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CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Chiang Chen Feng (*Chairman*)
Ms. Chang Hsiu Hua
Mr. Han Lin

Non-executive Director

Ms. Lin Chien Ju

Independent non-executive Directors

Mr. Ng Wai Hung
Mr. Cui Shi Wei
Dr. Cheng Chi Pang

Executive Committee

Mr. Chiang Chen Feng (*Chairman*)
Ms. Chang Hsiu Hua
Mr. Han Lin

Audit Committee

Dr. Cheng Chi Pang (*Chairman*)
Mr. Ng Wai Hung
Mr. Cui Shi Wei

Remuneration Committee

Mr. Cui Shi Wei (*Chairman*)
Mr. Ng Wai Hung
Dr. Cheng Chi Pang

Nomination Committee

Mr. Chiang Chen Feng (*Chairman*)
Dr. Cheng Chi Pang
Mr. Ng Wai Hung

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head Office and Principal Place of Business in the PRC

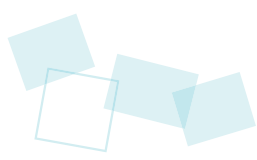
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Pudong Xin District
Shanghai 200120
The PRC

Principal Place of Business in Hong Kong

Suite 1702, 17th Floor
Top Glory Tower
262 Gloucester Road
Causeway Bay
Hong Kong

Principal Share Registrar and Transfer Office

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
British West Indies



CORPORATE INFORMATION *(Continued)*

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
26/F Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

Company Secretary

Mr. Leung Ka Lok *FCCA, CPA, MBA*

Compliance Officer

Ms. Chang Hsiu Hua

Qualified Accountant

Mr. Leung Ka Lok *FCCA, CPA, MBA*

Auditors

Grant Thornton
Certified Public Accountants

Hong Kong Legal Advisers

Chiu & Partners

Principal Bankers

Standard Chartered Bank (Hong Kong)
Limited
China Minsheng Banking Corporation
Limited

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The board (the "Board") of directors (the "Directors") of Fortune Sun (China) Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2008 together with the comparative figures in 2007 as follows:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2008

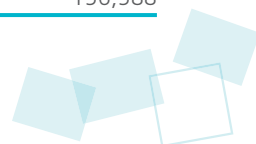
	Notes	Six months ended 30 June	
		2008 RMB'000 (Unaudited)	2007 RMB'000 (Unaudited)
Turnover	4	17,436	42,406
Business tax and other levies		(886)	(2,028)
Cost of services		(17,450)	(20,852)
Gross (loss)/profit		(900)	19,526
Other income		1,137	347
Operating and administrative expenses		(15,043)	(14,626)
(Loss)/Profit before income tax	5	(14,806)	5,247
Income tax credit/(expense)	6	403	(2,259)
(Loss)/Profit for the period		(14,403)	2,988
(Loss)/Profit attributable to:			
Equity holders of the Company		(14,331)	3,394
Minority interests		(72)	(406)
		(14,403)	2,988
Dividends	7	–	–
(Loss)/Earnings per share for (loss)/profit attributable to equity holders of the Company	8		
– Basic (RMB: cent(s))		(7.2)	1.7
– Diluted (RMB: cent)		N/A	N/A



UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2008

	Notes	30 June 2008 RMB'000 (Unaudited)	31 December 2007 RMB'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	1,443	1,596
Investment properties	10	3,359	5,032
Prepaid premium for land leases	11	3,461	4,950
Deposits for leasehold buildings	12	10,000	–
Golf club membership		291	291
		18,554	11,869
Current assets			
Trade receivables	13	42,791	42,307
Trade deposits	14	62,397	38,341
Prepayments and other deposits		7,594	7,015
Other receivables		7,592	4,356
Tax recoverables		424	–
Cash and cash equivalents		14,427	73,009
		135,225	165,028
Current liabilities			
Accrued expenses and other payables		5,186	9,882
Tax payables		–	4,368
Dividend payable		4,682	–
		9,868	14,250
Net current assets		125,357	150,778
Total assets less current liabilities		143,911	162,647
Non-current liabilities			
Deferred tax liabilities	15	5,672	6,059
Net assets		138,239	156,588
CAPITAL AND RESERVES			
Share capital	16	20,644	20,624
Reserves		117,595	135,892
Equity attributable to equity holders of the Company		138,239	156,516
Minority interests		–	72
Total equity		138,239	156,588



UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2008

	Six months ended 30 June	
	2008 RMB'000 (Unaudited)	2007 RMB'000 (Unaudited)
Cash used in operating activities	(44,463)	(11,152)
Interest received	307	346
PRC enterprise income tax paid	(4,776)	(2,475)
Net cash used in operating activities	(48,932)	(13,281)
Net cash used in investing activities	(9,804)	(203)
Net cash generated from financing activities	155	–
Foreign exchange difference	(1)	–
Net decrease in cash and cash equivalents	(58,582)	(13,484)
Cash and cash equivalents at 1 January	73,009	67,209
Cash and cash equivalents at 30 June	14,427	53,725

Cash and cash equivalents as at 30 June 2008 and 2007 are all cash and bank balances.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2008

	Share capital	Share premium	Merger reserve	Reserve fund	Employee share-based compensation reserve	Exchange reserve	Retained earnings	Total	Minority interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2007 (Audited)	20,600	49,381	14,554	13,511	1,197	(840)	40,486	138,889	1,061	139,950
Exchange differences arising on translation of foreign operations recognised directly in equity	-	-	-	-	-	(820)	-	(820)	-	(820)
Profit for the year	-	-	-	-	-	-	3,394	3,394	(406)	2,988
Total recognised income and expense for the period	-	-	-	-	-	(820)	3,394	2,574	(406)	2,168
Dividends approved in respect of the previous year	-	(4,747)	-	-	-	-	-	(4,747)	-	(4,747)
Employee share option benefits	-	-	-	-	1,058	-	-	1,058	-	1,058
At 30 June 2007 (Unaudited)	20,600	44,634	14,554	13,511	2,255	(1,660)	43,880	137,774	655	138,429
At 1 January 2008 (Audited)	20,624	44,901	14,554	16,621	2,050	(2,256)	60,022	156,516	72	156,588
Exchange differences arising on translation of foreign operations recognised directly in equity	-	-	-	-	-	(12)	-	(12)	-	(12)
Loss for the year	-	-	-	-	-	-	(14,331)	(14,331)	(72)	(14,403)
Total recognised income and expense for the period	-	-	-	-	-	(12)	(14,331)	(14,343)	(72)	(14,415)
Dividends approved in respect of the previous year	-	-	-	-	-	-	(4,682)	(4,682)	-	(4,682)
Employee share option benefits	-	-	-	-	593	-	-	593	-	593
Issue of shares upon exercise of share options	20	214	-	-	(79)	-	-	155	-	155
At 30 June 2008 (Unaudited)	20,644	45,115	14,554	16,621	2,564	(2,268)	41,009	138,239	-	138,239



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 28 January 2003 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 5 July 2006.

The principal activity of the Company is investment holding. The Group is principally engaged in providing property consultancy and agency services for the primary property market in the People's Republic of China (the "PRC").

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2008 (the "Condensed Financial Report") have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

The Condensed Financial Report should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2007 (the "2007 Annual Financial Statements").

The preparation of the Condensed Financial Report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

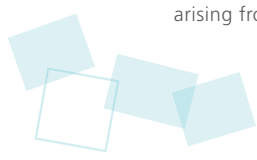
The measurement basis used in the preparation of the Condensed Financial Report is historical cost convention.

3. PRINCIPAL ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the Condensed Financial Report are consistent with those adopted in the 2007 Annual Financial Statements, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRS"), HKAS and Interpretations ("Int") issued by the HKICPA.

HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interactions

There was no material impact on the basis of preparation of the Condensed Financial Report arising from the abovementioned accounting standards.



3. PRINCIPAL ACCOUNTING POLICIES (Continued)

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

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ⁴
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ¹
HKFRS 3 (Revised)	Business Combinations ⁴
HKFRS 8	Operating Segments ¹
HK(IFRIC) – Int 13	Customer Loyalty Programmes ²
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate ¹
HK(IFRIC) – Int 16	Hedges of a Net Investment in Foreign Operation ³
Amendments to HKAS 1 (Revised)	Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation ¹
Amendments to HKAS 32	Financial Instruments: Presentation – Puttable Financial Instruments and Obligations Arising on Liquidation ¹
Amendments to HKAS 39	Financial Instruments: Recognition and Measurement – Puttable Financial Instruments and Obligations Arising on Liquidation ¹
Amendments to HKFRS 7	Financial Instruments: Disclosures – Puttable Financial Instruments and Obligations Arising on Liquidation ¹

¹ Effective for annual periods beginning on or after 1 January 2009

² Effective for annual periods beginning on or after 1 July 2008

³ Effective for annual periods beginning on or after 1 October 2008

⁴ Effective for annual periods beginning on or after 1 July 2009

The Directors are currently assessing the impact of these HKFRSs but are not yet in a position to state whether they would have material financial impact on the Condensed Financial Report.

4. TURNOVER

The Group is principally engaged in providing property consultancy and agency services for the primary property market in the PRC. Turnover during the period represents income from the following services:

	Six months ended 30 June	
	2008	2007
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Comprehensive property consultancy and sales agency service projects	16,931	42,336
Pure property consultancy service projects	505	70
	17,436	42,406

The Group carries on a single business in a single geographical segment, which is the provision of agency services for the sale of properties and property consultancy services in the PRC, and therefore no segment information has been presented.

5. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/Profit before income tax is arrived at after crediting and charging the following:

	Six months ended 30 June	
	2008 RMB'000 (Unaudited)	2007 RMB'000 (Unaudited)
Crediting:		
Exchange gain, net	–	1
Interest income	307	346
Gain on disposals of investment properties and prepaid premium of land leases	830	–
	1,137	347
Charging:		
Amortisation of prepaid premium of land leases	58	50
Auditors' remuneration	193	176
Depreciation of property, plant and equipment	319	464
Depreciation of investment properties	59	56
Exchange loss, net	97	–
Loss on disposals of property, plant and equipment	38	4
Staff costs		
– Wages and salaries	4,946	4,841
– Pension costs (defined contribution plan) and other social benefits	775	820
– Employee share option benefits	593	1,058
Operating lease rentals in respect of buildings	2,737	2,217
Provision for/(Write-back of) impairment loss		
– Trade receivables	825	(29)
– Other receivables	–	(230)
– Trade deposits	3,697	3,632



6. INCOME TAX CREDIT/(EXPENSE)

Income tax credit/(expense) represents:

	Six months ended 30 June	
	2008 RMB'000 (Unaudited)	2007 RMB'000 (Unaudited)
Current income tax		
– PRC enterprise income tax	16	(1,991)
Deferred tax assets	24	–
Deferred tax liabilities	363	(268)
Income tax credit/(expense)	403	(2,259)

The Company and its wholly-owned subsidiaries, namely Millstone Developments Limited (“Millstone”), High Color Investments Limited and Fortune Sun Assets Management Company Limited, are not subject to income tax during the period.

The Company’s PRC operating subsidiaries, namely Shanghai Fu Yang Property Consultant Co., Ltd. (“Shanghai Fortune Sun”) and Cornerstone Investment Management & Consultancy Co., Limited (formerly known as SinoCity Asset Management Consultancy (Shanghai) Limited) (“Cornerstone”), are foreign investment enterprises registered in Pudong Xin District of Shanghai, the PRC. Both Shanghai Fortune Sun and Cornerstone were subject to a preferential tax rate of 15% PRC enterprise income tax for the year ended 31 December 2007.

In March 2007, the National People’s Congress approved the Corporate Income Tax Law of the PRC (the “new CIT Law”), which became effective from 1 January 2008, under which, for those subsidiaries incorporated in the PRC and originally subject to a preferential enterprise income tax rate of 15%, the applicable enterprise income tax rate gradually increases to 25% over the next five years from 1 January 2008.

According to the Notice on the Implementation Rules of the Grandfather Relief under the New CIT Law, Guofa (2007) No. 39 issued on 26 December 2007 by the State Council, the transitional treatment for the preferential enterprise income tax rate of 15% under the old laws, applicable to the foreign investment enterprises registered in Pudong Xin District of Shanghai is 18% in 2008 and the applicable tax rate shall gradually increase from 18% to 25% from 2008 to 2012. Accordingly, both Shanghai Fortune Sun and Cornerstone are subject to 18% PRC enterprise income tax during the period.

The Company’s other operating subsidiary, namely, Full Sincerity Advertising Company Limited (“Full Sincerity”) was incorporated in Taiwan and does not have any assessable income during the period.

No Hong Kong profits tax has been provided as the Group did not derive any assessable profit from Hong Kong during the period.



7. DIVIDENDS

At the annual general meeting held on 20 June 2008, final dividend for the year ended 31 December 2007 of HK\$2.5 cents per share, totalling approximately HK\$5,000,000 (equivalent to approximately RMB4,682,000) was approved by the shareholders. The dividend was paid out of the retained earnings account on 28 August 2008.

At the annual general meeting held on 13 June 2007, final dividend for the year ended 31 December 2006 of HK\$2.4 cents per share, totalling approximately HK\$4,800,000 (equivalent to approximately RMB4,747,000) was approved by the shareholders. The dividend was paid out of the share premium account on 16 July 2007.

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2008 (six months ended 30 June 2007: Nil).

8. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share is based on the unaudited consolidated net loss attributable to equity holders of the Company of approximately RMB14,331,000 (six months ended 30 June 2007: profit of RMB3,394,000) and the weighted average number of 200,263,758 shares in issue (six months ended 30 June 2007: 200,000,000 shares) throughout the period.

Diluted loss per share for the six months ended 30 June 2008 was not presented because the impact of the exercise of the share options was anti-dilutive. As there were no dilutive potential ordinary shares for the six months ended 30 June 2007, diluted earnings per share was not presented.

9. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment amounting to approximately RMB396,000 (six months ended 30 June 2007: RMB172,000) and disposed of property, plant and equipment with net book value of approximately RMB219,000 (six months ended 30 June 2007: RMB27,000).



10. INVESTMENT PROPERTIES

	RMB'000
At 31 December 2007 (Audited)	
Cost	5,230
Accumulated depreciation	(198)
Net book amount	5,032
For the six months ended 30 June 2008 (Unaudited)	
Opening net book amount	5,032
Disposals	(1,614)
Depreciation	(59)
Closing net book amount	3,359
At 30 June 2008 (Unaudited)	
Cost	3,526
Accumulated depreciation	(167)
Net book amount	3,359

All investment properties are located in the PRC. During the period, the Group disposed of six of its investment properties with a carrying value of RMB3,045,000 including the corresponding land premium portion (note 11) at a consideration of RMB3,875,000 resulting in a total gain of RMB830,000 on disposal. There was no disposal for the six months ended 30 June 2007.

As at 30 June 2008, the Group is in the process of applying for the property ownership certificate for the investment properties and the prepaid premium for land leases (note 11) with a carrying value of RMB3,199,000 (31 December 2007: RMB5,883,000).

The Board is of the opinion that, had investment properties been carried at their fair values, the amounts, together with the land premium portion, would not be less than the stated carrying amount as at 30 June 2008. The Board intends to hold these properties with a view for capital appreciation.



11. PREPAID PREMIUM FOR LAND LEASES

	Leases less than 50 years RMB'000	Leases over 50 years RMB'000	Total RMB'000
At 31 December 2007 (Audited)			
Cost	1,105	4,022	5,127
Accumulated depreciation	(12)	(165)	(177)
Net book amount	1,093	3,857	4,950
For the six months ended 30 June 2008 (Unaudited)			
Opening net book amount	1,093	3,857	4,950
Disposals	(177)	(1,254)	(1,431)
Depreciation	(13)	(45)	(58)
Closing net book amount	903	2,558	3,461
At 30 June 2008 (Unaudited)			
Cost	917	2,699	3,616
Accumulated depreciation	(14)	(141)	(155)
Net book amount	903	2,558	3,461

All prepaid premium for land leases relates to investment properties (note 10) in the PRC.

12. DEPOSITS FOR LEASEHOLD BUILDINGS

During the period, Shanghai Fortune Sun, a wholly-owned subsidiary of the Company, entered into a non-binding sale and purchase contract (the "Non-binding Contract") with an independent third party, Shanghai Hongqiao Linkong Technology Development Company Limited (上海虹橋臨空科技發展有限公司) ("Hongqiao Linkong"), for the acquisition (the "Acquisition") of office premises in Shanghai which is intended to be used as the Group's headquarters. During the period, a deposit of RMB10 million was made to Hongqiao Linkong. According to supplemental agreement to the Non-binding Contract dated 20 June 2008, in the event where either party fails to agree on the final terms of the Acquisition and to enter into a binding agreement in respect thereof on or before 31 December 2008, the deposit, together with an interest at 8% per annum thereon, is fully refundable to the Group.



13. TRADE RECEIVABLES

The credit period granted to customers generally ranges from 1 month to 3 months.

	30 June 2008 RMB'000 (Unaudited)	31 December 2007 RMB'000 (Audited)
Trade receivables	45,605	44,296
Provision for impairment	(2,814)	(1,989)
	42,791	42,307

Ageing analysis of trade receivables (net of provision for impairment) is as follows:

	30 June 2008 RMB'000 (Unaudited)	31 December 2007 RMB'000 (Audited)
Within 90 days	11,545	19,327
Between 91 and 180 days	1,129	3,414
Between 181 and 365 days	13,267	5,265
Between 1 and 2 years	15,920	13,648
Over 2 years	930	653
	42,791	42,307

Receivables related to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no further impairment allowance is necessary as there has not been a significant change in credit quality and the balances are considered fully recoverable.



14. TRADE DEPOSITS

Trade deposits represent the amounts paid for comprehensive property consultancy and sales agency service contracts, which are usually refunded to the Group in stages according to various contract terms when the sales volumes specified in the contracts are met.

Ageing analysis of trade deposits is as follows:

	30 June 2008 RMB'000 (Unaudited)	31 December 2007 RMB'000 (Audited)
Within 90 days	2,000	900
Between 91 and 180 days	29,500	4,722
Between 181 and 365 days	4,723	15,400
Between 1 and 2 years	22,268	16,069
Over 2 years	12,404	6,051
	70,895	43,142
Provision for impairment	(8,498)	(4,801)
	62,397	38,341

15. DEFERRED TAX ASSETS AND LIABILITIES

Deferred taxation is calculated in full on temporary differences under the liability method using a tax rate of 18% (31 December 2007: 18%).

Movements in deferred tax assets and liabilities of the Group during the period are as follows:

(a) Deferred tax assets

	Accrued expenses and others	
	30 June 2008 RMB'000 (Unaudited)	31 December 2007 RMB'000 (Audited)
Beginning of the period/year	–	–
Credited to income statement during the period/year	24	–
End of the period/year	24	–



15. DEFERRED TAX ASSETS AND LIABILITIES (Continued)

(b) Deferred tax liabilities

	Uninvoiced revenue	
	30 June 2008	31 December 2007
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Beginning of the period/year (Credited)/Charged to income statement during the period/year	6,059	5,453
	(363)	606
End of the period/year	5,696	6,059

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current assets against current liabilities and when the deferred income taxes relate to the same fiscal authority.

16. SHARE CAPITAL

	Number of ordinary shares (in thousand)	Nominal value	
		HK\$'000	RMB'000
Authorised			
Ordinary shares of HK\$0.1 each			
At 31 December 2007 and 30 June 2008	2,000,000	200,000	206,000
Issued and fully paid			
Ordinary shares of HK\$0.1 each			
At 31 December 2007	200,250	20,025	20,624
Exercise of share options during the period	220	22	20
At 30 June 2008	200,470	20,047	20,644

During the period, the issued share capital of the Company was increased as a consequence of the exercise of share options by the employees of the Group. Details of the share options exercised during the period are summarised in note 17.



17. SHARE OPTION SCHEMES

The Group recognises the fair value of the share options or shares granted as an expense over the vesting period and the corresponding amount is recognised in the employee share-based compensation reserve under equity. When the eligible participants choose to exercise share options, the respective amount in employee share-based compensation reserve is transferred to share capital and share premium, together with exercise price. At each balance sheet date, the Group revises its estimates of the number of share options or shares that are expected to become vested. The impact of the revision of original estimates, if any, is recognised in the income statement with a corresponding adjustment to the employee share-based compensation reserve over the remaining vesting period.

A pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") was adopted pursuant to a written resolution passed by all shareholders of the Company on 10 June 2006. The purpose of the Pre-IPO Share Option Scheme is to recognise and reward the contribution of certain directors, senior management, employees, consultants and advisers of the Group to the growth and development of the Group and the Listing.

A post-IPO share option scheme (the "Share Option Scheme") was also adopted pursuant to the written resolution passed by all shareholders of the Company on 10 June 2006. The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Share Option Scheme remains in force for a period of 10 years commencing from 10 June 2006.

The exercise price of the options is determinable by the directors, but shall not be less than the highest of (i) the closing price of the Company's shares as quoted on the Stock Exchange's daily quotation sheets on the date of the offer for grant of the options, and (ii) the average closing price of the Company's shares as quoted on the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of offer for grant of the options, and (iii) the nominal value of the Company's shares.

For the six months ended 30 June 2007, other than those share options with the rights to subscribe for an aggregate of 350,000 shares of the Company which have lapsed due to cessation of employments of certain employees of the Group, no share option issued under the Pre-IPO Share Option Scheme was exercised up to and as at 30 June 2007.

On 12 March 2008, options to subscribe for an aggregate of 6,000,000 shares of the Company have been granted by the Company to the existing directors and certain key employees of the Group under the Share Option Scheme. 50% of the share options have an exercise period from 12 March 2009 to 11 March 2018 ("Share Option 1") and the remaining share options have an exercise period from 12 March 2010 to 11 March 2018 ("Share Option 2"). A total of RMB593,000 was charged as employee share option benefits in the unaudited condensed income statement for the six months ended 30 June 2008 (six months ended 30 June 2007: RMB1,058,000).



17. SHARE OPTION SCHEMES (Continued)

The fair values of the options granted under the Pre-IPO Share Option Scheme and Share Option Scheme are determined at the date of grant under the Binominal Option Pricing Models by the independent valuers and the following assumptions were used to calculate the fair value of the options:

	Pre-IPO Share Option	Share Option 1	Share Option 2
Option value	HK\$0.41	HK\$0.671	HK\$0.718
Exercise price	HK\$0.795	HK\$1.12	HK\$1.12
Risk-free interest rate	4.84%	2.88%	2.88%
Expected volatility	45%	92%	92%
Dividend yield	3.5%	2.5%	2.5%
Life of options	9 years	10 years	10 years

18. OPERATING LEASE COMMITMENTS

As at 31 December 2007 and 30 June 2008, the Group had total future aggregate minimum lease payments under non-cancellable operating leases for office buildings as follows:

	30 June 2008 RMB'000 (Unaudited)	31 December 2007 RMB'000 (Audited)
Within one year	4,128	4,476
Later than one year but not later than five years	232	2,708
	4,360	7,184



MANAGEMENT DISCUSSION AND ANALYSIS

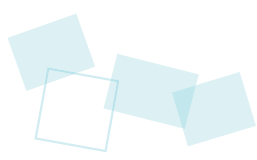
Overview

For the six months ended 30 June 2008, the austerity measures over the property market and tightened monetary policy adopted by the PRC government and the global economy downturn has dampened the market sentiment of the property market in Mainland China. The sales commencement date of some new projects engaged by the Group have been postponed due to the current unsatisfactory market condition while their respective pre-commencement costs for the sales and marketing procedures have been incurred. In addition, most of the projects which were sold during the period were close-to-complete projects which in turn contributed less to revenue. The Group, as a result, recorded an unaudited turnover of approximately RMB17.4 million, which represented a drop of approximately 59% as compared with the unaudited turnover of approximately RMB42.4 million for the corresponding period in 2007.

For the six months ended 30 June 2008, the gross loss margin of the Group was approximately 5.2% which was lower than the gross margin of 46.1% as achieved during the corresponding period in 2007. The substantial drop in gross margin was mainly a result of the high costs brought in by the close-to-complete projects and the pre-commencement costs of postponed new projects and a reduced turnover. Accordingly, given the gross loss margin in the period, the Group suffered a significant loss after accounting for the general and administrative expenses incurred. The unaudited loss attributable to the equity holders of the Company during the period under review was approximately RMB14.3 million as compared with the unaudited profit attributable to the equity holders of the Company of approximately RMB3.4 million for the corresponding period in 2007. Such significant loss was principally due to the significant drop in the turnover and gross loss margin as mentioned above.

Comprehensive property consultancy and agency business

During the period under review, the Group mainly provided comprehensive property consultancy and agency services for the primary residential and commercial property market in the PRC. For the six months ended 30 June 2008, the Group had 21 projects in operation, out of which it generated revenue from 17 (six months ended 30 June 2007: 21) comprehensive property consultancy and agency projects and approximately 0.26 million square metres (six months ended 30 June 2007: 0.34 million square metres) of gross floor areas of the relevant underlying properties under these comprehensive property consultancy and agency projects were sold through the Group.



MANAGEMENT DISCUSSION AND ANALYSIS (*Continued*)

Comprehensive property consultancy and agency business (*Continued*)

Total unaudited revenue generated from these comprehensive property consultancy and agency projects of approximately RMB16.93 million contributed almost the entire unaudited turnover of the Group during the period under review, accounting for approximately 97.1% of the total unaudited turnover of the Group.

As at 30 June 2008, the Group had 43 comprehensive property consultancy and agency projects on hand with a total of approximately 4.61 million square metres of unsold gross floor areas. Among these 43 projects, the sales of the underlying properties of 22 projects have not yet commenced as at 30 June 2008.

Future Prospects

The Group anticipated that the current sluggish economic conditions in Mainland China may last for certain period of times given the continuance of credit controls in banking sectors. However, the continuous domestic demand in both the primary and secondary (or second-hand) market still can be the driving force for steady market growth in the coming future. The Group will aim to broaden its revenue stream in other consulting business, such as assets management services and property investment consulting services in view of increasing the earning power and cultivating the branding of the Company.

Liquidity and Financial Resources

As at 30 June 2008, the Group had unaudited net current assets of approximately RMB125.36 million, unaudited total assets of approximately RMB153.78 million and unaudited shareholders' funds of approximately RMB138.24 million.

As at 30 June 2008, the unaudited cash balance of the Group amounted to approximately RMB14.43 million.

On 3 February 2007, Shanghai Fortune Sun entered into a loan agreement with a bank in respect of a RMB15,000,000 loan facility. The loan facility was secured by a deposit of RMB15,000,000 of the Company. The loan facility had not been utilised and duly expired on 31 January 2008 with no renewal. The Group had no borrowing as at 30 June 2008.

The Group had no material contingent liabilities and capital commitments as at 30 June 2008.



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Foreign Exchange Exposure

As the Group's sales are predominantly in Renminbi and the purchases and expenses are mainly in Renminbi, the currency fluctuation risk is considered insignificant. The Group currently does not have a foreign currency hedging policy. However, the management continuously monitors the Group's foreign exchange exposure and will consider hedging significant currency risk exposure should the need arise.

Staff

As at 30 June 2008, the Group had a total of 276 staff, whose remuneration and benefits were determined based on the prevailing market rates, the PRC's state policies, the domestic statutory requirements and individual performance.



DISCLOSURE OF INTERESTS

Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any associated Corporation

As at 30 June 2008, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which had been 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 in which they were deemed or taken to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to 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 the Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

Name of Directors	Company	Capacity	Number and class of securities (Note 1)	Approximate percentage of shareholding
Mr. Chiang Chen Feng ("Mr. Chiang")	The Company	Interest of a controlled corporation (Note 2)	67,820,850 Shares (L)	33.8309%
	The Company	Beneficial owner and interest of spouse (Note 3)	1,500,000 Shares (L)	0.7126% (Note 9)
Ms. Lin Chien Ju ("Ms. Lin")	The Company	Interest of a controlled corporation (Note 4)	36,352,050 Shares (L)	18.1334%
		Beneficial owner (Note 5)	100,000 Shares (L)	0.0475% (Note 9)
Mr. Han Lin ("Mr. Han")	The Company	Beneficial owner	7,051,801 Shares (L)	3.5176%
		Beneficial owner (Note 6)	2,700,000 Shares (L)	1.2827% (Note 9)



DISCLOSURE OF INTERESTS *(Continued)*Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any associated Corporation *(Continued)*

Name of Directors	Company	Capacity	Number and class of securities (Note 1)	Approximate percentage of shareholding
Ms. Chang Hsiu Hua ("Ms Chang")	The Company	Interest of spouse (Note 7)	67,820,850 Shares (L)	33.8309%
	The Company	Beneficial owner and interest of spouse (Note 8)	1,500,000 Shares (L)	0.7126% (Note 9)
Dr. Cheng Chi Pang ("Dr. Cheng")	The Company	Beneficial owner (Note 10)	100,000 Shares (L)	0.0475% (Note 9)
Mr. Ng Wai Hung ("Mr. Ng")	The Company	Beneficial owner (Note 11)	100,000 Shares (L)	0.0475% (Note 9)
Mr. Cui Shi Wei ("Mr. Cui")	The Company	Beneficial owner (Note 12)	100,000 Shares (L)	0.0475% (Note 9)

Notes:

- The letter "L" denotes the Director's long position in the shares or underlying shares of the Company.
- These shares were registered in the name of Active Star Investment Limited ("Active Star"), the entire issued capital of which was owned by Mr. Chiang. Mr. Chiang is also the sole director of Active Star. Mr. Chiang was deemed to be interested in all the shares in which Active Star was interested by virtue of the SFO.
- The long position of Mr. Chiang in these 1,500,000 shares comprised the 750,000 options and 550,000 options granted to him and his wife, Ms. Chang, respectively by the Company under the Pre-IPO Share Option Scheme; and 100,000 options granted to him and 100,000 options granted to Ms. Chang by the Company under the Share Option Scheme on 12 March 2008. Mr. Chiang was regarded as interested in all the options in which Ms. Chang was interested by virtue of the SFO.



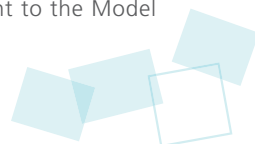
DISCLOSURE OF INTERESTS *(Continued)*

Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company or any associated Corporation *(Continued)*

Notes: *(Continued)*

4. These shares were registered in the name of Upwell Assets Corporation ("Upwell Assets"), the entire issued capital of which was owned by Ms. Lin. Ms. Lin is also one of the directors of Upwell Assets. Ms. Lin was deemed to be interested in all the shares in which Upwell Assets was interested by virtue of the SFO.
5. The long position of Ms. Lin represented 100,000 options granted to her by the Company under the Share Option Scheme on 12 March 2008.
6. The long position of Mr. Han in these 2,700,000 shares comprised the 750,000 and 1,950,000 options granted to him by the Company under the Pre-IPO Share Option Scheme and Share Option Scheme respectively.
7. Ms. Chang was regarded as interested in all the shares referred to in note (2) above, in which Mr. Chiang, her husband, was interested by virtue of the SFO.
8. The long position of Ms. Chang in these 1,500,000 shares comprised the 550,000 options and 750,000 options granted to her and her husband, Mr. Chiang, respectively by the Company under the Pre-IPO Share Option Scheme; and 100,000 options granted to her and 100,000 options granted to Mr. Chiang by the Company under the Share Option Scheme on 12 March 2008. Ms. Chang was regarded as interested in all the options in which Mr. Chiang was interested by virtue of the SFO.
9. These percentages are calculated on the basis of 210,490,000 shares of the Company in issue as at 30 June 2008, assuming that all the then outstanding options granted under the Pre-IPO Share Option Scheme and Share Option Scheme had been exercised as at that date.
10. The long position of Dr. Cheng represented 100,000 options granted to him by the Company under the Share Option Scheme on 12 March 2008.
11. The long position of Mr. Ng represented 100,000 options granted to him by the Company under the Share Option Scheme on 12 March 2008.
12. The long position of Mr. Cui represented 100,000 options granted to him by the Company under the Share Option Scheme on 12 March 2008.

Save as disclosed above, as at 30 June 2008, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the SFO) which had been notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

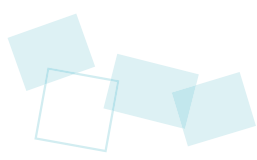


DISCLOSURE OF INTERESTS *(Continued)*

Substantial Shareholders' Interests in Shares

As at 30 June 2008, so far as the Directors are aware, the interest or short position of the person (other than a Director or chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO were as follows:

Name	Capacity	Number of shares held (Note 1)	Approximate percentage of shareholding
Active Star	Beneficial owner (Note 2)	67,820,850 shares (L)	33.8309%
Upwell Assets	Beneficial owner (Note 3)	36,352,050 shares (L)	18.1334%
Honorway Nominees Limited ("Honorway")	Beneficial owner (Note 4)	16,248,300 shares (L)	8.1051%
Mr. Ho Hau Chong, Norman	Interest of a controlled corporation (Note 4)	16,248,300 shares (L)	8.1051%
Ms. Yvette Therese Ma	Interest of spouse (Note 5)	16,248,300 shares (L)	8.1051%
Mr. Ho Hau Hay, Hamilton	Interest of a controlled corporation (Note 4)	16,248,300 shares (L)	8.1051%
Ms. Sharon Young	Interest of spouse (Note 6)	16,248,300 shares (L)	8.1051%
Honorway Investments Limited	Interest of a controlled corporation (Note 4)	16,248,300 shares (L)	8.1051%
Ms. Hsieh Hsiu-Mei ("Ms. Hsieh")	Beneficial owner and interest in a controlled corporation (Note 7)	11,936,000 shares (L)	5.9540%



DISCLOSURE OF INTERESTS *(Continued)*Substantial Shareholders' Interests in Shares *(Continued)*

Name	Capacity	Number of shares held (Note 1)	Approximate percentage of shareholding
Mr. Chu Yao-Jen	Interest of spouse (Note 8)	11,936,000 shares (L)	5.9540%
Mrs. Chen Hsu Li-Mei	Beneficial Owner	11,122,000 shares (L)	5.5480%
Mr. Chen Chin Chuan	Interest of spouse (Note 9)	11,122,000 shares (L)	5.5480%

Notes:

- The letter "L" denotes the shareholders' long position in the shares or underlying shares of the Company.
- These shares were registered in the name of Active Star, the entire issued share capital of which was owned by Mr. Chiang. Mr. Chiang was deemed to be interested in all the shares in which Active Star is interested by virtue of the SFO.
- These shares were registered in the name of Upwell Assets, the entire issued share capital of which was owned by Ms. Lin. Ms. Lin was deemed to be interested in all the Shares in which Upwell Assets is interested by virtue of the SFO.
- These shares were registered in the name of Honorway, which was controlled by Honorway Investments Limited, which was in turn controlled by Mr. Ho Hau Chong, Norman and his brother, Mr. Ho Hau Hay, Hamilton. Mr. Ho Hau Chong, Norman, Mr. Ho Hau Hay, Hamilton and Honorway Investments Limited were deemed to be interested in all the shares in which Honorway is interested by virtue of the SFO.
- Ms. Yvette Therese Ma is the wife of Mr. Ho Hau Chong, Norman and she was deemed to be interested in all the shares in which Mr. Ho Hau Chong, Norman was interested by virtue of the SFO.
- Ms. Sharon Young is the wife of Mr. Ho Hau Hay, Hamilton and she was deemed to be interested in all the Shares in which Mr. Ho Hau Hay, Hamilton was interested by virtue of the SFO.
- The long position of Ms. Hsieh Hsiu-Mei in these 11,936,000 shares comprised 7,220,000 shares registered in the name of Forever Sky Group Limited, which was controlled by Ms. Hsieh, and 4,716,000 shares held by Ms. Hsieh as the beneficial owner. Ms. Hsieh was deemed to be interested in all the shares in which Forever Sky Group Limited is interested by virtue of the SFO.
- Mr. Chu Yao-Jen is the husband of Ms. Hsieh and he was deemed to be interested in all the shares in which Ms. Hsieh is interested by virtue of the SFO.
- Mr. Chen Chin Chuan is the husband of Mrs. Chen Hsu Li-Mei and he was deemed to be interested in all the shares in which Ms. Chen Hsu Li-Mei is interested by virtue of the SFO.



DISCLOSURE OF INTERESTS *(Continued)*

Substantial Shareholders' Interests in Shares *(Continued)*

Save as disclosed above, so far as the Directors are aware, as at 30 June 2008, no person, other than the directors and chief executive of the Company whose interests are set out in the paragraph headed "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation" above, had an interest or short position in the Shares or underlying Shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO.

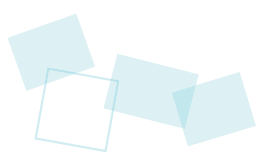
Share Option Schemes

A pre-IPO share option scheme was adopted pursuant to a written resolution passed by all shareholders of the Company on 10 June 2006. The purpose of the Pre-IPO Share Option Scheme is to recognise and reward the contribution of certain directors, senior management, employees, consultants and advisers of the Group to the growth and development of the Group and the Listing.

A post-IPO share option scheme was also adopted pursuant to the written resolution passed by all shareholders of the Company on 10 June 2006. The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group.

Eligible participants of the Share Option Scheme include, among others, the Group's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, persons that provide research, development or other technological support to the Group, the Group's shareholders and the advisers or consultants of the Group. The Share Option Scheme will remain in force for a period of 10 years commencing from 10 June 2006.

On 12 March 2008, options to subscribe for an aggregate of 6,000,000 shares of the Company have been granted by the Company to the existing directors and certain key employees of the Group under the Share Option Scheme. 50% of the share options have an exercise period from 12 March 2009 to 11 March 2018 and the remaining share options have an exercise period from 12 March 2010 to 11 March 2018.



DISCLOSURE OF INTERESTS (Continued)

Share Option Schemes (Continued)

Details of the movements of the outstanding share options granted under the Pre-IPO Share Option Scheme and Share Option Scheme of the Company were as follows:

Category of participant	Number of shares in respect of share options				Outstanding as at 30 June 2008	Date of grant	Exercisable period	Exercise price per share HK\$
	Outstanding as at 1 January 2008	Granted during the period	Exercised during the period	Lapsed during the period				
Directors:								
Chiang Chen Feng	750,000	-	-	-	750,000	10/06/2006	05/07/2007 to 04/07/2016	0.795
	-	50,000	-	-	50,000	12/03/2008	12/03/2009 to 11/03/2018	1.12
	-	50,000	-	-	50,000	12/03/2008	12/03/2010 to 11/03/2018	1.12
	750,000	100,000	-	-	850,000			
Han Lin	750,000	-	-	-	750,000	10/06/2006	05/07/2007 to 04/07/2016	0.795
	-	975,000	-	-	975,000	12/03/2008	12/03/2009 to 11/03/2018	1.12
	-	975,000	-	-	975,000	12/03/2008	12/03/2010 to 11/03/2018	1.12
	750,000	1,950,000	-	-	2,700,000			
Chang Hsiu Hua	550,000	-	-	-	550,000	10/06/2006	05/07/2007 to 04/07/2016	0.795
	-	50,000	-	-	50,000	12/03/2008	12/03/2009 to 11/03/2018	1.12
	-	50,000	-	-	50,000	12/03/2008	12/03/2010 to 11/03/2018	1.12
	550,000	100,000	-	-	650,000			
Lin Chien Ju	-	50,000	-	-	50,000	12/03/2008	12/03/2009 to 11/03/2018	1.12
	-	50,000	-	-	50,000	12/03/2008	12/03/2010 to 11/03/2018	1.12
Cheng Chi Pang	-	50,000	-	-	50,000	12/03/2008	12/03/2009 to 11/03/2018	1.12
	-	50,000	-	-	50,000	12/03/2008	12/03/2010 to 11/03/2018	1.12
Ng Wai Hung	-	50,000	-	-	50,000	12/03/2008	12/03/2009 to 11/03/2018	1.12
	-	50,000	-	-	50,000	12/03/2008	12/03/2010 to 11/03/2018	1.12
Cui Shi Wei	-	50,000	-	-	50,000	12/03/2008	12/03/2009 to 11/03/2018	1.12
	-	50,000	-	-	50,000	12/03/2008	12/03/2010 to 11/03/2018	1.12
Employees:								
In aggregate	2,800,000	-	(220,000)	(310,000)	2,270,000	10/06/2006	05/07/2007 to 04/07/2016	0.795
	-	1,725,000	-	(150,000)	1,725,000	12/03/2008	12/03/2009 to 11/03/2018	1.12
	-	1,725,000	-	(150,000)	1,725,000	12/03/2008	12/03/2010 to 11/03/2018	1.12
	2,800,000	3,450,000	(220,000)	(610,000)	5,420,000			
	4,850,000	6,000,000	(220,000)	(610,000)	10,020,000			

OTHER INFORMATION

Advances to Third Parties under 13.15 of Listing Rules during the Period under Review

On 2 April 2008, Shanghai Fortune Sun, a wholly-owned subsidiary of the Group, entered into a sales agency agreement and a supplementary sales agreement (collectively, the "Agency Agreements") with a real estate owner, Shanghai Xi Geo Ma Land Company (上海希格瑪置業有限公司) ("Customer"), being an independent third party of the Group in the PRC, together with another independent third party, Shanghai Ming Xin Investment and Management Company Limited (上海名昕投資管理有限公司) which is principally engaged in property investment business in the PRC (the "Investment Partner"), for the appointment of Shanghai Fortune Sun as the principal sales and consultancy agent for a large real estate project located in Eastern China. Shanghai Fortune Sun has subsequently paid in advance a deposit ("Security Deposit") of RMB20 million to the Customer to secure the performance of its sales agency obligations under the Agency Agreements. The Security Deposit, which is unsecured and interest free, is refundable by the Customer to Shanghai Fortune Sun within seven days after completion of the sales of the underlying properties of the real estate project by 30 April 2009.

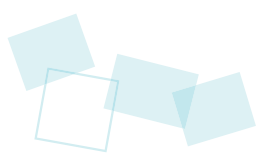
To ensure recovery of the Security Deposit by Shanghai Fortune Sun, the Investment Partner has agreed to unconditionally refund the entire RMB20 million to Shanghai Fortune Sun by 10 May 2009, whether or not the sales of the underlying properties can be completed by 30 April 2009 pursuant to the Agency Agreements.

Purchase, Sale or Redemption of the Company's Securities

During the period under review, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

Corporate Governance

None of Directors is aware of any information which would reasonably indicate that the Company is not, or was not, in compliance with the code provisions set out in the Code on Corporate Governance Practices ("CG Code") as set out in Appendix 14 to the Listing Rules during the period under review, except for Code Provision A2.1 of the CG Code regarding the responsibilities between the chairman and chief executive officer ("CEO") which have not been segregated.



OTHER INFORMATION *(Continued)*

Corporate Governance *(Continued)*

The Company does not have a separate chairman and CEO and Mr. Chiang Chen Feng currently performs these two roles. The Board believes that vesting the roles of both chairman and CEO in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and efficiently.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by the Directors of Listed Issuers (“Model Code”) as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the six months ended 30 June 2008.

Audit Committee

Pursuant to the requirements of the CG Code and Rule 3.21 of the Listing Rules, the Company has established an audit committee (the “Audit Committee”) comprising all three existing independent non-executive Directors, namely Mr. Ng Wai Hung, Mr. Cui Shi Wei, and Dr. Cheng Chi Pang. The Audit Committee has reviewed the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2008 including the accounting, internal control and financial reporting issues. In carrying out this review, the Audit Committee has relied on a review conducted by the Group’s external auditors in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA as well as obtaining reports from the management. The Audit Committee has not undertaken detailed independent audit checks.



OTHER INFORMATION *(Continued)*

Remuneration Committee

The Company has established a remuneration committee (the “Remuneration Committee”) in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Remuneration Committee are to review and determine the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management of the Group. The Remuneration Committee consists of three members comprising all three independent non-executive Directors, namely Mr. Ng Wai Hung, Mr. Cui Shi Wei, and Dr. Cheng Chi Pang.

Review of Accounts

At the request of the Directors, the Group’s external auditors, Grant Thornton, has carried out a review on the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2008 in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2008 were approved by the Board on 24 September 2008.

By order of the Board

Chiang Chen Feng

Chairman

Hong Kong, 24 September 2008

