Fortune Sun (China) Holdings Limited
富陽(中國)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 352

Fortune Sun

FORTUNE SUN FORTUNE SUN FORTUNE SUN FORTUNE SUN FORTUNE SUN FORTUNE SUN

ANNUAL REPORT 2010

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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

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

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

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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 New District
Shanghai 200120
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Tower One, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

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 BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

COMPANY SECRETARY

Ms. Lau Sim, FCCA, CPA, MSc(FA), SIFM

COMPLIANCE OFFICER

Ms. Chang Hsiu Hua

AUTHORISED REPRESENTATIVES

Ms. Chang Hsiu Hua
Ms. Lau Sim

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

STOCK CODE ON THE STOCK EXCHANGE OF HONG KONG LIMITED

00352

COMPANY WEBSITE

http://www.fortune-sun.com

I am pleased to present on behalf of the board (the "Board") of directors (the "Directors") of Fortune Sun (China) Holdings Limited (the "Company") the annual report for the year ended 31 December 2010 of the Company and its subsidiaries (collectively, the "Group").

In 2009, the price and transaction volume of real estate in the PRC soared as the Chinese government adopted a number of relaxed monetary policies against a backdrop of favorable economic anticipation and investment environment. At the beginning of 2010, the nationwide real estate sector continued with the frenzy in 2009 when housing prices were escalating constantly. Starting from April 2010, in order to guide the real estate sector in the Mainland towards healthy and sustainable development, the Chinese government launched austerity policies continuously aiming at the residential real estate sector to curb the over-heated housing prices, which included the launch of the "New 10 Measures of the State Council" in April and the "New 5 Measures of the State Council" in September and the announcement in December that Shanghai and Chongqing were designated to be the first batch of pilot cities for levy of property tax on personal residential properties, carrying out all-round adjustment and control measures from different aspects such as market demand, credit, taxation, marker regulation and monetary policies.

During the year of 2010, the performance of the Group was dampened by various market factors, as a result of which the Group's annual turnover realized reached only around 60.5% of the expected. For the year of 2010, the Group completed sales for saleable areas totaling 306,000 square metres, representing a decrease of 30.8% year on year. The revenue of the Group for year 2010 was approximately RMB33,727,000, representing a decrease of 37.9% as compared to approximately RMB54,300,000 in 2009. The loss before tax for the year 2010 was approximately RMB13,703,000, representing a increase of 134.3% as compared with last year. Due to difference in deferred tax, the loss attributable to owners of the Company in 2010 decreased by 19.5% year on year to approximately RMB9,515,000 as compared to the loss of approximately RMB11,815,000 in 2009. The basic loss per share in 2010 was approximately RMB4.75 cents (2009: RMB5.89 cents). Given the unsatisfactory performance of business and the need of the Group to conserve a healthy liquidity level, the Board did not recommend the payment of a final dividend for the year ended 31 December 2010.

The Group has been endeavoring to secure more new projects. In 2010, the Group undertook a total of 26 projects including 22 comprehensive property consultancy and agency projects. As at 31 December 2010, the Group had a total of 31 executable projects with saleable areas of approximately 4,210,000 square metres.

Property tax has been levied officially in Shanghai and Chongqing since January 2011 and the Chinese Central Government has proposed the construction of 10,000,000 social security houses. By February 2011, there are at least 36 cities imposing the restriction order on house purchase in the Mainland China. Looking forward to 2011, it is expected that a series of real estate control policies are in the pipeline and that China will enter the interest rate hike cycle and experience monetary austerity policies. However, we still believe the urbanization of China, the enhancement of national income and the pursuit of quality life still give rise to the inelastic demand for ordinary residential projects, and the continued demand for properties in second and third tier cities in particular will bring a lot more business opportunities to our agency business. On one hand, we will actively secure more projects of existing businesses; on the other hand, we will keep abreast of the development direction of the market and seek new product modes in order to broaden the Group's revenue base. Meanwhile, we will continuously strive to seek cooperation opportunities in respect of real estate development for the sake of the Company's sustainable development.

Reviewing year 2010, the Group has achieved fruitful results in developing markets beyond Jiangsu and Zhejiang Provinces and accordingly our reliance on first tier cities such as Shanghai dropped significantly, with our total revenue attributable to our projects in Shanghai decreased from 91.5% in 2009 to about 75.1% in 2010, thereby easing the adverse effect arising from stringent policies against the property market of first tier cities launched by the PRC Government. In 2011, the Group will continue the expansion of its business in second and third tier cities with prudent and optimistic strategies and speed up the sale progress of saleable projects.

Our management has taken an active role in improving our financial health continuously by means of stringent cost controls, reinforcement of budget management, acceleration in the collection of debts and exploration of alternative sources of credit or capital. Looking ahead, along with the continued economic growth in China, the real estate market in China will enter a diversified and mature stage. With the whole management of the Group actively equipping themselves, we are convinced the Company is able to weather future challenges and ensure itself a sustainable, stable and healthy development.

On behalf of the Board, I hereby would like to extend my deepest appreciation as always to the whole management and staff of the Group for their dedicated commitment and ongoing efforts in providing even higher quality services to our customers. I would also wish to express my sincere thanks to our business partners, consultants, customers and shareholders for their support and cooperation throughout the year.

For and on behalf of the Board of
Fortune Sun (China) Holdings Limited

Chiang Chen Feng
Chairman

25 March 2011
Hong Kong

DIRECTORS

Executive Directors

Mr. Chiang Chen Feng (江陳鋒), aged 46, is the Chairman and an executive Director and one of the founders of the Company. Mr. Chiang graduated from Feng Chia University (逢甲大學) in Taiwan in June 1989 with a bachelor's degree in business management and started to engage in real estate property valuation and market research. During 1995 to 1996, Mr. Chiang was a researcher of Coastal Greenland Limited (Stock Code: 1124) (the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange")), and was focusing on the PRC market. Mr. Chiang co-founded the Group in April 1997 and was appointed as a director of Shanghai Fu Yang Property Consultant Co., Limited ("Shanghai Fortune Sun") since then. He is also a director of each of the Company's other subsidiaries, namely, Cornerstone Asset Management Consultancy (Shanghai) Limited ("Cornerstone"), Millstone Developments Limited ("Millstone"), Eco Home Investment Company Limited ("Eco Home"), Shanghai Yang Shi Enterprise Development Company Limited (上海陽石企業發展有限公司) ("Shanghai Yang Shi") and Fortune Sun Assets Management Company Limited ("Fortune Sun Assets"). Mr. Chiang is the spouse of Ms. Chang Hsiu Hua, an executive Director. Mr. Chiang is currently the director of Active Star Investment Limited, which has an interest in such number of shares of the Company under Divisions 2 and 3 of Part XV of Securities and Futures Ordinance as disclosed in the section headed " Directors' Report — Substantial Shareholders' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company" in this annual report.

Ms. Chang Hsiu Hua (張秀華), aged 45, is an executive Director. Ms. Chang obtained her bachelor's degree in public finance from Feng Chia University (逢甲大學) in Taiwan in June 1988. In 1988, Ms. Chang joined Subaru Motors Co., Ltd. (仲慶汽車有限公司) and was responsible for valuation and insurance matters. In January 1993, she was employed at Equity Law Firm (衡平法律事務所) and was responsible for legal related matters. Ms. Chang joined Shanghai Fortune Sun as a manager of the finance department in July 1997 and she was appointed as a member of the senior management of Shanghai Fortune Sun in January 2000 and has been responsible for financial management. In August 2005, Ms. Chang was appointed as a director of Shanghai Fortune Sun. She is also a director of each of Cornerstone and Eco Home. Ms. Chang is the spouse of Mr. Chiang Chen Feng, an executive Director.

Mr. Han Lin (韓林), aged 43, is an executive Director. Mr. Han obtained a bachelor's degree in applied geophysics from Sichuan United University Chengdu College of Geology (四川聯合大學成都地質學院大學) in June 1989. Mr. Han is the holder of Certificate for Real Estate Brokers in Shanghai (上海房地產經紀人證書). During 1989 to 1996, Mr. Han was employed at the Shanghai Bureau of Marine Geological Survey (上海海洋地質調查局). Mr. Han is also a director of each of Shanghai Fortune Sun, Cornerstone, Shanghai Yang Shi and Fortune Sun Assets. Since January 2003, he has been appointed as a deputy general manager of the business development department of Shanghai Fortune Sun and responsible for the business development of the Group. In May 2009, he was appointed as the vice-president of Shanghai Fortune Sun.

Non-executive Director

Ms. Lin Chien Ju (林倩如), aged 38, is a non-executive Director. Ms. Lin obtained a Hospitality Management Diploma from the Educational Institute of the American Hotel and Motel Association in April 1996 and she obtained a Degree of Bachelor of Business Administration from the American University in London in August 1996. Ms. Lin received her Master of Arts Degree in Management from the Dominican University of California, the United States in May 1998. Ms. Lin is one of the co-founders of the Group. Ms. Lin has been a director of Shanghai Fortune Sun since April 1997. Ms. Lin is currently the director of Upwell Assets Corporation, which has an interest in such number of shares of the Company under Divisions 2 and 3 of Part XV of Securities and Futures Ordinance as disclosed in the section headed "Directors' Report — Substantial Shareholders' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company" in this annual report.

Independent Non-executive Directors

Mr. Ng Wai Hung (吳偉雄), aged 47, has been appointed as an independent non-executive Director since June 2006. Mr. Ng is a practising solicitor and a partner in Iu, Lai & Li, a Hong Kong firm of solicitors. Mr. Ng practises in the areas of securities law, corporate law and commercial law in Hong Kong. Mr. Ng is also an independent non-executive director of three companies listed on the Stock Exchange, namely Tomorrow International Holdings Limited (Stock Code: 760), Hycomm Wireless Limited (Stock Code: 499) and the Company. Mr. Ng was also an independent non-executive director of Yun Sky Chemical (International) Holdings Limited (currently known as King Stone Energy Group Limited) (Stock Code: 663) and KTP Holdings Limited (Stock Code: 645) and resigned in February 2010 and February 2011, respectively.

Mr. Cui Shi Wei (崔士威), aged 59, has been appointed as an independent non-executive Director since June 2006. Mr. Cui obtained a Law Master Degree from the Jilin University in the PRC in July 1986. Mr. Cui was a lecturer in the Law School of Jilin University (吉林大學法學學院) from July 1986 to July 1992. Mr. Cui worked as a senior management member of a nationwide insurance company and Coastal Greenland Limited (Stock Code: 1124), the shares of which are listed on the Main Board of the Stock Exchange.

Dr. Cheng Chi Pang (鄭志鵬), aged 53, has been appointed as an independent non-executive Director since June 2006. Dr. Cheng obtained a Bachelor's Degree in Business, a Master Degree in Business Administration and a Doctorate Degree of Philosophy in Business Management from Curtin University of Technology, Heriot-Watt University and Burkes University in 1992, 1998 and 2003 respectively. Also, Dr. Cheng obtained a Master of Laws (Chinese and Comparative Law) from City University of Hong Kong. Dr. Cheng is an associate member of the Hong Kong Institute of Certified Public Accountants, Institute of Chartered Accountants in England and Wales, the Australian Society of Certified Practising Accountants and the Taxation Institute of Hong Kong and a fellow member of the Hong Kong Institute of Directors. Dr. Cheng is a Certified Public Accountant practising in Hong Kong and has over 26 years of experience in auditing, business advisory and financial management. Dr. Cheng had been a group financial controller of NWS Holdings Limited (Stock Code: 659), the shares of which are listed on the Main Board of the Stock Exchange. Currently, Dr. Cheng is the senior partner of Leslie Cheng & Co. Certified Public Accountants and the chairman and chief executive officer of L & E Consultants Limited. Dr. Cheng is also a non-executive director of Wai Kee Holdings Limited (Stock Code: 610) and Build King Holdings Limited (Stock Code: 240); and an independent non-executive director and chairman of audit committee of China Ting Group Holdings Limited (Stock Code: 3398), Nine Dragons Paper (Holdings) Limited (Stock Code: 2689) and Tianjin Port Development Holdings Limited (Stock Code: 3382), all of which are companies listed on the Main Board of the Stock Exchange.

Senior Management

Ms. Wang Jia (王佳), aged 41, is a deputy general manager of Shanghai Fortune Sun and is responsible for supervising all development projects and managing the day-to-day operations of the Group. Ms. Wang joined the Group in April 1997 and prior to holding the current position, Ms. Wang held the following positions in Shanghai Fortune Sun: the executive, the assistant manager, the manager and the deputy general manager and the general manager of sales department, the regional senior manager and the deputy regional general manager of sales department in Shanghai. Ms. Wang graduated from Shanghai University in July 1992 with a bachelor's degree, majoring in mechanical design and manufacturing. Ms. Wang has 13 years of experience in property sales and marketing and is also a holder of Certificate for Real Estate Brokers in Shanghai (上海房地產經紀人證書).

Mr. Li Zhengzhong (李政中), aged 43, is a deputy general manager of Shanghai Fortune Sun and is responsible for supervising all development projects and managing day-to-day operations of the Group. Mr. Li joined the Group in March 2002. Prior to holding the current position, Mr. Li held the following positions in the Group: the deputy manager, the manager, the regional senior manager and the deputy general manager of sales department of Shanghai Fortune Sun, and the deputy general manager of Full Sincerity Advertising Company Limited ("Full Sincerity"). Mr. Li graduated from Taipei Songshan High School of Agriculture and Industry in June 1987, majoring in electrical engineering. Mr. Li is the spouse of Ms. Jao Hui Mei, a member of the senior management of the Group.

Ms. Lau Sim (劉嬋), aged 33, joined the Group in December 2010 and has been appointed as the Group's chief financial officer and the company secretary of the Company since 1 January 2011. Ms. Lau has worked in PricewaterhouseCoopers for years and has gained immense experience in financial management, corporate financing and investment management in large companies listed on the Main Board of the Stock Exchange. She holds a bachelor's degree in Accountancy from the Hong Kong Polytechnic University and a master degree in Financial Analysis from the Hong Kong University of Science and Technology. Ms. Lau is a member of the Hong Kong Institute of Certified Public Accountants, a fellow member of Association of Chartered Certified Accountants and a senior international finance manager certified by the International Finance Management Association.

Mr. Wu Yungang (吳蘊鋼), aged 33, is a regional general manager of Shanghai Fortune Sun and is responsible for coordinating all development projects and managing day-to-day operations of Shanghai Fortune Sun. Mr. Wu joined the Group in September 1997. Prior to holding the current position, Mr. Wu held the following positions in Shanghai Fortune Sun: the deputy manager and the manager, the regional senior manager and the deputy general manager of sales department. Mr. Wu graduated from the Artillery College of the PRC Liberation Army with certificate of administration and management in June 2005. Mr. Wu has 13 years of experience in real estate sales and marketing.

Ms. Jao Hui Mei (饒慧美), aged 44, is a general manager of promotion and planning department of Shanghai Fortune Sun and is responsible for management and strategic planning for the Group. Ms. Jao joined the Group in May 2001 and prior to holding the current position, Ms. Jao held the following positions in the Group: the executive, the assistant manager, the manager, the senior manager, the deputy general manager and the general manager of the Shanghai Fortune Sun's promotion and planning department, and general manager of Full Sincerity. Ms. Jao obtained a Diploma of Enterprise Management, majoring in sales management from the College for Professional Training in Finance and Business (私立致理商業專科學校) in June 1989. Ms. Jao has over 15 years of experiences in corporate planning. Ms. Jao is the spouse of Mr. Li Zhengzhong, a member of the senior management of the Group.

MARKET AND BUSINESS REVIEW

The housing prices in 2009 in China went up and substantially surpassed the expectation of the PRC Government, resulting in the revocation of relaxed credit policies in 2010 and the launch of a series of policies such as restriction on house purchases and loans by the Chinese government so as to curb the soaring housing prices. In 2010, the average housing prices in major cities in the Mainland remained on the rise, among which, those of Shanghai increased by 13% year on year. During the year, the gross floor areas of commodity housing nationwide sold totaled 1,043 million square metres, representing a significant increase of 10.1% as compared with last year.

The revenue of the Group for 2010 amounted to approximately RMB33,727,000, representing a decrease of 37.9% as compared with approximately RMB54,300,000 in 2009, which was mainly attributable to the end of the sale of a luxury property project in Shanghai such that the Group's revenue from its comprehensive property consultancy and agency commission income for 2010 decreased significantly by 88.1% as compared with 2009. The saleable area sold under the comprehensive property consultancy and agency projects undertaken by the Group in 2010 decreased by approximately 30.8% as compared with that of 2009. For the year under review, the Group's revenue generated from comprehensive property consultancy and agency projects decreased by 39.2% to approximately RMB32,287,000 from approximately RMB53,061,000 in 2009.

Regarding the Group's business by geographical regions, Jiangsu and Zhejiang Provinces (including Shanghai) remained the business focus of the Group, but the proportion of the Group's revenue attributable to Jiangsu and Zhejiang Provinces decreased to approximately 75.1% from approximately 91.5% in 2009. During the year under review, the Group actively explored the property consultancy and agency market outside Jiangsu and Zhejiang Provinces, increasing the revenue generated from other areas in China to 24.9% from 8.5% for 2009.

The gross loss margin of the Group was approximately 23.9% for the year ended 31 December 2010 (2009: gross profit margin of approximately 17.7%), which was mainly attributable to less revenue generated from operations during 2010. The loss attributable to the owners of the Company was approximately RMB9,515,000 in 2010 (2009: approximately RMB11,815,000), mainly owing to income tax credit which arose in 2010.

COMPREHENSIVE PROPERTY CONSULTANCY AND AGENCY BUSINESS

The provision of comprehensive property consultancy and agency services for the primary property market in the PRC is the core business of the Group. In the year of 2010, the turnover of the Group was generated from 22 comprehensive property consultancy and agency projects (2009: 19 projects) with approximately 306,000 square metres (2009: approximately 442,000 square metres) of total saleable gross floor areas of the relevant underlying projects. The reported revenue from these comprehensive property consultancy and agency projects for the year ended 31 December 2010 was approximately RMB32,287,000, representing approximately 95.7% of the total turnover of the Group (2009: approximately RMB53,061,000, representing approximately 97.7% of the total turnover).

As at 31 December 2010, the Group had 31 comprehensive property consultancy and agency projects (2009: 30 projects) on hand with a total of approximately 4,210,000 square metres of unsold gross floor areas (2009: approximately 4,000,000 square metres). Among these 31 projects, sale of the underlying properties of 12 projects (2009: 7 projects) have not yet commenced as at 31 December 2010.

PROSPECTS

For the year of 2010, the nationwide completed gross floor area of commodity housing was 760 million square metres, representing a year-on-year increase of 4.5%, and was still in a basic situation in which the supply was inadequate to meet the demand. Looking forward to 2011, we will, on one hand, continue collaborating with our customers to explore property development opportunities in second and third tier cities in Mainland China in order to provide more real estate professional consultancy and agency services; on the other hand, actively develop new products and reinforce project planning to broaden our sources of income. The Group aims at easing its working capital pressure and maintaining a healthy liquidity level with various measures such as reducing operating expenditures, enhancing the collection of receivables and lowering the security deposit for new projects. The management of the Group will keep itself abreast of relevant policies and market situation and will research and seek new business strategies and modes in order to broaden the Group's revenue base. They will also explore alternative sources of credit or capital to provide the Group with better development opportunities.

LIQUIDITY AND FINANCIAL RESOURCES

In the year of 2010, the Group's source of funds was mainly from cash generated from operations.

As at 31 December 2010, the Group had net current assets of approximately RMB81,997,000 (2009: approximately RMB98,212,000), total assets of approximately RMB108,222,000 (2009: approximately RMB130,033,000) and shareholders' funds of approximately RMB85,055,000 (2009: approximately RMB94,563,000).

As at 31 December 2010, the bank and cash balances of the Group amounted to approximately RMB17,203,000 (2009: approximately RMB8,975,000).

BANK BORROWINGS AND OVERDRAFTS

The Group had no bank borrowings or overdrafts as at 31 December 2010 (2009: RMB Nil).

INDEBTEDNESS

The Group had a short term borrowing of RMB10,000,000 as at 31 December 2010. As at 31 December 2010, the Group's gearing ratio was 11.8% (2009: Zero).

FOREIGN EXCHANGE RISKS

As the Group's sales are predominantly denominated in Renminbi and the purchases and expenses are either denominated in Renminbi or Hong Kong dollars, 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 risk exposure and will consider to hedge significant currency risk exposure should the need arise.

STAFF

As at 31 December 2010, the Group had a total of 268 staff (2009: 234 staff), whose remuneration and benefits are determined based on market rates, state policies and individual performance.

MAJOR INVESTMENT

During the year of 2010, the Group acquired 3% interest in the entire registered capital of Shanghai Hengda Group (Jiangsu) Investment Co., Ltd. ("Hengda Jiangsu") at a consideration of RMB1,500,000 and provided a shareholder's loan of RMB14,500,000 to Hengda Jiangsu. Details of the Group's investment in Hengda Jiangsu are set out in Company's announcement dated 27 August 2010.

For the year ended 31 December 2010, apart from the above-mentioned investment in Hengda Jiangsu and the investment properties held by the Group as set out in the section headed "Summary of Major Properties" of this report, no other significant investment has been made by the Group.

CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 31 December 2010 (2009: RMB Nil).

CAPITAL COMMITMENTS

The Group had no material capital commitments as at 31 December 2010 (2009: RMB Nil).

The Company recognises the importance of good corporate governance to its healthy growth, and thus has devoted much efforts into formulating the best corporate governance practices that meet its business needs.

The Company has adopted and complied with the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company periodically reviews its corporate governance practices to ensure its continuous compliance with the CG Code. The Company has complied with the CG Code for the year ended 31 December 2010, save for the deviation from code provision A.2.1 of the CG Code.

Pursuant to code provision A.2.1 of the CG Code, the responsibilities between the chairman and chief executive officer ("CEO") should be segregated and should not be performed by the same individual. However, the Company does not have a separate chairman and CEO, with Mr. Chiang Chen Feng currently performing these two roles. The Board believes that vesting both the roles of 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.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all Directors, all Directors have confirmed that they have fully complied with the required standards set out in the Model Code during the year ended 31 December 2010.

BOARD OF DIRECTORS

The Group is led by and controlled through the Board, which is constituted by a combination of three executive Directors, namely Mr. Chiang Chen Feng, Ms. Chang Hsiu Hua and Mr. Han Lin, a non-executive Director, namely Ms. Lin Chien Ju, and three independent non-executive Directors, namely Dr. Cheng Chi Pang, Mr. Ng Wai Hung and Mr. Cui Shi Wei. Mr. Chiang Chen Feng is the Chairman of the Board.

The Board oversees the overall management and operations of the Group. Major responsibilities of the Board include approving the Group's overall business, financial and technical strategies, setting key performance targets, approving financial budgets and major expenditures, supervising and scrutinizing the performance of management while the senior management are responsible for the supervision and the execution of the plans of the Group.

The non-executive Director and independent non-executive Directors have been appointed by the Company for a term of one year commencing from 10 June 2006 renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of appointment until terminated by not less than 3 months' notice in writing served by either the Company or the respective Director to the other. The non-executive Director and independent non-executive Directors are also subject to rotation at annual general meetings pursuant to the Articles of Association of the Company. All the independent non-executive Directors have confirmed in writing to the Company that they have met all the guidelines for assessing their independence as set out in Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors to be independent.

The emolument payable to Directors is determined by the Board and recommendations given by the remuneration committee of the Board with reference to the Directors' duties and responsibilities.

Save for the spousal relationship between Mr. Chiang Chen Feng and Ms. Chang Hsiu Hua, both of whom are the executive Directors, there is no other family relationship between any of the Directors, nor is there any financial, business or other material or relevant relationships among the members of the Board.

BOARD MEETINGS

It is intended that the Board should meet regularly for at least four times a year, i.e. at approximately quarterly intervals. Special meetings of the Board will be convened if the situation requires so. For the year ended 31 December 2010, the Board convened a total of five Board meetings (exclusive of meetings of Board committees constituted by the Board) and the individual attendance record of the Directors is tabulated as follows:

Name of Director	Number of meeting held during the year	Number of meeting attended
Executive Directors		
Mr. Chiang Chen Feng *(Chairman)*	5	5
Ms. Chang Hsiu Hua	5	5
Mr. Han Lin	5	5
Non-executive Director		
Ms. Lin Chien Ju	5	5
Independent non-executive Directors		
Dr. Cheng Chi Pang	5	5
Mr. Ng Wai Hung	5	1
Mr. Cui Shi Wei	5	4

COMMITTEES OF THE BOARD

The Board has established the Executive Committee, the Nomination Committee, the Audit Committee and the Remuneration Committee (as defined below) for overseeing particular aspects of the Company's affairs.

EXECUTIVE COMMITTEE

The Board has established an executive committee (the "Executive Committee") with written terms of reference on 12 January 2007. It consists of all of the executive Directors, namely, Mr. Chiang Chen Feng, Ms. Chang Hsiu Hua and Mr. Han Lin. Mr. Chiang Chen Feng is the chairman of the Executive Committee.

The Executive Committee meets as and when required to review and approve, inter alia, any matters concerning the day-to-day management of the Group and has all the general powers of the Board except those matters specifically reserved for the Board. The Executive Committee has not convened any meetings for the year ended 31 December 2010.

NOMINATION OF DIRECTORS

The Board has set up a nomination committee (the "Nomination Committee") as recommended by the CG Code. The Nomination Committee consists of one executive Director, namely, Mr. Chiang Chen Feng and two independent non-executive Directors, namely, Dr. Cheng Chi Pang and Mr. Ng Wai Hung. Mr. Chiang Chen Feng is the chairman of the Nomination Committee. In considering the nomination of new Directors, the Nomination Committee will take into account the qualification, ability, working experience, leadership and professional ethics of potential candidates. For the year ended 31 December 2010, the Nomination Committee had not convened any meeting concerning the nomination of Directors and had not undergone any process in relation to nomination of Directors. No nomination of new Directors took place during the year ended 31 December 2010.

AUDIT COMMITTEE AND ACCOUNTABILITY

The Board is responsible for preparing the accounts of the Company, which give a true and fair view of the financial position of the Group on a going concern basis. It is also responsible for presenting a balanced, clear and understandable assessment of the Group's annual and interim reports, other price-sensitive announcements and other financial disclosures as required under the Listing Rules. The management provides all relevant information and records to the Board which enable it to prepare the accounts and to make the above assessments.

The Company has established an audit committee (the "Audit Committee") of the Board with written terms of reference adopted pursuant to the requirements of the code provisions of the CG Code and Rule 3.21 of the Listing Rules on 10 June 2006. The Audit Committee consists of three independent non-executive Directors, namely Dr. Cheng Chi Pang, Mr. Ng Wai Hung and Mr. Cui Shi Wei. Dr. Cheng Chi Pang is the chairman of the Audit Committee.

The Audit Committee was set up for the purposes of reviewing and supervising the financial reporting process and internal control procedures of the Group and regulating the financial reporting procedures and internal controls of the Group. It is responsible for making recommendations to the Board for the appointment, reappointment or removal of the external auditor and also reviews and monitors the external auditor's independence and objectivity as well as the effectiveness of the audit process to make sure that it is in full compliance with applicable standards. For the year ended 31 December 2010, the Audit Committee met with the external auditor to review and approve the audit plans and also reviewed the Group's interim results of 2010 and annual results of 2009 and the audit findings with the attendance of the external auditor and executive Directors.

The Audit Committee had reviewed the accounting policies, accounting standards and practices adopted by the Group and the consolidated financial statements and results of the Group for the year ended 31 December 2010.

The Audit Committee convened two meetings for the year ended 31 December 2010. The individual attendance record of each member of the Audit Committee is tabulated as follows:

Name of Director	Number of meeting held during the year	Number of meeting attended
Dr. Cheng Chi Pang *(Chairman)*	2	2
Mr. Ng Wai Hung	2	1
Mr. Cui Shi Wei	2	2

REMUNERATION COMMITTEE

The Board has established a remuneration committee (the "Remuneration Committee") with written terms of reference in compliance with the CG Code on 10 June 2006. The Remuneration Committee consists of three independent non-executive Directors, namely Dr. Cheng Chi Pang, Mr. Ng Wai Hung and Mr. Cui Shi Wei. Mr. Cui Shi Wei is the chairman of the Remuneration Committee.

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. During the year under review, the Remuneration Committee had not convened any meeting.

AUDITOR'S REMUNERATION

During the year under review, the remuneration payable/paid to RSM Nelson Wheeler, the external auditor of the Company, is set out as follows:

Services rendered	Fees payable/paid RMB'000
Audit services	587
Non-audit services	102
Total	689

DIRECTORS' AND AUDITOR'S ACKNOWLEDGEMENT

The Directors acknowledge their responsibility for preparing the accounts for the year under review.

The external auditor of the Company acknowledge their reporting responsibilities in the independent auditor's report on the consolidated financial statements for the year under review.

INTERNAL CONTROLS

The Board is responsible for maintaining an adequate internal control system to facilitate effective and efficient operations, to safeguard assets, to prevent and detect fraud and error, and to ensure the quality and timely preparation of internal and external reporting and compliance with applicable laws and regulations. The effectiveness of the internal control system (covering financial, operational and compliance controls and risk management functions) and specifically, the adequacy of resources, qualification and experience of staff of the Company's accounting and financial reporting function, and their training programme and budget are reviewed during the Board's annual review.

The Company has maintained a tailored governance structure with clear lines of responsibility and appropriate delegation of responsibility and authority to the senior management, who are accountable for the conduct and performance of the respective business divisions under their supervision.

The Chairman and executive Directors review monthly reports on the financial results and project progress of each business. Monthly management meetings are held to review business performance against budgets and risk management strategies. Any major variances are highlighted for investigation and control purposes.

There are established guidelines and procedures for the approval and control of expenditures. The aim is to keep the expenditure level in line with the annual budget and within the cost budget of an approved project. Expenditures are subject to overall budget control with approval levels set by reference to the level of responsibility of each manager. Depending on the nature and value, procurement of certain goods and services are required to go through the tendering process. No individual in the Group, irrespective of their rank and position, are allowed to dominate the entire expenditure process from commitment to payment.

INVESTOR RELATIONS AND SHAREHOLDERS' COMMUNICATIONS

The Company enhances investor relations and communications by setting up meetings with the investment community. The Company also responds to requests for information and queries from the investment community through the attendance by the executive Directors and designated senior management. The Board is committed to providing clear and full information of the Company to shareholders through despatching the Group's interim and annual reports, circulars, notices, financial reports to shareholders as and when appropriate.

The Company's annual general meeting provides a good opportunity for communications between the Board and its shareholders. Shareholders are encouraged to attend the annual general meeting. Notice of the annual general meeting and related papers are sent to shareholders in the manner prescribed under the Articles of Association and the Listing Rules and such notice is also published on both the Stock Exchange's website (http://www.hkexnews.hk) and the Investor Relations Section of our Company's website (http://www.fortune-sun.com). The chairman of the meeting and Directors will answer questions on the Company's business at the annual general meeting. External auditor of the Company will also attend the annual general meeting.

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are provided for in Article 72 of the Articles of Association. Details of such rights and procedures will be included in the relevant circulars to shareholders and explained during the proceedings of meetings. At the commencement of the shareholders' meetings, the chairman will ensure that the detailed procedures for conducting a poll will be explained.

Poll results will be published on both the Stock Exchange's website (http://www.hkexnews.hk) and the Investor Relations Section of our Company's website (http://www.fortune-sun.com) following any shareholders' meeting.

MATERIAL UNCERTAINTIES OF THE GROUP'S ABILITY TO CONTINUE AS A GOING CONCERN

The external auditor has expressed a disclaimer of opinion relating to preparation of the audited consolidated financial statements of the Group for the year ended 31 December 2010 due to fundamental uncertainties as set out in pages 33 to 35 of this annual report.

The directors (the "Directors") of Fortune Sun (China) Holdings Limited (the "Company") are pleased to present the annual report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Company's principal subsidiaries are provision of property consultancy and agency services for the primary property market in the PRC. Particulars of the Company's subsidiaries are set out in note 17 to the consolidated financial statements. The nature of the principal activities of the Group has not changed during the year.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2010 and the state of affairs of the Company and the Group as at 31 December 2010 are set out in the consolidated financial statements on pages 36 to 82.

On 25 March 2011, the Directors resolved not to recommend any final dividend to the shareholders of the Company for the year ended 31 December 2010 because of the poor financial results and liquidity position of the Group.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 15 June 2011 to Friday, 17 June 2011 (both days inclusive) during which period no transfer of shares will be registered.

In order to qualify for attending and voting at the annual general meeting of the Company to be held on Friday, 17 June 2011 (the "2010 Annual General Meeting"), all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4.30 p.m. on Tuesday, 14 June 2011.

INVESTMENT PROPERTIES

Details of investment properties of the Group are set out in notes 16 to the consolidated financial statements as well as the section headed "Summary of Major Properties" set out on page 84 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Company and of the Group during the year are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in note 25 to the consolidated financial statements.

RESERVES

Details of movements in reserves of the Company and the Group are set out in note 26 to the consolidated financial statements and the consolidated statement of changes in equity respectively.

GROUP FINANCIAL SUMMARY

The results, assets and liabilities of the Group for the last five financial years are summarized in the section headed "Summary of Financial Information" set out on page 83 of this annual report.

DISTRIBUTABLE RESERVES

Under the Companies Law of the Cayman Islands, Cap. 22 (Law 3 of 1961, as revised and consolidated from time to time), the share premium is available for distribution to shareholders subject to the provisions of the Articles of Association of the Company, and no distribution may be paid to shareholders out of the Company's share premium unless the Company shall be able to pay its debt as they fall due in the ordinary course of business. As at 31 December 2010, the Company's reserves available for distribution amounted to approximately RMB21,923,000.

DISCLOSURE PURSUANT TO RULES 13.13 AND 13.15 OF THE LISTING RULES

(i) 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 Shanghai Xi Ge Ma Land Company Limited (上海希格瑪置業有限公司) (the "Former Customer") to secure the performance of its sales agency obligations in a real estate project in Shanghai (the "Subject Project") under certain agency agreements (the "Agency Agreements"), Shanghai Ming Xin Investment and Management Consultant Company Limited (上海名昕投資管理咨詢有限公司) (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 Shanghai Bao Rui Land Company Limited (上海寶瑞置業有限公司) (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 Shanghai Ke Shang Property Consultant Company Limited (上海可上房產咨詢有限公司) (the "Current Investment Partner"), an independent third party, 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.

Subsequently, an underwriting settlement agreement had been entered into between the Current Investment Partner, Shanghai Fortune Sun and the Current Customer on 11 January 2010 after a substantial portion of apartment units (including parking lots) of the Subject Project was sold to ultimate customers in 2009. Pursuant to the agreement, the Current Investment Partner exercised their right to purchase the unsold units (including the parking lots) of the Subject Project (save for 4 apartment units and the corresponding parking lots, the purchase price of which was paid by Shanghai Zhilian but the titles of which were retained by the Current Customer to set off certain sums due from the Current Investment Partner to the Current Customer) (the "Unsold Units") through Shanghai Zhilian Enterprise Development Company Limited (上海智連企業發展有限公司) ("Shanghai Zhilian"), a wholly-owned subsidiary of the Current Investment Partner and an independent third party of the Group, so as to discharge its obligations stipulated in the previous agreement with the property developer to underwrite the sales of all the apartment units and parking lots of the Subject Project. Given the property titles to the Unsold Units of the Subject Project are ultimately transferred to Shanghai Zhilian, therefore, a new agreement has been entered into between Shanghai Zhilian, the Current Investment Partner and Shanghai Fortune Sun on 24 February 2010, pursuant to which Shanghai Zhilian agreed to appoint Shanghai Fortune Sun as the sales and consultancy agent in respect of the Unsold Units for a term of 12 months, and Shanghai Zhilian will assume all the warranties, undertakings and repayment obligations of the Current Investment Partner to Shanghai Fortune Sun in relation to the Subject Project, including the repayment obligation of the Current Investment Partner to Shanghai Fortune Sun in respect of the Security Deposit. Shanghai Zhilian has agreed to refund the Security Deposit to Shanghai Fortune Sun with reference to the progress of sales of the Unsold Units until the Security Deposit has been repaid in full.

The Security Deposit of RMB20 million is accounted for as trade deposits as of 31 December 2010 and 2009 respectively.

As the amount of the Security Deposit represents approximately 18.5% of the assets ratio as defined under Rule 14.07(1) of the Listing Rules as at 31 December 2010, the Company's general disclosure obligation of certain particulars of the Security Deposit as prescribed under Rule 13.15 arose.

(ii) With reference to the announcement of the Company dated 27 August 2010 in relation to the acquisition of 3% interest in the entire registered capital of Hengda Jiangsu, a limited liability company established in the PRC on 9 July 2010 with fully paid up registered capital of RMB50,000,000, at a consideration of RMB1,500,000 and the provision of a shareholder's loan of RMB14,500,000 to Hengda Jiangsu (the "Shareholder's Loan") according to the joint investment agreement dated 27 August 2010 and entered into by the Group with the other existing shareholders of Hengda Jiangsu pursuant to which the Group and these parties shall severally provide to Hengda Jiangsu unsecured, non-interest bearing shareholders' loan for an aggregate sum of RMB669,875,050, out of which the Group has committed to provide RMB14,500,000 for the purposes of financing the acquisition and joint development of two pieces of land located in Yancheng City, Jiangsu Province, the PRC.

The Shareholder's Loan amounting to RMB14,500,000 is unsecured, interest free and has no fixed terms of repayment, and is accounted for as other receivable as of 31 December 2010.

As the amount of the Shareholder's Loan represents approximately 13.4% of the assets ratio as defined under Rule 14.07(1) of the Listing Rules as at 31 December 2010, the Company's general disclosure obligation of certain particulars of the Shareholder's Loan as prescribed under Rule 13.15 arose.

SETTLEMENT OF LITIGATIONS

In relation to the litigations (the "Litigations") disclosed in the announcements of the Company dated 20 April 2009, 29 May 2009, 23 September 2009 and 24 February 2010, they were finally settled as Shanghai Fortune Sun and two individual customers (the "Plaintiffs") for the purchase of 5 property units from a real estate project in Shanghai (the "Subject Project") entered into a settlement agreement (the "Settlement Agreement") on 20 February 2010. Pursuant to the Settlement Agreement, Shanghai Fortune Sun had agreed to pay to the Plaintiffs an aggregate sum of RMB20 million (the "Settlement Amount") in full settlement of the Litigations. The Settlement Amount comprises (1) approximately RMB15,616,000, being the aggregate amount of prepayments made by the Plaintiffs for the purchase of 5 property units from the Subject Project; and (2) approximately RMB4,384,000, being default interests in respect of the breaches by Shanghai Fortune Sun of the agency agreements for the purchase of certain properties under the Subject Project and the costs of the Litigations.

Pursuant to the Settlement Agreement, a sum of RMB808,000, being the approximate bank balance up to 3 November 2009 in a bank account of Shanghai Fortune Sun as frozen by the court in Shanghai, was debited for payment of part of the Settlement Amount, and the balance of the Settlement Amount (being RMB19,192,000) shall be paid by Shanghai Fortune Sun to the Plaintiffs in monthly installments as to (i) RMB892,000, payable before 25 February 2010; (ii) RMB1,700,000 per month, payable before the 25th day of each calendar month for the period from March 2010 to December 2010; and (iii) RMB1,300,000, payable before 25 January 2011. Such balance of the Settlement Amount of RMB19,192,000 had been recognised as other payables in the consolidated statement of financial position of the Group for the year ended 31 December 2009.

Pursuant to the letter of commitment issued by Shanghai Zhilian to Shanghai Pudong New District People's Court dated 20 February 2010, Shanghai Zhilian has unconditionally agreed to guarantee the repayment obligations of Shanghai Fortune Sun for the Settlement Amount. In addition, Shanghai Zhilian has also provided two residential units and the corresponding parking lots from the Subject Project (which are free from encumbrances and tenancy) to the court as security for the undertaking.

In the financial year ended 31 December 2010, Shanghai Fortune Sun had received RMB19,192,000 from Shanghai Zhilian for discharging the repayment obligations of Shanghai Fortune Sun for the Settlement Amount which had been guaranteed by Shanghai Zhilian and such amount was paid to the Plaintiffs in full accordingly. As a result, the payables to the Plaintiffs as of 31 December 2010 was reduced to Nil (31 December 2009: RMB19,192,000), while a corresponding receivable from Shanghai Zhilian which amounted to RMB19,192,000 as of 31 December 2009 was reduced to Nil as of 31 December 2010.

DIRECTORS

The Directors of the Company during the year and up to the date of this report are as follows:

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

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

According to Article 108(A) of the Articles of Association, not less than one-third of the Directors shall retire from office by rotation at each annual general meeting of the Company. Any Director who retires under this article shall then be eligible for re-election as Director. Mr. Chiang Chen Feng, Dr. Cheng Chi Pang and Mr. Cui Shi Wei will retire as Director and, being eligible, offer themselves for re-election as Director at the 2010 Annual General Meeting.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for a term of three years commencing from 1 June 2006 renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of appointment until terminated by either party giving to the other not less than three months' advance written notice of termination.

Each of the non-executive Director and the independent non-executive Directors has been appointed for a term of one year commencing from 10 June 2006 renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of appointment until terminated by not less than three months' notice in writing served by either the Company or the respective Director on the other.

None of the Directors proposed for re-election at the 2010 Annual General Meeting has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation (except for statutory compensation).

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 31 December 2010, 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") (Chapter 571 of the Laws of Hong Kong)), 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 Directors of Listed Issuers (the "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 of percentage shareholding
Mr. Chiang Chen Feng ("Mr. Chiang")	The Company	Interest of a controlled corporation (Note 2)	67,820,850 Ordinary Shares (L)	33.83%
		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)

Name of Directors	Company/ Name of associated corporation	Capacity	Number and class of securities (Note 1)	Approximate of percentage shareholding
Ms. Chang Hsiu Hua ("Ms. Chang")	The Company	Interest of spouse (Note 7)	67,820,850 Ordinary Shares (L)	33.83%
		Beneficial owner and interest of spouse (Note 8)	1,500,000 Ordinary Shares (L)	0.72% (Note 12)
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:

1. The letter "L" denotes the Directors' long position in the Shares or underlying Shares of the Company.

2. 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.

3. 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.

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 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.

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 options and 1,950,000 options granted to him by the Company under the Pre-IPO Share Option Scheme and the 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. 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 208,610,000 Shares in issue as at 31 December 2010, 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 31 December 2010, 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2010, 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 Shareholder	Capacity	Number and class of securities (Note 1)	Approximate of percentage 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%
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 Hsu 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:

1. The letter "L" denotes the shareholders' long position in the Shares or underlying Shares of the Company.

2. 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.

3. 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.

4. 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.

5. 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.

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, so far as the Directors are aware, as at 31 December 2010, 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.

SHARE OPTION SCHEMES

A pre-IPO share option scheme ("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 share option scheme ("Share Option Scheme") was also adopted pursuant to the written resolutions 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.

Details of the movements in the Company's share options (including those granted under the Pre-IPO Share Option Scheme and the Share Option Scheme) during the year ended 31 December 2010 were as follows:

Category of participant	Outstanding as at 1 January 2010	Granted during the year	Exercised during the year	Lapsed or cancelled during the year	Outstanding as at 31 December 2010	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$
	Number of shares in respect of share options								
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 Ju	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
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	1,670,000	–	–	(280,000)	1,390,000	10/06/2006	05/07/2007 to 04/07/2016	0.795	N/A
	1,225,000	–	–	(150,000)	1,075,000	12/03/2008	12/03/2009 to 11/03/2018	1.12	1.12
	1,225,000	–	–	(150,000)	1,075,000	12/03/2008	12/03/2010 to 11/03/2018	1.12	1.12
	4,120,000	–	–	(580,000)	3,540,000				
	8,720,000	–	–	(580,000)	8,140,000				

For the year ended 31 December 2010, 280,000 options had lapsed during the year under the Pre-IPO Share Option Scheme and 300,000 options had lapsed under the Share Option Scheme.

The maximum number of unexercised options currently permitted to be granted under the Share Option Scheme is an amount equivalent, upon their exercise, to 30% of the Shares in issue at any time. The maximum number of Shares issuable under the options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the Shares in issue at any time. Any further grant of options in excess of this limit is subject to shareholders' approval in a general meeting.

Options granted to a Director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive Directors. In addition, any options granted to a substantial shareholder or an independent non-executive Director, or to any of their associates, in excess of 0.1% of the Shares in issue at any time and with an aggregate value (based on the closing price of the Shares at the date of the grant) in excess of HK$5 million within any 12-month period are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of options may be accepted within 21 days from the date of offer of grant of the option, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the options granted is determinable by the Directors, which period may commence from the date on which the offer for grant of the options is made, and shall end in any event not later than 10 years from the date on which the offer for the grant of the options is made subject to the provisions for early termination thereof. There is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

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 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 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 Shares.

As at the date of this annual report, options granted under the Share Option Scheme to subscribe for 4,500,000 shares, representing approximately 2.2% of the issued share capital of the Company at the date, remained outstanding.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Save as disclosed in the section headed "Share Option Schemes" above, at no time during the year were there rights to acquire benefits by means of the acquisition of Shares in or debenture of the Company granted to any Directors or their respective spouse or minor children (natural or adopted), or were such rights exercised by them, or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the shareholders of the Company.

PURCHASE, SALES AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

The Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the year ended 31 December 2010.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance in relation to the Group's business to which the Company, its holding company or any of its subsidiaries or fellow subsidiaries was a party, and in which a Director had a material interest, whether directly or indirectly subsisted at the year-end or at any time during the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders of the Company.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate turnover attributable to the Group's largest customer and five largest customers accounted for approximately 20.2% and 68.8% of the Group's total turnover for the year respectively.

The aggregate purchase attributable to the Group's largest supplier and five largest suppliers accounted for approximately 10.0% and 30.9% of the Group's total purchases of the year respectively.

None of the Directors or any of their associates or any shareholder (which, to the best knowledge of the Directors, owned more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and five largest suppliers.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this report, the Company has maintained a sufficient public float as required under the Listing Rules.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2010 were audited by RSM Nelson Wheeler who will retire at the conclusion of the 2010 Annual General Meeting. A resolution will be submitted to the 2010 Annual General Meeting to re-appoint RSM Nelson Wheeler as auditor of the Company for the year ending 31 December 2011.

DETAILS OF ANY CHANGE IN THE COMPANY'S AUDITOR IN THE PRECEDING THREE YEARS

Baker Tilly Hong Kong Limited ("Baker Tilly"), had resigned as the Company's auditor with effect from 20 June 2008, the details of which were disclosed in an announcement of the Company dated 20 June 2008. Grant Thornton was then appointed to fill the casual vacancy in the office of the auditor with effect from 11 July 2008, the details of which were disclosed in an announcement of the Company dated 11 July 2008.

Following the retirement of Grant Thornton as the Company's auditor on 19 June 2009, RSM Nelson Wheeler was appointed to fill the casual vacancy in the office of the auditor with effect from 15 July 2009, the details of which were disclosed in an announcement of the Company dated 15 July 2009.

All the relevant information above was published on the website of the Stock Exchange (http://www.hkexnews.hk) and the Investor Relations Section of our Company's website (http://www.fortune-sun.com).

Save as disclosed above, there is no change in the Company's auditor in any of the preceding three years.

On behalf of the Board
Fortune Sun (China) Holdings Limited

Mr. Chiang Chen Feng
Chairman

Hong Kong, 25 March 2011

RSM! Nelson Wheeler
中瑞岳華(香港)會計師事務所
Certified Public Accountants

TO THE SHAREHOLDERS OF
FORTUNE SUN (CHINA) HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

We were engaged to audit the consolidated financial statements of Fortune Sun (China) Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 36 to 82, which comprise the consolidated and Company statements of financial position as at 31 December 2010, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Except for the inability to obtain sufficient appropriate audit evidence as explained below, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Because of the matters described in the basis for disclaimer of opinion paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

1) Opening balances and corresponding figures

Our audit opinion on the consolidated financial statements of the Group for the year ended 31 December 2009 (the "2009 Financial Statements"), which forms the basis for the corresponding figures presented in the current year's consolidated financial statements, was disclaimed because of the significance of the possible effect of the limitations on the scope of our audit and the material uncertainty in relation to going concern, details of which are set out in our audit report dated 22 April 2010. Accordingly, we were unable to form an opinion as to whether the 2009 Financial Statements gave a true and fair view of the state of affairs of the Group as at 31 December 2009 and of the Group's results and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards.

2) Scope limitation on the recoverability of trade receivables

Included in the Group's trade receivables of RMB29,155,000 as at 31 December 2010 was an aggregate amount of RMB5,175,000 due from several property developers. However, subsequent to the end of the reporting period and up to the date of this report, only RMB200,000 of the outstanding balance at 31 December 2010 was settled. We have not been provided with sufficient evidence to satisfy ourselves whether the remaining outstanding balance of RMB4,975,000 could be recovered in full. There are no other satisfactory audit procedures that we could adopt to determine whether any allowance for non-recovery of the amount should be made in the consolidated financial statements. Any adjustment to this figure might have a significant consequential effect on the results for the year and the Group's net assets as at 31 December 2010.

3) Scope limitation on the recoverability of trade deposits

Included in the Group's trade deposits of RMB28,980,000 as at 31 December 2010 was an aggregate amount of RMB2,822,000 due from several property developers. However, there was no settlement subsequent to the end of the reporting period and up to the date of this report. We have not been provided with sufficient evidence to satisfy ourselves whether the balance due could be recovered in full. There are no other satisfactory audit procedures that we could adopt to determine whether any allowance for non-recovery of the amount should be made in the consolidated financial statements. Any adjustment to this figure might have a significant consequential effect on the results for the year and the Group's net assets as at 31 December 2010.

4) Material uncertainty relating to going concern

We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss attributable to the owners of the Company of RMB9,515,000 for the year ended 31 December 2010. This condition indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on how accurate the directors are in estimating all the Assumptions as mentioned in note 2 to the consolidated financial statements. The consolidated financial statements do not include any adjustments that would result from the failure to achieve the Assumptions. We consider that the material uncertainty has been adequately disclosed in the consolidated financial statements. However, in view of the extent of the uncertainty relating to the Assumptions, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

DISCLAIMER OF OPINION: DISCLAIMER ON VIEW GIVEN BY CONSOLIDATED FINANCIAL STATEMENTS

Because of the significance of the matters as described in the basis for disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

25 March 2011

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2010

	Note	2010 RMB'000	2009 RMB'000
Revenue	7	**33,727**	54,300
Business tax and other levies		**(1,755)**	(2,685)
Cost of service rendered		**(40,043)**	(42,026)
Gross (loss)/profit		**(8,071)**	9,589
Other income	8	**9,568**	1,259
Operating and administrative expenses		**(15,180)**	(16,696)
Loss from operations		**(13,683)**	(5,848)
Finance cost – loan interest		**(20)**	–
Loss before tax		**(13,703)**	(5,848)
Income tax credit/(expense)	10	**4,188**	(5,967)
Loss for the year attributable to owners of the Company	11	**(9,515)**	(11,815)
		RMB cents	RMB cents
Loss per share	14		
Basic		**(4.75)**	(5.89)
Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	2010 RMB'000	2009 RMB'000
Loss for the year	**(9,515)**	(11,815)
Other comprehensive income:		
Exchange differences on translating foreign operations	**(130)**	(24)
Other comprehensive income for the year, net of tax	**(130)**	(24)
Total comprehensive income for the year attributable to owners of the Company	**(9,645)**	(11,839)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2010

	Note	**As at 31 December 2010 RMB'000**	As at 31 December 2009 RMB'000 (Restated)	As at 1 January 2009 RMB'000 (Restated)
Non-current assets				
Property, plant and equipment	15	**3,361**	2,337	1,225
Investment properties	16	**3,990**	3,995	3,263
Deposits for investment properties		**–**	–	3,123
Golf club membership		**291**	291	291
Available-for-sale financial assets	18	**1,500**	–	–
		9,142	6,623	7,902
Current assets				
Trade receivables	19	**29,155**	48,499	27,200
Trade deposits	20	**28,980**	34,968	43,016
Prepayments and other deposits		**3,653**	4,116	6,118
Other receivables	21	**19,745**	26,852	31,866
Current tax assets		**344**	–	363
Bank and cash balances	22	**17,203**	8,975	19,289
		99,080	123,410	127,852
Current liabilities				
Accruals and other payables		**7,083**	25,198	25,535
Other loan	23	**10,000**	–	–
		17,083	25,198	25,535
Net current assets		**81,997**	98,212	102,317

At 31 December 2010

	Note	As at 31 December 2010 RMB'000	As at 31 December 2009 RMB'000 (Restated)	As at 1 January 2009 RMB'000 (Restated)
Total assets less current liabilities		**91,139**	104,835	110,219
Non-current liabilities				
Deferred tax liabilities	24	**6,084**	10,272	4,668
NET ASSETS		**85,055**	94,563	105,551
Capital and reserves				
Share capital	25	**20,644**	20,644	20,644
Reserves		**64,411**	73,919	84,907
TOTAL EQUITY		**85,055**	94,563	105,551

Approved by the Board of Directors on 25 March 2011

Chang Hsiu Hua
Director

Han Lin
Director

STATEMENT OF FINANCIAL POSITION

At 31 December 2010

	Note	2010 RMB'000	2009 RMB'000
Non-current assets			
Property, plant and equipment	15	**181**	1
Investments in subsidiaries	17	**103**	497
		284	498
Current assets			
Prepayments and deposits		**117**	197
Amounts due from subsidiaries	17	**44,905**	48,536
Bank and cash balances		**1,667**	1,067
		46,689	49,800
Current liabilities			
Accruals and other payables		**861**	937
Amount due to a subsidiary	17	**3,545**	4,091
		4,406	5,028
Net current assets		**42,283**	44,772
NET ASSETS		**42,567**	45,270
Capital and reserves			
Share capital	25	**20,644**	20,644
Reserves	26	**21,923**	24,626
TOTAL EQUITY		**42,567**	45,270

Approved by the Board of Directors on 25 March 2011

Chang Hsiu Hua
Director

Han Lin
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2010

	Share capital	Share premium (note 26(c)(i))	Merger reserve (note a)	Reserve fund (note b)	Share-based payment reserve (note 26(c)(ii))	Foreign currency translation reserve (note 26(c)(iii))	Retained profits/ (accumulated losses)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2009	20,644	40,433	14,554	16,621	3,625	(2,083)	11,757	105,551
Total comprehensive income for the year	–	–	–	–	–	(24)	(11,815)	(11,839)
Share options lapsed after vesting period	–	–	–	–	(36)	–	36	–
Share-based payments	–	–	–	–	851	–	–	851
Changes in equity for the year	–	–	–	–	815	(24)	(11,779)	(10,988)
At 31 December 2009	20,644	40,433	14,554	16,621	4,440	(2,107)	(22)	94,563
At 1 January 2010	20,644	40,433	14,554	16,621	4,440	(2,107)	(22)	94,563
Total comprehensive income for the year	–	–	–	–	–	(130)	(9,515)	(9,645)
Share options lapsed after vesting period	–	–	–	–	(265)	–	265	–
Share-based payments	–	–	–	–	137	–	–	137
Changes in equity for the year	–	–	–	–	(128)	(130)	(9,250)	(9,508)
At 31 December 2010	20,644	40,433	14,554	16,621	4,312	(2,237)	(9,272)	85,055

Note:

a. The merger reserve represents the difference between the nominal value of the share capital issued by the Company and the aggregate of share capital and share premium of Millstone Developments Limited ("Millstone") acquired pursuant to the Group reorganisation in 2006.

b. The reserve fund is set up by way of appropriation from the profit after tax in accordance with the relevant laws and regulations in the PRC. The rate of appropriation to the reserve fund is subject to the decision of the board of directors of PRC subsidiaries, but the minimum appropriation rate is 10% of the profit after tax for each year, until when the accumulated balance reaches 50% of its registered capital. Pursuant to the relevant laws and regulations of the PRC, if approvals are obtained from the relevant government authorities, the reserve fund can be used in setting off accumulated losses or to increase the capital of this subsidiary.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2010

	2010 **RMB'000**	2009 RMB'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	**(13,703)**	(5,848)
Adjustments for:		
Interest income	**(138)**	(81)
Depreciation of property, plant and equipment	**789**	373
Depreciation of investment properties	**84**	113
Gain on disposals of property, plant and equipment	**–**	(18)
Written off of property, plant and equipment	**4**	–
Gain on disposals of investment properties	**(805)**	(154)
Reversal of impairment of trade deposits	**(1,603)**	(172)
(Reversal of)/allowance for impairment of trade receivables	**(3,183)**	264
Written off of other receivables	**161**	1,487
Equity-settled share-based payments	**137**	851
Operating loss before working capital changes	**(18,257)**	(3,185)
Decrease/(increase) in trade receivables	**21,522**	(23,535)
Decrease in trade deposits	**7,591**	8,220
Decrease in prepayments and other deposits	**463**	2,002
Decrease in other receivables	**6,946**	3,197
Decrease in accruals and other payables	**(18,115)**	(337)
Cash generated from/(used in) operations	**150**	(13,638)
Income taxes paid	**(344)**	–
Net cash used in operating activities	**(194)**	(13,638)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	**(1,817)**	(1,503)
Purchases of investment properties	**(179)**	(160)
Proceeds from disposals of property, plant and equipment	**–**	36
Proceeds from disposals of investment properties	**1,910**	4,894
Purchase of available-for-sale financial assets	**(1,500)**	–
Interest received	**138**	81
Net cash (used in)/generated from investing activities	**(1,448)**	3,348

For the year ended 31 December 2010

	2010 **RMB'000**	2009 RMB'000 (Restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Inception of other loan	**10,000**	–
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**8,358**	(10,290)
Effect of foreign exchange rate changes	**(130)**	(24)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**8,975**	19,289
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**17,203**	8,975
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	**17,203**	8,975

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 address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Suite 1511, 15th Floor, Tower One, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong and its head office is located at Units 05-10, Level 21, China Insurance Building, No. 166 Lujiazui East Road, Pudong New District, Shanghai 200120, the People's Republic of China (the "PRC"). The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited since 5 July 2006.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 17 to the consolidated financial statements.

2. GOING CONCERN BASIS

The Group incurred a loss attributable to the owners of the Company of RMB9,515,000 for the year ended 31 December 2010. This condition indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. In light of this condition, the directors have prepared a cash flow forecast for the next twelve months from 31 December 2010 (the "Cash Flow Forecast") based on the key underlying assumptions (the "Assumptions") which include the followings:

(i) there will be a timely recovery of the property market conditions in the PRC in the next twelve months;

(ii) there will be timely repayment schedules from the property developers on the trade deposits as well as the estimated agency income;

(iii) the directors will adopt a series of cost control measures to reduce various cost of services; and

(iv) the directors will dispose of all of the investment properties of the Group when required.

Based on the results of the Cash Flow Forecast, the directors are of the opinion that the Group is able to generate sufficient cash flows from its operations and are therefore of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group be unable to generate sufficient cash flows in accordance with the Cash Flow Forecast, the Group might not be able to continue its business as a going concern. Accordingly, adjustments would have to be made to the consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. ADOPTION OF NEW AND REVISED HKFRSs

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 January 2010. HKFRSs comprise Hong Kong Financial Reporting Standards, 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 and presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years except as stated below.

Classification of Land Leases

Amendments to HKAS 17 "Leases" deleted the guidance in HKAS 17 that when the land has an indefinite economic life, the land element is normally classified as an operating lease unless title is expected to pass to the lessee by the end of the lease term.

The Group reclassifies a land lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership to the Group e.g. at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the land.

Amendments to HKAS 17 has been applied retrospectively and resulted in changes in the consolidated amounts reported in the consolidated financial statements as follows:

	At 31 December 2010 RMB'000	At 31 December 2009 RMB'000	At 1 January 2009 RMB'000
Increase in investments properties	–	2,011	1,766
Decrease in prepaid land lease payments of investment properties	–	(2,011)	(1,766)

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.

4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with HKFRSs and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the disclosure requirements of the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in note 5 to the consolidated financial statements.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position the investments in subsidiaries are stated at cost less allowance for impairment losses. The results of subsidiaries are accounted for by the Company on basis of dividends received and receivable.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's presentation currency and the functional currency of the principal operating subsidiaries of the Group. The functional currency of the Company is Hong Kong dollars ("HK$").

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(b) Foreign currency translation *(Continued)*

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

– Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

– Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

– All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the profit or loss on disposal.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Furniture and fixtures	3 to 5 years
Computers	3 to 5 years
Leasehold improvements	Over their expected useful lives, or over the unexpired period of the lease, if shorter
Motor vehicles	5 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

(d) Investment properties

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. An investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at cost less accumulated depreciation and impairment losses. The depreciation is calculated using the straight-line method to allocate the cost to the residual value over its estimated useful life of 40 years or the lease term after taking into account a residual value of 10%, if shorter.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss.

(e) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(f) Golf club membership

Golf club membership with indefinite useful life is stated at cost less any impairment losses. Impairment is reviewed annually or when there is any indication that the golf club membership has suffered an impairment loss.

(g) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

(h) Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets not classified as trade and other receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in other comprehensive income, until the investments are disposed of or there is objective evidence that the investments are impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. Interest calculated using the effective interest method is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(h) Investments *(Continued)*

Available-for-sale financial assets *(Continued)*

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale financial assets are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale financial assets are subsequently reversed and recognised in profit or loss if an increase in the fair value of the instruments can be objectively related to an event occurring after the recognition of the impairment loss.

Unlisted equity securities

Investments in unlisted equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the statement of financial position at cost less impairment losses.

(i) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

(j) Trade deposits

Trade deposits are required to be placed with property developers as security for the continuing performance of the Group under the relevant agency contracts. These deposits will be refunded when the Group is compliant with the prescribed terms in the underlying agency contracts.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(j) Trade deposits *(Continued)*

The deposits can be forfeited if the Group fails to achieve the prescribed terms in some underlying agency contracts. At the end of each reporting period, an assessment of the performance of each property service assignment will be made. An impairment against the trade deposit will be made, on an individual basis, when the prescribed terms in the agency contracts are unlikely to be attained, within the timeframe specified in the underlying contracts, taking into consideration of current market conditions. This impairment is determined based on the present value of the estimated future cash flows that will be released when the Group is compliant with the prescribed terms in the agency contract and the deposit becomes refundable unconditionally.

(k) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

(l) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(i) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(ii) Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(m) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Income from comprehensive property consultancy and sales agency service projects is recognised when:

(i) the property developer and property purchasers enter into the relevant sale and purchase agreement; and

(ii) if required, all ancillary services as stipulated in the agency contracts have been rendered; and

(iii) the service is substantially ascertained to the satisfaction of the property developer.

Income from property consultancy service projects is recognised when the services rendered by the Group reach the relevant stages as specified in the contracts and the property developers have an obligation to pay for the services. The relevant stages as stipulated in the contracts include the followings:

(i) Completion of a property development consultancy report on a project which includes a land search report, analysis of the investment return, feasibility study and/or advice on the project planning and design;

(ii) Completion of a marketing planning report on a project which includes advice on the market positioning of the relevant properties and/or representing the customer to undertake the project negotiation; and

(iii) Completion of a promotion planning report on a project which includes sales strategies, suggesting selling prices and plans for sales promotion for the relevant properties.

Interest income is recognised on a time-proportion basis using the effective interest method.

(n) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(n) Employee benefits *(Continued)*

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(o) Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(q) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly to equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(r) Related parties

A party is related to the Group if:

(i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;

(ii) the party is an associate;

(iii) the party is a joint venture;

(iv) the party is a member of the key management personnel of the Company or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

(s) Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets except golf club membership, investments, receivables and trade deposits to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

(s) Impairment of assets *(Continued)*

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(t) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(u) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements apart from those involving estimations, which are dealt with below.

Going concern basis

These consolidated financial statements have been prepared on a going concern basis. Details are explained in note 2 to the consolidated financial statements.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES *(Continued)*

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Property, plant and equipment and investment properties and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment and investment properties. These estimates are based on the historical experience of the actual useful lives and residual value of property, plant and equipment and investment properties of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(b) Impairment loss for bad and doubtful debts

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables and trade deposits, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and trade deposits and doubtful debt expenses in the year in which such estimate has been changed.

(c) Impairment of assets

Internal and external sources of information are reviewed by the Group at the end of reporting period to assess whether there is any indication that property, plant and equipment and investment properties may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine impairment losses on the assets. Changes in facts and circumstances may affect the conclusion of whether an indication of impairment exists and result in revised estimates of recoverable amounts, which would affect income statement in future years.

(d) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currency of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Credit risk

The carrying amount of the cash and bank balances, trade and other receivables, investments and trade deposits included in the statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

It has policies in place to ensure that services are rendered to customers with an appropriate credit history.

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The credit period granted to customers for trade receivables generally ranges from one to three months. The refund of trade deposits is in accordance with the terms of the underlying agency agreements. The objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problem. In order to minimise the credit risk, management of the Group has designated a team to be responsible for the determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts on a regular basis. In addition, the Group reviews the recoverable amount of each individual trade receivable and trade deposit regularly to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, management considers that the Group's credit risk is significantly reduced.

The Group has significant concentration of credit risk to its trade receivables and trade deposits as the Group's largest customer shared 57% (2009: 44%) of the trade receivables and trade deposits at the end of reporting period.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables and trade deposits are set out in notes 19 and 20 respectively.

6. FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of the payables in its daily operations and its cash flow management. The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and appropriate level of liquid assets to meet its liquidity requirements in the short and longer term.

As mentioned in note 2, the Group's ability to meet its financial obligations when they fall due is dependent upon the sustainability of the Cash Flow Forecast with the underlying Assumptions. The directors are satisfied that the Group will be able to meet in full their financial obligations as and when they fall due in the foreseeable future.

Ultimate responsibility for liquidity risk management rests with the directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The maturity of the Group's financial liabilities at 31 December 2010 and at 31 December 2009 is less than one year.

(d) Interest rate risk

The Group's exposure to interest rate risk arises from its bank deposits and other loan.

The Group's bank deposits and other loan bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

(e) Categories of financial instruments

	2010 RMB'000	2009 RMB'000
Financial assets:		
Loans and receivables (including cash and cash equivalents)	**95,728**	120,441
Available-for-sale financial assets	**1,500**	–
Financial liabilities		
Financial liabilities at amortised cost	**17,083**	25,198

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

7. REVENUE

The Group's revenue which represents income from provision of services is as follows:

	2010 RMB'000	2009 RMB'000
Comprehensive property consultancy and sales agency service projects	**32,287**	53,061
Pure property consultancy service projects	**1,440**	1,239
	33,727	54,300

8. OTHER INCOME

	2010 RMB'000	2009 RMB'000
Interest income	**138**	81
Gain on disposals of property, plant and equipment	**–**	18
Gain on disposals of investment properties	**805**	154
Reversal of impairment of trade receivables	**3,183**	–
Reversal of impairment of trade deposits	**1,603**	172
Compensation income	**2,520**	–
Sundry income	**1,319**	834
	9,568	1,259

9. SEGMENT INFORMATION

Operating segments are 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.

The Group has carried on a single business in a single geographical location, 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. Accordingly, there is only one single reportable segment of the Group which is regularly reviewed by the chief operating decision maker.

Revenue from major customers

	2010 RMB'000	2009 RMB'000
Customer a	**3,251**	27,329
Customer b	**6,808**	–
Customer c	**5,255**	–
Customer d	**4,936**	–

10. INCOME TAX (CREDIT)/EXPENSE

	2010 **RMB'000**	2009 RMB'000
Current tax – PRC enterprise income tax		
Under-provision in prior years	**–**	363
Deferred tax (note 24)	**(4,188)**	5,604
Income tax (credit)/expense	**(4,188)**	5,967

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit for the year (2009: RMB Nil).

Tax charge on profits assessable elsewhere has 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.

The new PRC enterprise income tax law passed by the Tenth National People's Congress on 16 March 2007 introduced various changes which included the unification of the enterprise income tax rate for domestic and foreign enterprises at 25%. The new tax law was effective from 1 January 2008.

According to the Notice on the implementation Rules of the Grandfathering Relief under the PRC New Corporate Income Tax 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-invested enterprises registered in Pudong New District of Shanghai is 18% in 2008 and the applicable tax rate shall gradually increase from 18% to 25% from 2008 to 2012. The directors are confident that the Grandfathering Relief Ruling is also applicable to both Shanghai Fu Yang Property Consultant Co., Ltd ("Shanghai Fortune Sun") and Cornerstone Investment Management & Consultancy Co., Limited ("Cornerstone"). Accordingly, Shanghai Fortune Sun and Cornerstone are subject to 22% (2009: 20%) PRC enterprise income tax during the year. No PRC enterprise income tax is required since Shanghai Fortune Sun has sufficient tax losses brought forward to set off against current year's assessable profit and Cornerstone has no assessable profit for the year (2009: RMB Nil).

10. INCOME TAX (CREDIT)/EXPENSE *(Continued)*

The reconciliation between the income tax (credit)/expense and the product of loss before tax multiplied by the PRC enterprise income tax rate is as follows:

	2010 **RMB'000**	2009 RMB'000
Loss before tax	**(13,703)**	(5,848)
Tax at the domestic income tax rate of 22% (2009: 20%)	**(3,014)**	(1,169)
Tax effect of income that is not taxable	**(1,594)**	(635)
Tax effect of expenses that are not deductible	**679**	2,036
Tax effect of tax losses not recognised	**124**	4,273
Tax effect of utilisation of tax losses not previously recognised	**(889)**	–
Under-provision in prior years	**–**	363
Difference in deferred tax liabilities arising from the change of tax rate	**506**	1,099
Income tax (credit)/expense	**(4,188)**	5,967

11. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the following:

	2010 **RMB'000**	2009 RMB'000 (Restated)
Auditor's remuneration	**587**	549
Depreciation of property, plant and equipment	**789**	373
Depreciation of investment properties	**84**	113
Exchange (gain)/loss, net	**(185)**	2
Gain on disposals of investment properties	**(805)**	(154)
Gain on disposals of property, plant and equipment	**–**	(18)
Written off of property, plant and equipment	**4**	–
Staff costs (including directors' remuneration)		
– Fees, salaries, bonus and allowances	**8,904**	8,424
– Retirement benefits scheme contributions	**2,010**	1,661
– Equity-settled share-based payments	**137**	851
Operating lease charges on land and buildings	**4,136**	5,481
Written off of other receivables	**161**	1,487
(Reversal of)/allowance for impairment		
– Trade receivables	**(3,183)**	264
– Trade deposits	**(1,603)**	(172)

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

The emoluments of each director were as follows:

	Fees	Salaries and allowances	Retirement benefit scheme contributions	Share-based payments	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Name of executive directors					
Mr. Chiang Chen Feng	**–**	**803**	**–**	**3**	**806**
Ms. Chang Hsiu Hua	**–**	**570**	**–**	**3**	**573**
Mr. Han Lin	**–**	**337**	**53**	**57**	**447**
Name of non-executive director					
Ms. Lin Chien Ju	**150**	**–**	**–**	**3**	**153**
Name of independent non-executive directors					
Mr. Ng Wai Hung	**138**	**–**	**–**	**3**	**141**
Mr. Cui Shi Wei	**149**	**–**	**–**	**3**	**152**
Dr. Cheng Chi Pang	**149**	**–**	**–**	**3**	**152**
Total for 2010	**586**	**1,710**	**53**	**75**	**2,424**
Name of executive directors					
Mr. Chiang Chen Feng	–	810	–	21	831
Ms. Chang Hsiu Hua	–	570	–	21	591
Mr. Han Lin	–	330	50	418	798
Name of non-executive director					
Ms. Lin Chien Ju	120	–	–	21	141
Name of independent non-executive directors					
Mr. Ng Wai Hung	143	–	–	21	164
Mr. Cui Shi Wei	154	–	–	21	175
Dr. Cheng Chi Pang	154	–	–	21	175
Total for 2009	571	1,710	50	544	2,875

There was no arrangement under which a director waived or agreed to waive any emoluments during the year (2009: RMB Nil).

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(Continued)*

The five highest paid individuals in the Group during the year included 2 (2009: 3) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining 3 (2009: 2) individuals are set out below:

	2010	2009
	RMB'000	RMB'000
Fees, salaries, bonus and allowances	**1,786**	1,347
Equity-settled shared-based payments	**18**	128
Retirement benefit scheme contributions	**66**	70
	1,870	1,545

The emoluments fell within the following band:

	Number of individuals	
	2010	2009
Nil to HK$1,000,000	**3**	2

During the year, no emoluments were paid by the Group to any of the directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY

The loss for the year attributable to owners of the Company included a loss of approximately RMB2,329,000 (2009: RMB7,804,000) which has been dealt with in the financial statements of the Company.

14. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately RMB9,515,000 (2009: RMB11,815,000) and the weighted average number of ordinary shares of 200,470,000 (2009: 200,470,000) in issue during the year.

(b) Diluted loss per share

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary share during the two years ended 31 December 2010.

15. PROPERTY, PLANT AND EQUIPMENT

	Group				
	Furniture and fixtures RMB'000	Computers RMB'000	Leasehold improvements RMB'000	Motor vehicles RMB'000	Total RMB'000
Cost					
At 1 January 2009	540	1,811	1,385	1,323	5,059
Additions	–	–	–	1,503	1,503
Disposals	–	(54)	–	(120)	(174)
At 31 December 2009 and 1 January 2010	540	1,757	1,385	2,706	6,388
Additions	8	233	1,016	560	1,817
Written off	(40)	(17)	(248)	–	(305)
Exchange differences	(3)	(2)	(9)	–	(14)
At 31 December 2010	505	1,971	2,144	3,266	7,886
Accumulated depreciation					
At 1 January 2009	435	1,140	1,385	874	3,834
Charge for the year	39	221	–	113	373
Disposals	–	(48)	–	(108)	(156)
At 31 December 2009 and 1 January 2010	474	1,313	1,385	879	4,051
Charge for the year	17	187	164	421	789
Written off	(40)	(13)	(248)	–	(301)
Exchange differences	(3)	(2)	(9)	–	(14)
At 31 December 2010	448	1,485	1,292	1,300	4,525
Carrying amount					
At 31 December 2010	57	486	852	1,966	3,361
At 31 December 2009	66	444	–	1,827	2,337

15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Company			
	Furniture and fixtures RMB'000	Computers RMB'000	Leasehold improvements RMB'000	Total RMB'000
Cost				
At 1 January 2009, 31 December 2009 and 1 January 2010	99	59	257	415
Additions	8	–	202	210
Written off	(40)	(10)	(248)	(298)
Exchange differences	(3)	(2)	(8)	(13)
At 31 December 2010	64	47	203	314
Accumulated depreciation				
At 1 January 2009	85	46	257	388
Charge for the year	14	12	–	26
At 31 December 2009 and 1 January 2010	99	58	257	414
Charge for the year	2	–	28	30
Written off	(40)	(10)	(248)	(298)
Exchange differences	(4)	(1)	(8)	(13)
At 31 December 2010	57	47	29	133
Carrying amount				
At 31 December 2010	7	–	174	181
At 31 December 2009	–	1	–	1

16. INVESTMENT PROPERTIES

	Group		
	Land	Buildings	Total
	RMB'000	RMB'000	RMB'000
Cost			
At 1 January 2009 (restated)	1,848	1,576	3,424
Additions	3,169	2,416	5,585
Disposals	(2,938)	(1,934)	(4,872)
At 31 December 2009 (restated) and 1 January 2010	2,079	2,058	4,137
Additions	796	388	1,184
Disposals	(626)	(568)	(1,194)
At 31 December 2010	2,249	1,878	4,127
Accumulated depreciation			
At 1 January 2009 (restated)	82	79	161
Charge for the year	63	50	113
Disposals	(77)	(55)	(132)
At 31 December 2009 (restated) and 1 January 2010	68	74	142
Charge for the year	43	41	84
Disposals	(44)	(45)	(89)
At 31 December 2010	67	70	137
Carrying amount			
At 31 December 2010	2,182	1,808	3,990
At 31 December 2009 (restated)	2,011	1,984	3,995

16. INVESTMENT PROPERTIES *(Continued)*

The Group's investment properties at their carrying amounts are analysed as follows:

	2010	2009
	RMB'000	RMB'000
		(Restated)
Outside Hong Kong:		
Long-term leases	**1,886**	2,727
Medium-term leases	**2,104**	1,268
	3,990	3,995

All investment properties are located in the PRC. During the year, the Group disposed of four (2009: eight) of its investment properties with a carrying value of RMB1,105,000 (2009: RMB4,740,000) at a consideration of RMB1,910,000 (2009: RMB4,894,000) resulting in a total gain of RMB805,000 (2009: RMB154,000) on disposals.

An independent professionally qualified valuer, Asset Appraisal Limited, is of the opinion that, had investment properties been carried at their fair values, the amounts would be RMB7,650,000 (2009: RMB6,435,000). Asset Appraisal Limited is a member of the Hong Kong Institute of Surveyors, and has appropriate qualifications and recent experiences in the valuation of similar properties in recent locations. Valuations were based on an open market basis.

17. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2010	2009
	RMB'000	RMB'000
Unlisted investments, at cost	**497**	497
Less: impairment losses	**(394)**	–
	103	497

The amounts due from/to subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

17. INVESTMENTS IN SUBSIDIARIES *(Continued)*

Particulars of the subsidiaries at 31 December 2010 are as follows:

Name of subsidiary	Place of incorporation and date of incorporation	Issued/ registered and fully paid capital	Attributable equity interests	Principal activities
Directly held:				
Millstone	British Virgin Islands ("BVI"), 29 October 2002	100,000 ordinary shares of US$1 each	100%	Investment holding
Eco Home Investment Company Limited (Formerly known as High Color Investments Limited)	BVI, 5 July 2006	50,000 ordinary shares of US$1 each	100%	Investment holding
Fortune Sun Assets Management Company Limited	BVI, 19 March 2008	1 ordinary share of US$1	100%	Not yet commenced business
Indirectly held:				
Shanghai Fortune Sun (note a)	PRC, 11 April 1997	US$7,500,000 registered capital	100%	Property consultancy and agency services providing for the primary property market in the PRC
Cornerstone	PRC, 26 September 2005	US$200,000 registered capital	100%	Provision of property consultancy agency and services and fund management in the PRC
Shanghai Yang Shi Enterprise Development Company Limited	PRC, 9 September 2009	RMB2,000,000 registered capital	100%	Property consultancy and agency services providing for the primary property market in the PRC

Note:

(a) Shanghai Fortune Sun is a wholly-owned foreign enterprise established in the PRC.

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group	
	2010	2009
	RMB'000	RMB'000
Unlisted investment, at cost	**1,500**	–

The above unlisted investment represents equity investment in a private entity established in the PRC.

Unlisted investment with carrying amount of RMB1,500,000 was carried at cost as they do not have a quoted market price in an active market and whose fair value cannot be reliably measured.

19. TRADE RECEIVABLES

	Group	
	2010	2009
	RMB'000	RMB'000
Trade receivables	**32,693**	55,220
Less: Allowance for impairment	**(3,538)**	(6,721)
	29,155	48,499

Impairment loss of trade receivables is made after the directors have considered the timing and probability of the collection.

The credit period granted to trade customers generally ranges from 1 month to 3 months. The ageing analysis of the Group's trade receivables, based on the billing summary, and net of allowance for impairment is as follows:

	2010	2009
	RMB'000	RMB'000
Within 90 days	**5,964**	14,953
Between 91 to 180 days	**1,899**	13,555
Between 181 to 365 days	**4,702**	1,102
Between 1 to 2 years	**10,808**	6,455
Over 2 years	**5,782**	12,434
	29,155	48,499

19. TRADE RECEIVABLES *(Continued)*

Movement in the allowance for impairment of trade receivables is as follows:

	2010 RMB'000	2009 RMB'000
At 1 January	**6,721**	7,039
(Reversal)/allowance for the year	**(3,183)**	264
Amounts written off	**–**	(582)
At 31 December	**3,538**	6,721

At the end of the reporting period, the Group reviews receivables for evidence of impairment on both an individual and collective basis. As at 31 December 2010, the Group has determined trade receivables of RMB3,538,000 (2009: RMB6,721,000) as individually impaired. The impaired trade receivables are due from the individual customers which are experiencing financial difficulties and are in default or delinquency of payments.

The carrying amounts of the Group's trade receivables are denominated in RMB.

As of 31 December 2010, trade receivables of RMB23,191,000 (2009: RMB33,546,000) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2010 RMB'000	2009 RMB'000
Up to 3 months	**1,899**	13,555
4 to 9 months	**4,702**	1,102
10 to 21 months	**10,808**	6,455
More than 21 months	**5,782**	12,434
	23,191	33,546

Trade receivables that were past due but not impaired related to a number of diversified customers having a good track record with the Group. Based on past experience, management believes that no further impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. Except for the gross balance of RMB13,403,000 (2009: RMB22,152,000) in which the customer used their properties as collateral for the balance due to the Group and the Group becomes the second mortgagee against the properties, the Group does not hold any collateral over the remaining balances.

20. TRADE DEPOSITS

	Group	
	2010	2009
	RMB'000	RMB'000
Trade deposits	**33,638**	41,229
Less: Allowance for impairment	**(4,658)**	(6,261)
	28,980	34,968

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.

Impairment loss of trade deposits is made after the directors have considered the timing of the collection.

No credit period is granted to the customers. These trade deposits are refundable when the prescribed terms in the underlying agency contracts are achieved. Based on the payment date, ageing analysis of the Group's trade deposits (net of allowance for impairment) at the end of the reporting period is as follows:

	2010	2009
	RMB'000	RMB'000
Within 90 days	**17**	454
Between 91 and 180 days	**258**	848
Between 181 and 365 days	**637**	339
Between 1 to 2 years	**891**	18,108
Between 2 to 3 years	**17,726**	11,789
Over 3 years	**9,451**	3,430
	28,980	34,968

Movement in the allowance for impairment of trade deposits is as follows:

	2010	2009
	RMB'000	RMB'000
At 1 January	**6,261**	9,433
Reversal for the year	**(1,603)**	(172)
Amounts written off	**–**	(3,000)
At 31 December	**4,658**	6,261

20. TRADE DEPOSITS *(Continued)*

At the end of the reporting period, the Group reviews the trade deposits for evidence of impairment on both an individual and collective basis. As at 31 December 2010, the Group has determined trade deposits of RMB4,658,000 (2009: RMB6,261,000) as individually impaired. The impaired trade deposits are due from the individual developers which are experiencing financial difficulties and are in default or delinquency of payments.

As of 31 December 2010, trade deposits of RMB112,000 (2009: RMB4,515,000) were past due but not impaired. The ageing analysis of these trade deposits is as follows:

	2010	2009
	RMB'000	RMB'000
Up to 3 months	**86**	–
4 to 9 months	**–**	4,515
9 months or above	**26**	–
	112	4,515

Trade deposits that were past due but not impaired related to a number of diversified customers having a good track record with the Group. Based on past experience, management believes that no further impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable. Except for the gross balance of RMB20,000,000 (2009: RMB20,000,000) in which the customer used their properties as collateral for the balance due to the Group and the Group becomes the second mortgagee against the properties, the Group does not hold any collateral over the remaining balances.

21. OTHER RECEIVABLES

Included in other receivables is the shareholder's loan to Shanghai Hengda Group (Jiangsu) Investment Co., Ltd. of RMB14,500,000 (2009: RMB Nil). This shareholder's loan is unsecured, interest-free and has no fixed terms of repayment.

22. BANK AND CASH BALANCES

As at 31 December 2010, the Group's bank and cash balance included short-term bank deposits amounted to RMB12,000,000 (2009: RMB4,500,000). The deposits are in RMB and at a fixed interest rate of 2.97% (2009: 0.36%) p.a. and therefore are subject to fair value interest rate risk.

As at 31 December 2010, the bank and cash balances of the Group denominated in RMB amounted to RMB14,939,000 (2009: RMB7,132,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

22. BANK AND CASH BALANCES *(Continued)*

Analysis of the bank and cash balances denominated in the presentation currency and the currencies other than the presentation currency is as follows:

	2010 **RMB'000**	2009 RMB'000
RMB	**14,939**	7,132
United States dollar	**81**	83
HK$	**2,183**	1,648
New Taiwan dollar	**–**	112
	17,203	8,975

23. OTHER LOAN

The other loan from an unrelated company is denominated in RMB, interest-bearing at a fixed interest rate of 10.62% per annum, thus exposes the Group to fair value interest rate risk, and will be repaid within the next twelve months. An independent third party has unconditionally agreed to guarantee the repayment obligations of the Group for the principal of the loan together with any accrued interest.

24. DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised by the Group:

	Uninvoiced revenue RMB'000	**Uninvoiced expenses** RMB'000	**Total** RMB'000
At 1 January 2009	4,758	(90)	4,668
Charge/(credit) to profit or loss for the year (note 10)			
– origination and reversal of temporary differences	4,738	(233)	4,505
– changes in tax rates	1,131	(32)	1,099
At 31 December 2009 and1 January 2010	10,627	(355)	10,272
Charge/(credit) to profit or loss for the year (note 10)			
– origination and reversal of temporary differences	(4,650)	(44)	(4,694)
– changes in tax rates	543	(37)	506
At 31 December 2010	6,520	(436)	6,084

24. DEFERRED TAX *(Continued)*

The following is the analysis of the deferred tax balances (after offset) for statement of financial position purposes:

	Group	
	2010	2009
	RMB'000	RMB'000
Deferred tax liabilities	**6,520**	10,627
Deferred tax assets	**(436)**	(355)
At end of the year	**6,084**	10,272

At the end of the reporting period the Group has unused tax losses of approximately RMB35,862,000 (2009: RMB39,338,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams.

At 31 December 2010, the Group's tax losses will expire in the following years:

	2010	2009
	RMB'000	RMB'000
In 2015	**564**	–
In 2014	**21,362**	21,362
In 2013	**13,936**	17,976
	35,862	39,338

Under the enterprise income tax law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. As the PRC subsidiaries have incurred losses for both years, no deferred taxation has been provided for in the consolidated income statement in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries.

25. SHARE CAPITAL

	Number of ordinary shares	Nominal Value	
	'000	HK$'000	RMB'000
Authorised:			
Ordinary shares of HK$0.1 each			
At 1 January 2009, 31 December 2009, 1 January 2010 and 31 December 2010	2,000,000	200,000	206,000
Issued and fully paid:			
Ordinary shares of HK$0.1 each			
At 1 January 2009, 31 December 2009, 1 January 2010 and 31 December 2010	200,470	20,047	20,644

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debts less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, share premium, non-controlling interests, retained profits and other reserves).

It is the Group's strategy to keep the net debt-to-adjusted capital ratio as low as feasible. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends, issue new shares, raise new debts or sell assets to reduce debts.

The only externally imposed capital requirement is that for the Company to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares.

26. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of comprehensive income and consolidated statement of changes in equity.

(b) Company

	Share premium RMB'000	Share-based payment reserve RMB'000	Foreign currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2009	40,433	3,625	(6,970)	(5,483)	31,605
Share-based payments	–	851	–	–	851
Currency translation differences	–	–	(26)	–	(26)
Share options lapsed after vesting period	–	(36)	–	36	–
Loss for the year	–	–	–	(7,804)	(7,804)
At 31 December 2009	40,433	4,440	(6,996)	(13,251)	24,626
At 1 January 2010	**40,433**	**4,440**	**(6,996)**	**(13,251)**	**24,626**
Share-based payments	**–**	**137**	**–**	**–**	**137**
Currency translation differences	**–**	**–**	**(511)**	**–**	**(511)**
Share options lapsed after vesting period	**–**	**(265)**	**–**	**265**	**–**
Loss for the year	**–**	**–**	**–**	**(2,329)**	**(2,329)**
At 31 December 2010	**40,433**	**4,312**	**(7,507)**	**(15,315)**	**21,923**

(c) Nature and purpose of reserves

(i) Share premium

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

26. RESERVES *(Continued)*

(c) Nature and purpose of reserves *(Continued)*

(ii) Share-based payment reserve

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 4(o) to the consolidated financial statements.

(iii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4(b) to the consolidated financial statements.

27. SHARE-BASED PAYMENTS

Equity-settled share option scheme

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 on the Stock Exchange.

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 empower the directors of 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 maximum number of unexercised share options currently permitted to be granted under the Share Option Scheme is an amount equivalent to 30% of the shares of the Company in issue at any time. The maximum number of shares issuable under the share options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to the shareholders' approval in a general meeting.

27. SHARE-BASED PAYMENTS *(Continued)*

Equity-settled share option scheme *(Continued)*

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

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

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").

No share option was exercised in 2010 and 2009.

Details of the specific categories of options are as follows:

	Date of grant	Vesting period	Exercise period	Exercise price HK$
Pre-IPO Share Option Scheme	10.6.2006	5.7.2006 to 4.7.2007	5.7.2007 to 4.7.2016	0.795
Share Option 1	12.3.2008	12.3.2008 to 11.3.2009	12.3.2009 to 11.3.2018	1.12
Share Option 2	12.3.2008	12.3.2008 to 11.3.2010	12.3.2010 to 11.3.2018	1.12

If the options remain unexercised after a period of ten years from the date of grant, the options will expire. Options are forfeited if the employee leaves the Group before the options exercise.

27. SHARE-BASED PAYMENTS *(Continued)*

Equity-settled share option scheme *(Continued)*

Details of the share options outstanding during the year are as follows:

	2010		2009	
	Number of share options	Weighted average exercise price HK$	Number of share options	Weighted average exercise price HK$
Outstanding at beginning of the year	**8,720,000**	**0.982**	9,270,000	0.987
Forfeited during the year	**(580,000)**	**0.963**	(550,000)	1.061
Outstanding at end of the year	**8,140,000**	**0.983**	8,720,000	0.982
Exercisable at end of the year	**8,140,000**	**0.983**	6,220,000	0.926

The options outstanding at end of the year have a weighted average remaining contractual life of 6.6 years (2009: average life of 7.6 years) and the exercise prices range from HK$0.795 to HK$1.12 (2009: HK$0.795 to HK$1.12). No options were granted in 2010 and 2009.

The Group recognised the total expenses of RMB137,000 for year ended 31 December 2010 (2009: RMB851,000) in relation to share options granted by the Company.

28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Additions of RMB1,005,000 to investment properties was acquired by offsetting against the trade receivables during the year ended 31 December 2010.

29. LEASE COMMITMENTS

At 31 December 2010, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	Group		Company	
	2010	2009	**2010**	2009
	RMB'000	RMB'000	**RMB'000**	RMB'000
Within one year	**2,252**	2,607	**438**	385
In the second to fifth years inclusive	**2,640**	67	**621**	–
	4,892	2,674	**1,059**	385

The Group and the Company lease a number of properties under operating leases. The leases run for an initial period from 1 to 2 years, with an option to renew the lease and renegotiate the terms at the expiry date or dates as mutually agreed between the Group and the Company and respective landlords/lessors. None of the leases include contingent rentals.

30. SETTLEMENT OF LITIGATIONS

On 20 February 2010, Shanghai Fortune Sun and two individual customers (the "Plaintiffs") have entered into a settlement agreement (the "Settlement Agreement") in relation to the settlement of the litigations (the "Litigations") as disclosed in the announcements of the Company dated 20 April 2009, 29 May 2009, 23 September 2009 and 24 February 2010, pursuant to which Shanghai Fortune Sun has agreed to pay to the Plaintiffs an aggregate sum of RMB20,000,000 (the "Settlement Amount") in full settlement of the Litigations. The Settlement Amount comprises (1) approximately RMB15,616,000, being the aggregate amount of prepayments made by the Plaintiffs for the purchase of 5 property units from a real estate project in Shanghai (the "Subject Project") and (2) approximately RMB4,384,000, being default interests in respect of the breaches of the agreements under dispute by Shanghai Fortune Sun and the costs of the Litigations.

Pursuant to the Settlement Agreement, a sum of RMB808,000, being the approximate bank balance up to 3 November 2009 in a bank account of Shanghai Fortune Sun as frozen by the court in Shanghai, was debited for payment of part of the Settlement Amount, and the balance of the Settlement Amount (being RMB19,192,000) shall be paid by Shanghai Fortune Sun to the Plaintiffs in monthly installments as to (i) RMB892,000, payable before 25 February 2010; (ii) RMB1,700,000 per month, payable before the 25th day of each calendar month for the period from March 2010 to December 2010; and (iii) RMB1,300,000, payable before 25 January 2011.

Pursuant to the letter of commitment issued by Shanghai Zhilian Enterprise Development Company Limited (上海智連企業發展有限公司) ("Shanghai Zhilian"), an independent third party of the Group, to Shanghai Pudong New District People's Court dated 20 February 2010, Shanghai Zhilian has unconditionally agreed to guarantee the repayment obligations of Shanghai Fortune Sun for the Settlement Amount. In addition, Shanghai Zhilian has also provided two residential units and the corresponding parking lots from the Subject Project (which are free from encumbrances and tenancy) to the court as security for the undertaking.

30. SETTLEMENT OF LITIGATIONS *(Continued)*

In the financial year ended 31 December 2010, Shanghai Fortune Sun had received RMB19,192,000 from Shanghai Zhilian for discharging the repayment obligations of Shanghai Fortune Sun for the Settlement Amount which had been guaranteed by Shanghai Zhilian and such amount was paid to the Plaintiffs in full accordingly. As a result, the payables to the Plaintiffs as of 31 December 2010 was reduced to Nil (31 December 2009: RMB19,192,000), while a corresponding receivable from Shanghai Zhilian which amounted to RMB 19,192,000 as of 31 December 2009 was reduced to nil as of 31 December 2010.

31. CONTINGENT LIABILITIES

At 31 December 2010, the Group did not have any significant contingent liabilities (2009: RMB Nil).

32. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 25 March 2011.

A summary of the results, assets and liabilities of the Group for the last five financial years, as extracted from the published audited consolidated financial statements of the Company, is as follows:

	Year ended 31 December				
	2010	2009	2008	2007	2006
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
RESULTS					
Revenue	**33,727**	54,300	23,005	97,942	74,824
(Loss)/Profit for the year attributable to owners of the Company	**(9,515)**	(11,815)	(48,265)	22,646	19,199

	At 31 December				
	2010	2009	2008	2007	2006
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS AND LIABILITIES					
Total assets	**108,222**	130,033	135,754	176,897	165,963
Total liabilities	**23,167**	35,470	30,203	20,309	26,013
Total equity	**85,055**	94,563	105,551	156,588	139,950

Note:

(1) The Company was incorporated in the Cayman Islands on 28 January 2003 and became the holding company of the Group on 10 June 2006 as a result of the reorganisation which was completed on 10 June 2006 to rationalise the structure of the Group in preparation for the listing of the Company on the Main Board of the Stock Exchange .

SUMMARY OF MAJOR PROPERTIES

Investment Properties Held

	Descriptions	Total gross floor areas (sq.m.)	Nature of Property	Attributable interest of the Group	Category of lease
1.	Underground Room No. 302 of Block No. 1, and Underground Room No. 101, South Tower of Block No. 2 of Chao Yang Jie Zuo, No.134 Yuan Shifoying East Lane, Chanyang District, Beijing, the PRC	approximately 227.32 sq.m (area of the underground rooms)	Residential	100%	Long-term
2.	Units Nos. 201 & 202 of Block No. 301 and Bicycle Parking Space No. 50 of Xiang Di Ya Jing, No. 1028 Renmin West Road, Haimen City, Jiangsu Province, the PRC	approximately 276.58 sq.m	Residential and bicycle parking	100%	Long-term
3.	Rooms Nos. 29 and 30 on Level 8 of Jiu Wu Business Mansion, No. 598 Jiangnan Road, Science and Technology Park District, Ningbo City, Zhejiang Province, the PRC	approximately 176.90 sq.m	Office	100%	Medium-term
4.	Car Parking Spaces Nos. 199 and 200, Basement Level 1, Jiu Wu Business Mansion, No. 19 Lane 328 Yangmuqi Road, Jiangdong District, Ningbo City, Zhejiang Province, the PRC	approximately 29.60 sq.m	Car parking	100%	Long-term
5.	Shop No. 39, Tian Ci Liang Yuan, No. 39 Lane 55 Qingfeng Road, Cicheng Town, Jiangbei District, Ningbo City, Zhejiang Province, the PRC	approximately 79.19 sq.m	Shop	100%	Medium-term
6.	Car Parking Spaces Nos. 11, 12, 13 and 14, Basement Level 1, Tian Ci Liang Yuan, No. 53 Lane 55 Qingfeng Road, Cicheng Town, Jiangbei District, Ningbo City, Zhejiang Province, the PRC	approximately 60.36 sq.m	Car parking	100%	Long-term