



富陽(中國)控股有限公司

Fortune Sun (China) Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code:352



2009 Interim Report

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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 KYI-1111

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Units 01-08

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China Insurance Building

No. 166 Lujiazui East Road

Pudong New 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

Corporate Information

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
George Town
Grand Cayman
Cayman Islands

HONG KONG 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*

COMPLIANCE OFFICER

Ms. Chang Hsiu Hua

AUDITOR

RSM Nelson Wheeler
Certified Public Accountants

HONG KONG LEGAL ADVISERS

Chiu & Partners

PRINCIPAL BANKERS

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

WEBSITE ADDRESS

www.fortune-sun.com

Condensed Consolidated Income Statement

For the six months ended 30 June 2009

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 2009 together with the comparative figures in 2008 as follows:

	Note	Six months ended 30 June	
		2009 RMB'000 (Unaudited)	2008 RMB'000 (Unaudited)
Revenue	3	12,029	17,436
Business tax and other levies		(593)	(886)
Cost of services		(17,582)	(17,450)
Gross loss		(6,146)	(900)
Other income		284	1,137
Operating and administrative expenses		(10,330)	(15,043)
Loss before tax		(16,192)	(14,806)
Income tax (expense)/credit	4	(1,525)	403
Loss for the period	5	(17,717)	(14,403)
Attributable to:			
Owners of the Company		(17,717)	(14,331)
Minority interests		–	(72)
		(17,717)	(14,403)
		RMB cents	RMB cents
Loss per share	7		
Basic		8.8	7.2
Diluted		N/A	N/A

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2009

	Six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss for the period	(17,717)	(14,403)
Other comprehensive income:		
Exchange difference on translating foreign operations	(7)	(12)
Other comprehensive income for the period, net of tax	(7)	(12)
Total comprehensive income for the period	(17,724)	(14,415)
Attributable to:		
Owners of the Company	(17,724)	(14,343)
Minority interests	–	(72)
	(17,724)	(14,415)

Condensed Consolidated Statement of Financial Position

As at 30 June 2009

	Note	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	8	1,015	1,225
Investment properties	9	1,888	1,497
Prepaid land lease payments	10	2,614	1,766
Deposits for investment properties and prepaid land lease payments		–	3,123
Golf club membership		291	291
Deferred tax assets	11	140	90
		5,948	7,992
Current assets			
Trade receivables	12	28,916	27,200
Trade deposits	13	41,199	43,016
Prepayments and other deposits		4,530	6,118
Other receivables	14	31,671	31,866
Tax prepaid		363	363
Bank and cash balances		12,616	19,289
		119,295	127,852
Current liabilities			
Accrued expenses and other payables	15	30,440	25,535
Net current assets		88,855	102,317
Total assets less current liabilities		94,803	110,309
Non-current liabilities			
Deferred tax liabilities	11	6,333	4,758
NET ASSETS		88,470	105,551
Capital and reserves			
Share capital	16	20,644	20,644
Reserves		67,826	84,907
TOTAL EQUITY		88,470	105,551

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2009

	Unaudited									
	Attributable to owners of the Company									
	Share capital	Share premium	Merger reserve	Reserve fund	Share-based payment reserve	Exchange reserve	Retained profits/ (accumulated losses)	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	RMB'000
At 1 January 2008	20,624	44,901	14,554	16,621	2,050	(2,256)	60,022	156,516	72	156,588
Total comprehensive income for the period	-	-	-	-	-	(12)	(14,331)	(14,343)	(72)	(14,415)
Dividends paid	-	-	-	-	-	-	(4,682)	(4,682)	-	(4,682)
Share-based payments	-	-	-	-	593	-	-	593	-	593
Issue of shares upon exercise of share options	20	214	-	-	(79)	-	-	155	-	155
Changes in equity for the period	20	214	-	-	514	(12)	(19,013)	(18,277)	(72)	(18,349)
At 30 June 2008	20,644	45,115	14,554	16,621	2,564	(2,268)	41,009	138,239	-	138,239
At 1 January 2009	20,644	40,433	14,554	16,621	3,625	(2,083)	11,757	105,551	-	105,551
Total comprehensive income for the period	-	-	-	-	-	(7)	(17,717)	(17,724)	-	(17,724)
Share-based payments	-	-	-	-	643	-	-	643	-	643
Changes in equity for the period	-	-	-	-	643	(7)	(17,717)	(17,081)	-	(17,081)
At 30 June 2009	20,644	40,433	14,554	16,621	4,268	(2,090)	(5,960)	88,470	-	88,470

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2009

	Six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash used in operating activities	(8,775)	(44,463)
Interest received	54	307
PRC enterprise income tax paid	–	(4,776)
NET CASH USED IN OPERATING ACTIVITIES	(8,721)	(48,932)
NET CASH GENERATED FROM/(USED IN)		
 INVESTING ACTIVITIES	2,055	(9,804)
NET CASH GENERATED FROM		
 FINANCING ACTIVITIES	–	155
Effect of foreign exchange rate changes	(7)	(1)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,673)	(58,582)
CASH AND CASH EQUIVALENTS AT BEGINNING		
 OF PERIOD	19,289	73,009
CASH AND CASH EQUIVALENTS AT END OF PERIOD,		
 REPRESENTED BY	12,616	14,427
Bank and cash balances	12,616	14,427

Notes to the Condensed Consolidated Interim Financial Statements

1. BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed financial statements should be read in conjunction with the 2008 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2008 except as stated below.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2009. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current period and prior years except as stated below.

a. Presentation of Financial Statements

HKAS 1 (Revised) “Presentation of Financial Statements” affects certain disclosures and presentation of the financial statements. The balance sheet is renamed as the statement of financial position and the cash flow statement is renamed as the statement of cash flows. All income and expenses arising from transactions with non-owners are presented in the income statement and statement of comprehensive income, and the total carried to the statement of changes in equity. The owner changes in equity are presented in the statement of changes in equity. These presentation requirements have been applied retrospectively in these condensed financial statements.

b. Operating Segments

HKFRS 8 “Operating Segments” requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Previously, HKAS 14 “Segment Reporting” required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity’s ‘system of internal financial reporting to key management personnel’ serving as the starting point for the identification of such segments. HKFRS 8 results in a redesignation of the Group’s reportable segments, but has had no impact on the reported results or financial position of the Group. The primary segments reported under HKAS 14 are the same as the segments reported under HKFRS 8.

The segment accounting policies under HKFRS 8 are stated in note 3 to the condensed consolidated interim financial statements.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

Notes to the Condensed Consolidated Interim Financial Statements

3. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in providing property consultancy and agency services for the primary property market in the PRC, which is the reportable segment of the Group. Revenue during the period under review represents income from the following services:

	Six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Comprehensive property consultancy and sales agency service projects	11,818	16,931
Pure property consultancy service projects	211	505
	12,029	17,436

The Group has carried 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 all the assets are substantially located in the PRC. Therefore, no operating segment information has been presented.

The accounting policies of the operating segment are same as those described in the Group's financial statements for the year ended 31 December 2008.

4. INCOME TAX (EXPENSE)/CREDIT

Income tax (expense)/credit represents:

	Six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax-PRC enterprise income tax (the "PRC EIT")		
– Over-provision in prior years	–	16
Deferred tax assets (note 11(a))	50	24
Deferred tax liabilities (note 11(b))	(1,575)	363
Income tax (expense)/credit	(1,525)	403

No provision for Hong Kong Profits Tax is required since the Group had no assessable profit in Hong Kong during the period (six months ended 30 June 2008: Nil).

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

Notes to the Condensed Consolidated Interim Financial Statements

4. INCOME TAX (EXPENSE)/CREDIT (CONTINUED)

The new PRC Enterprise Income Tax Law (the "EIT Law") passed by the Tenth National People's Congress on 16 March 2007 introduces various changes which include the unification of the Enterprise Income Tax rate for domestic and foreign-invested enterprises at 25%. The new EIT Law was effective from 1 January 2008. In addition, the new EIT Law also provides a five-year grandfathering period starting from its effective date for those enterprises which were established before 16 March 2007.

The PRC EIT has been provided at a rate of 20% (2008: 18%) on the estimated assessable profits of PRC incorporated subsidiaries for the period ended 30 June 2009. No PRC EIT is required since the PRC's subsidiaries have no assessable profit during the period (six months ended 30 June 2008: Nil).

5. LOSS FOR THE PERIOD

The Group's loss for the period is arrived at after crediting and charging the following:

	Six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Crediting:		
Interest income	54	307
Gain on disposals of investment properties and prepaid land lease payments	230	830
Charging:		
Amortisation of prepaid land lease payments	33	58
Auditor's remuneration	193	193
Depreciation of property, plant and equipment	206	319
Depreciation of investment properties	26	59
Exchange loss, net	7	97
Loss on disposals of property, plant and equipment	4	38
Staff costs (including Directors' remuneration)		
– Wages and salaries	4,282	4,946
– Pension costs (defined contribution plan) and other social benefits	793	775
– Share-based payments	643	593
Operating lease rentals in respect of buildings	2,837	2,737
Write off of other receivables	893	–
Allowance for/(reversal of) impairment		
– Trade receivables	1,249	825
– Trade deposits	(105)	3,697

Notes to the Condensed Consolidated Interim Financial Statements

6. DIVIDEND

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

7. LOSS PER SHARE

The calculation of basic loss per share attributable to the owners of the Company is based on the loss for the period attributable to the owners of the Company of approximately RMB17,717,000 (six months ended 30 June 2008: loss of RMB14,331,000) and the weighted average number of ordinary shares of 200,470,000 (six months ended 30 June 2008: 200,263,758) in issue during the period.

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary share during the period ended 30 June 2009 (six months ended 30 June 2008: Nil).

8. PROPERTY, PLANT AND EQUIPMENT

During the period under review, the Group did not acquire any property, plant and equipment (six months ended 30 June 2008: acquisition of property, plant and equipment of RMB396,000). It disposed of property, plant and equipment with net book value of RMB4,000 (six months ended 30 June 2008: RMB219,000).

9. INVESTMENT PROPERTIES

	RMB'000
At 31 December 2008 (Audited)	
Cost	1,576
Accumulated depreciation	(79)
Net book amount	<u>1,497</u>
For the period (Unaudited)	
Opening net book amount	1,497
Additions	1,223
Disposals	(806)
Depreciation	(26)
Closing net book amount	<u>1,888</u>
At 30 June 2009 (Unaudited)	
Cost	1,952
Accumulated depreciation	(64)
Net book amount	<u>1,888</u>

Notes to the Condensed Consolidated Interim Financial Statements

9. INVESTMENT PROPERTIES (CONTINUED)

All investment properties are located in the PRC. During the period, the Group disposed of two (six months ended 30 June 2008: six) of its investment properties with a carrying value of RMB1,919,000 (six months ended 30 June 2008: RMB3,045,000) including the corresponding prepaid land lease payments portion (note 10) at a consideration of RMB2,149,000 (2008: RMB3,875,000) resulting in a gain of RMB230,000 (six months ended 30 June 2008: gain of RMB830,000) on disposal.

The Board is of the opinion that, had investment properties been carried at their fair values, the amounts, together with the prepaid land lease payments portion, would not be less than the stated carrying amount as at 30 June 2009. The Board intends that those properties are held in the view as to earn rentals and/or for capital appreciation.

10. PREPAID LAND LEASE PAYMENTS

	Leases less than 50 years RMB'000	Leases over 50 years RMB'000	Total RMB'000
At 31 December 2008 (Audited)			
Cost	917	931	1,848
Accumulated amortisation	(24)	(58)	(82)
Net book amount	893	873	1,766
For the period (Unaudited)			
Opening net book amount	893	873	1,766
Additions	–	1,994	1,994
Disposals	(883)	(230)	(1,113)
Amortisation	(10)	(23)	(33)
Closing net book amount	–	2,614	2,614
At 30 June 2009 (Unaudited)			
Cost	–	2,676	2,676
Accumulated amortisation	–	(62)	(62)
Net book amount	–	2,614	2,614

All prepaid land lease payments related to investment properties (note 9) located in the PRC.

Notes to the Condensed Consolidated Interim Financial Statements

11. DEFERRED TAX ASSETS AND LIABILITIES

The movements in deferred tax assets and liabilities of the Group during the period under review are as follows:

(a) Deferred tax assets

	Uninvoiced expenses	
	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
At beginning of the period/year	90	–
Credit to income statement for the period/year (note 4)		
– origination of temporary differences	27	81
– changes in tax rates	23	9
	<u>50</u>	<u>90</u>
At end of the period/year	<u>140</u>	<u>90</u>

b) Deferred tax liabilities

	Uninvoiced revenue	
	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
At beginning of the period/year	(4,758)	(6,059)
(Charge)/credit to income statement during the period/year (note 4)		
– (origination)/reversal of temporary differences	(834)	1,628
– changes in tax rates	(741)	(327)
	<u>(1,575)</u>	<u>1,301</u>
At end of the period/year	<u>(6,333)</u>	<u>(4,758)</u>

Deferred taxation is calculated in full on temporary differences under the liability method using a tax rate of 22% (31 December 2008: 20%).

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.

Notes to the Condensed Consolidated Interim Financial Statements

12. TRADE RECEIVABLES

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Trade receivables	36,323	34,239
Less: Allowance for impairment	(7,407)	(7,039)
	28,916	27,200

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

The ageing analysis of trade receivables (net of allowance for impairment) is as follows:

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Within 90 days	6,964	1,346
Between 91 to 180 days	453	1,336
Between 181 to 365 days	1,009	8,651
Between 1 to 2 years	11,079	9,878
Over 2 years	9,411	5,989
	28,916	27,200

13. TRADE DEPOSITS

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Trade deposits	50,527	52,449
Less: Allowance for impairment	(9,328)	(9,433)
	41,199	43,016

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.

Notes to the Condensed Consolidated Interim Financial Statements

13. TRADE DEPOSITS (CONTINUED)

The ageing analysis of trade deposits (net of allowance for impairment) is as follows:

	30 June	31 December
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Within 90 days	326	94
Between 91 and 180 days	–	489
Between 181 and 365 days	489	18,037
Between 1 and 2 years	19,383	13,269
Between 2 and 3 years	16,726	9,731
Over 3 years	4,275	1,396
	41,199	43,016

14. OTHER RECEIVABLES

Included in other receivables is the receivable from the Current Investment Partner (as defined below) of RMB22,778,000 (31 December 2008: RMB21,012,000) (note 20).

15. ACCRUED EXPENSES AND OTHER PAYABLES

Included in accrued expenses and other payables are the payables to the Plaintiffs (as defined below) of RMB22,778,000 (31 December 2008: RMB21,012,000) (note 20).

16. SHARE CAPITAL

	Number of ordinary shares '000	Nominal value	
		HK\$'000	RMB'000
Authorised			
Ordinary shares of HK\$0.1 each			
As at 31 December 2008 (audited)			
and 30 June 2009 (unaudited)	2,000,000	200,000	206,000
Issued and fully paid			
Ordinary shares of HK\$0.1 each			
As at 31 December 2008 (audited)			
and 30 June 2009 (unaudited)	200,470	20,047	20,644

Notes to the Condensed Consolidated Interim Financial Statements

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 share-based payment reserve under equity. When the eligible participants choose to exercise share options, the respective amount in the share-based payment 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 share-based payment reserve over the remaining vesting period.

A pre-IPO 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 of the Company on the Main Board of the Stock Exchange.

A post-IPO option scheme (the “Share Option Scheme”) was also adopted pursuant to a 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 will remain 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 on the date of the grant.

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 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”).

For the six months ended 30 June 2009, share options under the Pre-IPO Share Option Scheme and the Share Option Scheme with rights to subscribe for an aggregate of 550,000 shares of the Company have lapsed during the period due to cessation of employments of certain employees of the Group (six months ended 30 June 2008: 610,000 shares).

No share options were exercised during the period ended 30 June 2009 (six months ended 30 June 2008: options with rights to subscribe for an aggregate of 220,000 shares were exercised).

A total of RMB643,000 was charged as share-based payments in the unaudited condensed income statement for the six months ended 30 June 2009 (six months ended 30 June 2008: RMB593,000).

Notes to the Condensed Consolidated Interim Financial Statements

17. SHARE OPTION SCHEMES (CONTINUED)

The fair values of the options granted under the Pre-IPO Share Option Scheme and the 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 1	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 2008 and 30 June 2009, the Group had total future aggregate minimum lease payments under non-cancellable operating leases for office buildings as follows:

	30 June 2009 RMB'000 (Unaudited)	31 December 2008 RMB'000 (Audited)
Within one year	1,672	3,048
In the second to fifth years	429	1,051
	2,101	4,099

19. CONTINGENT LIABILITIES

The contingent liabilities existed as at 30 June 2009 arose from the real estate project in Shanghai (the "Subject Project"). According to the agency agreement signed between 上海寶瑞置業有限公司 (the "Current Customer"), 上海可上房產諮詢有限公司 (the "Current Investment Partner") and Shanghai Fu Yang Property Consultant Co., Ltd. ("Shanghai Fortune Sun"), a wholly-owned subsidiary of the Company, in October 2008, in the event that Shanghai Fortune Sun and the Current Investment Partner are unable to achieve the guaranteed sales amount of RMB824,994,000 (the "Guaranteed Sales") within the sale period, the Current Investment Partner is obliged to pay the Current Customer the shortfall which is to be calculated based on the difference between the actual sales amounts and the Guaranteed Sales.

In the circumstances when the Current Investment Partner fails to meet the obligations for the shortfall, Shanghai Fortune Sun and the Current Investment Partner are jointly obliged to pay an additional amount which is 10% of the Guaranteed Sales, totalling RMB82,499,000.

The sale of this project commenced in March 2009 and the sale period is to expire in 2010. The directors are of the opinion that the Guaranteed Sales can be ultimately met in 2010, and accordingly the contingent liabilities are not recognised in the financial statement as at 30 June 2009.

Notes to the Condensed Consolidated Interim Financial Statements

20. LITIGATIONS

On 2 April 2008, Shanghai Fortune Sun entered into an agreement with Shanghai Ming Xin Investment and Management Company Limited (上海名昕投資管理有限公司), (the "Former Investment Partner") and 上海希格瑪置業有限公司, (the "Former Customer") to act as the principal sale and consultancy agents for the Subject Project.

Acting as a property agent, Shanghai Fortune Sun signed agreements (the "Purchase Agency Agreements") with two individual customers (the "Plaintiffs") on 2 May 2008 for the purchase of 5 property units from the Subject Project and Shanghai Fortune Sun received the deposit payment of approximately RMB33,616,000 from the Plaintiffs and subsequently transferred the amount received back to the Former Customer through the Former Investment Partner.

The Plaintiffs were unable to complete the purchase of these 5 property units from the Subject Project in accordance with the terms of the Purchase Agency Agreements as the Subject Project had been sold from the Former Customer to the Current Customer. As a consequence, the Plaintiffs required Shanghai Fortune Sun to refund the deposit paid. Total amount of RMB18,000,000 were repaid to the Plaintiffs and the remaining balance of approximately RMB15,616,000 remained outstanding up to 31 December 2008. The Plaintiffs undertook legal actions against Shanghai Fortune Sun and filed two writs against Shanghai Fortune Sun to the Court in Shanghai (the "Litigations"). The total amount claimed by the Plaintiffs amounts to approximately RMB21,012,000 which represents the unpaid outstanding and the related default interest of approximately RMB5,396,000 accrued up to 31 December 2008, together with the costs of the Litigations in respect thereof has been recognised as other payables in the consolidated balance sheet as at 31 December 2008.

On 23 October 2008, Shanghai Fortune Sun entered into an agreement with the Current Customer and the Current Investment Partner to act as the principal sale and consultancy agents for the Subject Project. The Current Investment Partner has unconditionally agreed to undertake the obligations for the refund of any prepayment made to Shanghai Fortune Sun by its customers in the course of implementation of the agency agreement for the purchase of properties under the Subject Project and assume any liabilities of default compensation and interests arising from any related legal proceedings by these customers (the "Indemnified Liabilities"). The agreement by the Current Investment Partner to pay the Group the Indemnified Liabilities of approximately RMB21,012,000 accrued up to 31 December 2008 has been recognised as other receivables in the consolidated balance sheet as at 31 December 2008.

In late April 2009, Shanghai Fortune Sun has received the verdict in respect of the Litigations made by Shanghai Pudong New District People's Court, pursuant to which Shanghai Fortune Sun was ordered to pay (i) the unpaid deposit; (ii) the aggregate default payment of RMB3,091,000 and default interests in respect of the breaches of the Purchase Agency Agreements by Shanghai Fortune Sun accrued up to the date on which the relevant verdict is in force; and (iii) the costs of the Litigations, to the Plaintiffs.

The Group is of the opinion that the verdict was incorrect and the appeal applications to the Shanghai No.1 Intermediate People's Court was made in May 2009.

However, in July 2009, the applications made by the Group were deemed by the Shanghai No.1 Intermediate People's Court to be withdrawn by the Group for not settling the fees for applications.

Notes to the Condensed Consolidated Interim Financial Statements

20. LITIGATIONS (CONTINUED)

A bank account of Shanghai Fortune Sun has been frozen by the court in Shanghai and the bank balance up to 30 June 2009 amounting to RMB807,000 was withheld.

The Group has received the notification of execution from 上海市浦東新區人民法院執行庭 (Shanghai Pudong New District People's Court, Execution Bureau) and noted that the Plaintiffs had already applied to Shanghai Pudong New District People's Court, Execution Bureau for enforcement of the orders against the Group previously made by Shanghai Pudong New District People's Court in April 2009, but the Group is not aware of any other execution actions taken by the Plaintiffs and/or the court against the Group up to the date of this report.

21. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group

	Six months ended 30 June	
	2009	2008
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Fees	285	315
Basic salaries and other allowances	891	891
Pension costs (defined contribution plan) and other social benefits	24	14
Share-based payments	345	351
Total compensation paid to key management personnel	1,545	1,571

22. EVENTS AFTER THE REPORTING PERIOD

In July and August 2009, Shanghai Fortune Sun entered into the sale and purchase agreement to purchase four of its investment properties at a consideration of RMB2,301,000 for the purpose of off-setting the outstanding receivables and deposits from property developers.

Management Discussion and Analysis

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

With the introduction of 4-trillion yuan fiscal stimulus package released by the Central Government in November 2008 and the correspondingly loose monetary policy for facilitating commercial activities in China, China's GDP managed to grow by 7.1% in the first half of 2009 (based on data released by the China National Bureau of Statistics) subsequent to the global financial crisis in 2008. The economy in China had apparently bottomed out and this had also benefited China's real estate sector which began a recovery since the start of spring in 2009, with the increase on property prices by an average of 10-15% in the first half of 2009.

Due to the uneven rate of recovery in different geographical areas within the PRC, the Group was still affected by the uncertain purchasing demands in some areas in China for the six months ended 30 June 2009. During the period under review, the Group recorded an unaudited turnover of approximately RMB12.03 million, which represented a drop of approximately 31.01% as compared with the unaudited turnover of approximately RMB17.44 million for the corresponding first half year in 2008. Such decrease was mainly because the property market (other than major cities in China) was volatile and investors were more cautious in property investment during the first half of 2009.

For the six months ended 30 June 2009, the gross loss margin of the Group was approximately 51.09% which was 5.16% higher than as recorded during the corresponding period in 2008. The substantial increase in gross loss margin was mainly because relatively more costs of services of certain projects were incurred in its initial phase prior to the respective commission revenue being recognized. Accordingly, given the gross loss margin in the period, the Group suffered a loss for the reporting period. The unaudited attributable loss to the owners of the Company during the period under review was approximately RMB17.72 million as compared with the loss of approximately RMB14.33 million for the corresponding period in 2008. Such loss was principally due to the drop in the turnover and high gross loss margin as mentioned above.

Management Discussion and Analysis

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 2009, the Group had 20 projects in operation and it generated revenue from 17 projects (six months ended 30 June 2008: 17) comprehensive property consultancy and agency projects. For the six months ended 30 June 2009, approximately 0.20 million square metres (six months ended 30 June 2008: 0.26 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.

Total unaudited revenue generated from these comprehensive property consultancy and agency projects of approximately RMB11.82 million contributed almost the entire unaudited turnover of the Group during the period under review, accounting for approximately 98.25% of the total unaudited revenue of the Group.

As at 30 June 2009, the Group had 27 comprehensive property consultancy and agency projects on hand with a total of approximately 3.46 million square metres of unsold gross floor areas. Among these 27 projects, the sales of the underlying properties of 7 projects have not yet commenced as at 30 June 2009.

FUTURE PROSPECTS

Looking forward to the second half of 2009, the management is confident in the Chinese government's continued commitment to stimulate economic growth and maintain stable development of the real estate industry. Our Group will engage in more projects in other different areas in Mainland China outside Zhejiang area. The management will also seek other business partners in the future to expand the property agency business of the Group in the PRC in a cooperative structure in order to broaden our revenue base.



Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2009, the Group had unaudited net current assets of approximately RMB88.86 million (31 December 2008: RMB102.32 million), unaudited total assets of approximately RMB125.24 million (31 December 2008: RMB135.84 million) and unaudited shareholders' funds of approximately RMB88.47 million (31 December 2008: RMB105.55 million).

As at 30 June 2009, the unaudited bank and cash balances of the Group amounted to approximately RMB12.62 million (31 December 2008: RMB19.29 million).

BANK BORROWINGS AND OVERDRAFTS

The Group had no bank borrowings or overdrafts as at 30 June 2009 (31 December 2008: Nil).

GEARING RATIO

As the Group did not have any borrowings as at 30 June 2009, the gearing ratio was zero (31 December 2008: zero).

PLEDGED ASSETS

As at 30 June 2009, the Group did not pledge or charge any properties, plants or equipment to secure any loans and bank facilities of the Group (31 December 2008: Nil).

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 foreign exchange exposure and will consider to hedge significant currency risk exposure should the need arise.

STAFF

As at 30 June 2009, the Group had a total of 209 staff, whose remuneration and benefits were determined based on market rates, the PRC's state policies, respective domestic statutory requirements and individual performance.

Disclosure of Interests

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2009, the interests and short positions of the Directors and chief executive of the Company in the shares ("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/ Name of associated corporation	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 Ordinary Shares (L)	33.83%
	The Company	Beneficial owner and interest of spouse (Note 3)	1,500,000 Ordinary Shares (L)	0.72% (Note 12)
Ms. Lin Chien Ju ("Ms. Lin")	The Company	Interest of a controlled corporation (Note 4)	36,352,050 Ordinary Shares (L)	18.13%
		Beneficial owner (Note 5)	100,000 Ordinary Shares (L)	0.05% (Note 12)
Mr. Han Lin ("Mr. Han")	The Company	Beneficial owner	7,051,801 Ordinary Shares (L)	3.52%
		Beneficial owner (Note 6)	2,700,000 Ordinary Shares (L)	1.29% (Note 12)
Ms. Chang Hsiu Hua ("Ms. Chang")	The Company	Interest of spouse (Note 7)	67,820,850 Ordinary Shares (L)	33.83%
	The Company	Beneficial owner and Interest of spouse (Note 8)	1,500,000 Ordinary Shares (L)	0.72% (Note 12)

Disclosure of Interests

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (CONTINUED)

Name of Directors	Company/ Name of associated corporation	Capacity	Number and class of securities (Note 1)	Approximate percentage of shareholding
Dr. Cheng Chi Pang ("Dr. Cheng ")	The Company	Beneficial owner (Note 9)	100,000 Ordinary Shares (L)	0.05% (Note 12)
Mr. Ng Wai Hung ("Mr. Ng ")	The Company	Beneficial owner (Note 10)	100,000 Ordinary Shares (L)	0.05% (Note 12)
Mr. Cui Shi Wei ("Mr. Cui ")	The Company	Beneficial owner (Note 11)	100,000 Ordinary Shares (L)	0.05% (Note 12)

Notes:

- The letter "L" denotes the Directors' 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 was 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 (as defined below); and 100,000 options granted to him and 100,000 options granted to Ms. Chang by the Company under the Share Option Scheme (as defined below) 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.
- 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 was 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.
- 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.
- 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 the Share Option Scheme respectively.

Disclosure of Interests

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (CONTINUED)

Notes: *(Continued)*

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. The long position of Dr. Cheng in these 100,000 Shares represented 100,000 options granted to him by the Company under the Share Option Scheme on 12 March 2008.
10. The long position of Mr. Ng in these 100,000 Shares 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. Cui in these 100,000 Shares represented 100,000 options granted to him by the Company under the Share Option Scheme on 12 March 2008.
12. These percentages are calculated on the basis of 209,190,000 Shares in issue as at 30 June 2009, assuming that all the then outstanding options granted under the Pre-IPO Share Option Scheme and the Share Option Scheme had been exercised as at that date.

Save as disclosed above, as at 30 June 2009, 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

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2009, 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 of the shareholders	Capacity	Number and class of securities (Note 1)	Approximate percentage of shareholding
Active Star	Beneficial owner (Note 2)	67,820,850 Ordinary Shares (L)	33.83%
Upwell Assets	Beneficial owner (Note 3)	36,352,050 Ordinary Shares (L)	18.13%
Honorway Nominees Limited ("Honorway")	Beneficial owner (Note 4)	16,248,300 Ordinary Shares (L)	8.11%
Honorway Investments Limited	Interest of a controlled corporation (Note 4)	16,248,300 Ordinary Shares (L)	8.11%
Mr. Ho Hau Chong, Norman	Interest of a controlled corporation (Note 4)	16,248,300 Ordinary Shares (L)	8.11%
Ms. Yvette Therese Ma	Interest of spouse (Note 5)	16,248,300 Ordinary Shares (L)	8.11%
Mr. Ho Hau Hay, Hamilton	Interest of a controlled corporation (Note 4)	16,248,300 Ordinary Shares (L)	8.11%
Ms. Sharon Young	Interest of spouse (Note 6)	16,248,300 Ordinary Shares (L)	8.11%

Disclosure of Interests

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES (CONTINUED)

Name of the shareholders	Capacity	Number and class of securities (Note 1)	Approximate percentage of shareholding
Ms. Hsieh Hsiu-Mei ("Ms. Hsieh")	Interest of a controlled Corporation (Note 7)	7,220,000 Ordinary Shares (L)	3.60%
	Beneficial owner	4,716,000 Ordinary Shares (L)	2.35%
Mr. Chu Yao-Jen	Interest of spouse (Note 8)	11,936,000 Ordinary Shares (L)	5.95%
Mrs. Chen Hsiu Li-Mei	Beneficial owner	11,122,000 Ordinary Shares (L)	5.55%
Mr. Chen Chin Chuan	Interest of spouse (Note 9)	11,122,000 Ordinary Shares (L)	5.55%

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 was 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 was 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 was 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.

Disclosure of Interests

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES *(CONTINUED)*

Notes: *(Continued)*

6. 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.
7. These Shares were registered in the name of Forever Sky Group Limited, which was controlled by Ms. Hsieh. Ms. Hsieh was deemed to be interested in all the shares in which Forever Sky Group Limited was interested by virtue of the SFO.
8. 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 was interested by virtue of the SFO.
9. 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 Mrs. Chen Hsu Li-Mei was interested by virtue of the SFO.

Save as disclosed above, to the best knowledge and information of the Directors, as at 30 June 2009, no person, other than the Directors and chief executive of the Company whose interests are set out in the paragraph headed "Directors' and chief executive's 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.

Disclosure of Interests

SHARE OPTION SCHEMES

In addition to note 17 to the financial statements as set out in pages 17 to 18 of this Report, 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:

Number of shares in respect of share options

Category of eligible participant	Outstanding as at 1 January 2009	Granted during the period	Exercised during the period	Lapsed or cancelled during the period	Outstanding as at 30 June 2009	Date of grant	Exercise period	Exercise price per share HK\$	Closing Price of the shares on the trading day immediately before the date of grant HK\$
Directors:									
Chiang Chen Feng	750,000	-	-	-	750,000	10/06/2006	05/07/2007 to 04/07/2016	0.795	N/A
	50,000	-	-	-	50,000	12/03/2008	12/03/2009 to 11/03/2018	1.12	1.12
	50,000	-	-	-	50,000	12/03/2008	12/03/2010 to 11/03/2018	1.12	1.12
	850,000	-	-	-	850,000				
Han Lin	750,000	-	-	-	750,000	10/06/2006	05/07/2007 to 04/07/2016	0.795	N/A
	975,000	-	-	-	975,000	12/03/2008	12/03/2009 to 11/03/2018	1.12	1.12
	975,000	-	-	-	975,000	12/03/2008	12/03/2010 to 11/03/2018	1.12	1.12
	2,700,000	-	-	-	2,700,000				
Chang Hsiu Hua	550,000	-	-	-	550,000	10/06/2006	05/07/2007 to 04/07/2016	0.795	N/A
	50,000	-	-	-	50,000	12/03/2008	12/03/2009 to 11/03/2018	1.12	1.12
	50,000	-	-	-	50,000	12/03/2008	12/03/2010 to 11/03/2018	1.12	1.12
	650,000	-	-	-	650,000				
Lin Chien Yu	50,000	-	-	-	50,000	12/03/2008	12/03/2009 to 11/03/2018	1.12	1.12
	50,000	-	-	-	50,000	12/03/2008	12/03/2010 to 11/03/2018	1.12	1.12

Disclosure of Interests

SHARE OPTION SCHEMES (CONTINUED)

Number of shares in respect of share options

Category of eligible participant	Outstanding as at 1 January 2009	Granted during the period	Exercised during the period	Lapsed or cancelled during the period	Outstanding as at 30 June 2009	Date of grant	Exercise period	Exercise price per share HK\$	Closing Price of the shares on the trading day immediately before the date of grant HK\$
Cheng Chi Pang	50,000	-	-	-	50,000	12/03/2008	12/03/2009 to 11/03/2018	1.12	1.12
	50,000	-	-	-	50,000	12/03/2008	12/03/2010 to 11/03/2018	1.12	1.12
Ng Wai Hung	50,000	-	-	-	50,000	12/03/2008	12/03/2009 to 11/03/2018	1.12	1.12
	50,000	-	-	-	50,000	12/03/2008	12/03/2010 to 11/03/2018	1.12	1.12
Cui Shi Wei	50,000	-	-	-	50,000	12/03/2008	12/03/2009 to 11/03/2018	1.12	1.12
	50,000	-	-	-	50,000	12/03/2008	12/03/2010 to 11/03/2018	1.12	1.12
Employees:									
In aggregate	1,770,000	-	-	(100,000)	1,670,000	10/06/2006	05/07/2007 to 04/07/2016	0.795	N/A
	1,450,000	-	-	(225,000)	1,225,000	12/03/2008	12/03/2009 to 11/03/2018	1.12	1.12
	1,450,000	-	-	(225,000)	1,225,000	12/03/2008	12/03/2010 to 11/03/2018	1.12	1.12
	4,670,000	-	-	(550,000)	4,120,000				
	9,270,000	-	-	(550,000)	8,720,000				

Other Information

DISCLOSURE PURSUANT TO RULES 13.13 AND 13.15 OF THE LISTING RULES

With reference to the announcements of the Company dated 21 April 2008 and 20 April 2009 in relation to the payment of a security deposit (the "Security Deposit") for the sum of RMB20 million by Shanghai Fortune Sun, to the Former Customer to secure the performance of its sales agency obligations in the Subject Project under certain agency agreements (the "Agency Agreements"). The Former Investment Partner had agreed to unconditionally refund the entire Security Deposit to Shanghai Fortune Sun by 10 May 2009.

At the time of the Agency Agreements, the Former Customer had been in the course of acquiring the interest of the Subject Project from the Current Customer. Such acquisition had subsequently fallen through and therefore, the Agency Agreements were terminated in October 2008. On 23 October 2008, the Current Customer entered into another sales agency agreement with Shanghai Fortune Sun and the Current Investment Partner, for the appointment of Shanghai Fortune Sun as its principal sales and consultancy agent for the Subject Project. The sale of the property under the Subject Project has been fully underwritten by the Current Investment Partner.

Pursuant to a novation agreement dated 24 October 2008 entered into between the Former Investment Partner, the Current Investment Partner and Shanghai Fortune Sun, the Current Investment Partner has assumed the repayment obligations of the Former Investment Partner in respect of the Security Deposit. The Security Deposit is unsecured and interest free, and the Current Investment Partner has agreed to refund the Security Deposit to Shanghai Fortune Sun 18 months after the sale commencement of the Subject Project, that is, on 23 May 2010.

The Security Deposit of RMB20 million is accounted for as trade deposits as of 30 June 2009 and 31 December 2008 respectively.

As the amount of the Security Deposit represents approximately 16% of the assets ratio as defined under Rule 14.07(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") at 30 June 2009, the Company's general disclosure obligation of certain particulars of the Security Deposit as prescribed under Rule 13.15 arose.

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 six months ended 30 June 2009, except for code provision A.2.1 of the CG Code regarding the responsibilities between the chairman and chief executive officer ("CEO") which have not been segregated.

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 as its code of conduct regarding Directors' securities transactions. 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 2009.

Other Information

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 for the six months ended 30 June 2009 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 auditor in accordance with certain procedures of 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.

REVIEW OF ACCOUNTS

At the request of the Directors, the Group's external auditor, RSM Nelson Wheeler, has carried out a review on the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2009 in accordance with certain procedures of 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 2009 were approved by the Board on 23 September 2009.

By order of the Board
Fortune Sun (China) Holdings Limited
Chiang Chen Feng
Chairman

Hong Kong, 23 September 2009