of each of HC Technology and Pinoge is 100% beneficially owned by FIHC, which is in turn 100% beneficially owned by FHIG, which is in turn 100% beneficially owned by FTDC, a state-owned corporation under the control and supervision of FJSOASAC in the PRC. Pursuant to the SFO, each of FIHC, FHIG and FTDC is deemed to be interested in 433,882,772 Shares.

- (b) Sino Earn beneficially holds 72,553,382 Shares. The issued share capital of Sino Earn is owned as to 30% by FHTI and 70% by FHIC respectively. Both of FHTI and FHIC are 100% beneficially owned by FHGC, which is in turn 100% beneficially owned by FIDG, a state-owned corporation in the PRC under the control and supervision of FJSOASAC. Pursuant to the SFO, each of FHTI, FHIC, FHGC and FIDG is deemed to be interested in 72,553,382 Shares.
- (c) Save for the fact that both FTDC and FIDG are under the control and supervision of FJSOASAC, there is no other shareholding relationships between FTDC together with its associates (i.e. FHIG, FIHC, HC Technology, Pinoge and the Group) and FIDG together with its associates (i.e. FHGC, FHTI, FHIC and Sino Earn).
- (d) The letter “L” denotes a long position.

Save as disclosed above, as at the Latest Practicable Date, the Directors and chief executives of the Company were not aware of any other persons (other than the Directors and chief executives of the Company) who had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would require to be disclosed to the Company pursuant to Part XV of the SFO; or which were recorded in the register required to be kept under Section 336 of the SFO or who were interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any member of the Group.

DIRECTORS’ INTEREST IN CONTRACTS AND/OR ARRANGEMENT

As at the Latest Practicable Date,

- (a) there was no contract or arrangement entered into by any member of the Group subsisting in which any Director is materially interested and which is significant to the business of the Group; and
- (b) none of the Directors, directly or indirectly, had any interest in any assets which had since 31 December 2015 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company which will not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

MATERIAL LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance known to the Directors to be pending or threatened against any members of the Group.

EXPERTS AND CONSENTS

The following is the qualification of the experts who have given opinion and advice, which are contained in this circular:

| Name | Qualification |
|---------------------------------|---|
| HLB Hodgson Impey Cheng Limited | Certified Public Accountants |
| Kreston CAC CPA Limited | Certified Public Accountants |
| VC Capital Limited | A licensed corporation to carry out type 6 (advising on corporate finance) regulated activities under the SFO |
| Norton Appraisals Limited | Property valuer |

All of the above experts have given and have not withdrawn their written consent to the issue of this circular with the inclusion of their letter dated 25 July 2016 and references to their name in the form and context in which they appear. As at the Latest Practicable Date, all of the above experts:

- (1) did not have any shareholding in any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (2) did not have any direct or indirect interest in any assets which have been, since 31 December 2015 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

MATERIAL CONTRACTS

The following contracts, have been entered into by members of the Group within two years immediately preceding the Latest Practicable Date which are or may be material:

- (1) the Sale and Purchase Agreement;
- (2) the Subscription Agreement;

- (3) three lease agreements dated 12 May 2016 entered into between Xiamen Hotel (a wholly-owned subsidiary of the Company) as lessor and Huamin Mingrui as lessee 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. 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. Details of the three lease agreements are set out in the Company's announcement dated 12 May 2016;
- (4) the underwriting agreement dated 26 June 2015 between the Company and HC Technology in relation to, among others, the underwriting of the underwritten shares and other arrangements in respect of the open offer. Underwriting commission is calculated at 2.5% of the total aggregate subscription price in respect of the maximum number of underwritten shares. The underwriter's commission was approximately HK\$1,275,000. Details of the underwriting agreement is set out in the Company's prospectus dated 28 July 2015; and
- (5) three lease agreements dated 13 April 2015 entered into between Xiamen Hotel (a wholly-owned subsidiary of the Company) as lessor and Huamin Mingrui as lessee in respect of the lease of certain premises at Xiamen Plaza for a term of one year from 16 April 2015 to 15 April 2016. The maximum aggregate amount payable by Huamin Mingrui to Xiamen Hotel under the lease agreements for the year ending 31 December 2015 and 31 December 2016 (being the rental, service charge and security for public utility expenses) are RMB1,376,940 and RMB488,180 respectively, which are the annual caps for the two years ending 31 December 2016. Details of the three lease agreements are set out in the Company's announcement dated 13 April 2015.

GENERAL

- (1) The company secretary of the Company is Mr. Chan Tao Ming, Alex, a practising member of the Hong Kong Institute of Certified Public Accountants;
- (2) The registered office of the Company is at Room 3306-08, 33rd Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong;
- (3) The Hong Kong branch share registrar and transfer office of the Company is Tricor Standard Limited located at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; and
- (4) This circular has been prepared in both English and Chinese. In the event of inconsistency, the English text of this circular and the accompany form of proxy shall prevail over their respective Chinese texts for the purpose of interpretation.

DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the following documents will be made available for inspection during normal business hours on any Business Day at the Company's principal place of business in Hong Kong at Room 3306-08, 33rd Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong from the date of this circular up to and including the date of the EGM:

- (1) the articles of association of the Company;
- (2) the annual reports of the Company for the financial years ended 31 December 2014 and 31 December 2015;
- (3) the letter from the Independent Board Committee, the text of which is set out on pages 24 to 25 of this circular;
- (4) the letter from Independent Financial Adviser, the text of which is set out on page 26 to page 43 of this circular;
- (5) the profit and loss statement of the Property issued by Kreston CAC CPA Limited as set out in Appendix II to this circular;
- (6) the unaudited pro forma financial information of the Group issued by HLB Hodgson Impey Cheng Limited as set out in Appendix III to this circular;
- (7) the property valuation report in respect of the Property issued by Norton Appraisals Limited as set out in Appendix IV to this circular;
- (8) the written consents referred to in the paragraph under the heading "Experts and Consents" in this appendix;
- (9) the material contracts referred to in the paragraph under the heading "Material Contracts" in this appendix;
- (10) the Sale and Purchase Agreement;
- (11) the Subscription Agreement; and
- (12) this circular.

NOTICE OF THE EGM



FUJIAN HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00181)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**EGM**”) of Fujian Holdings Limited (the “**Company**”) will be held at 10 a.m. on 11 August 2016 at Ballroom, 1st Floor, South Pacific Hotel, 23 Morrison Hill Road, Wanchai, Hong Kong (or any adjournment thereof) to consider and, if thought fit, pass the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“THAT:

- (a) the sale and purchase agreement dated 17 June 2016 (the “**Sale and Purchase Agreement**”) between Champ Profit Asia Investment Limited as purchaser (the “**Purchaser**”) and Hua Min Tourism Company Limited as vendor (the “**Vendor**”) for the transfer of Offices A, C and D on 21st Floor, Wing On House, No.71 Des Voeux Road Central, Central, Hong Kong (as further described in the Sale and Purchase Agreement) (the “**Property**”) be and is hereby approved, confirmed and ratified;
- (b) the subscription agreement dated 17 June 2016 (the “**Subscription Agreement**”, together with the Sale and Purchase Agreement, the “**Agreements**”) amongst the Company as issuer, HC Technology Capital Company Limited (the “**Subscriber**”) as subscriber, the Vendor and the Purchaser in relation to, amongst other things, the issue of an aggregate of 344,186,000 shares in the Company (the “**Subscription Shares**”) to the Subscriber in consideration of the transfer of the Property under the Sale and Purchase Agreement be and is hereby approved, confirmed and ratified;
- (c) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Subscription Shares, the directors of the Company be and are hereby granted a specific mandate to exercise the powers of the Company to allot and issue the Subscription Shares upon the terms and conditions in the Agreements; and

NOTICE OF THE EGM

(d) any director of the Company (or any two directors of the Company, if the affixation of the common seal is necessary) be and is/are hereby authorized for and on behalf of the Company to execute (and if necessary, affix the common seal of the Company to) such other documents, instruments and agreements and to do such acts and things as he/she/they may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Agreements and the transactions contemplated thereunder.”

By order of the Board
Fujian Holdings Limited
Wang Xiaowu
Chairman

Hong Kong, 25 July 2016

Notes:

1. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote on his/her/its behalf. A proxy needs not be a member of the Company.
2. Where there are joint registered holders of any share, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he/she/it were solely entitled thereto; but if more than one of such holders be present at the EGM, personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereto.
3. A form of proxy for the EGM is enclosed herewith.
4. In order to be valid, a form of proxy must be deposited by hand or by post at the registered office of the Company at Room 3306-08, 33rd Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or attorney, not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof (as the case may be).
5. Shareholders or their proxies shall produce their identity documents when attending the EGM.
6. Shareholders or proxies attending the EGM should state clearly, in respect of the resolution, whether they are voting for or against the resolution. Abstention votes will not be regarded by the Company as having voting rights for the purpose of vote counts.
7. Voting on the ordinary resolution at the EGM will be conducted by way of poll.