

Interim Report 2016



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



CONTENTS

	Pages
CORPORATE INFORMATION	2
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS	4
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	5
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	6
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	8
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	9
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS	10
MANAGEMENT DISCUSSION AND ANALYSIS	21
DISCLOSURE OF INTERESTS	29
OTHER INFORMATION	40



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Director

Ms. Lin Chien Ju

Independent Non-executive Directors

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*)
Dr. Cheng Chi Pang
Mr. Ng Wai Hung

NOMINATION COMMITTEE

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

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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No.1500 Century Avenue
Pudong New District
Shanghai 200122
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1115, 11th Floor
Leighton Centre
77 Leighton Road
Causeway Bay
Hong Kong



CORPORATE INFORMATION

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

COMPANY SECRETARY

Mr. Lee Kwai San

COMPLIANCE OFFICER

Ms. Chang Hsiu Hua

AUTHORISED REPRESENTATIVES

Ms. Chang Hsiu Hua
Mr. Lee Kwai San

AUDITOR

RSM Hong Kong
Certified Public Accountants

HONG KONG LEGAL ADVISER

Chiu & Partners

PRINCIPAL BANKERS

PRC

China Minsheng Banking Corporation
Limited

HONG KONG

OCBC Wing Hang Bank Limited
Bank of Communications Co., Ltd. Hong
Kong Branch

STOCK CODE ON THE STOCK EXCHANGE OF HONG KONG LIMITED

00352

COMPANY WEBSITE

www.fortune-sun.com

The board (the "Board") of directors (the "Directors") of Fortune Sun (China) Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2016 (the "period under review" or the "period") together with the comparative figures for 2015 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Note	Six months ended 30 June	
		2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Revenue	3	7,220	9,320
Business tax and other levies		(86)	(167)
Cost of services rendered		(8,221)	(7,810)
Gross (loss)/profit		(1,087)	1,343
Other income		2,917	887
Operating and administrative expenses		(6,089)	(6,041)
Loss from operations		(4,259)	(3,811)
Finance cost – loan interest		–	(347)
Loss before tax		(4,259)	(4,158)
Income tax expense	4	–	–
Loss for the period attributable to owners of the Company	5	(4,259)	(4,158)
Loss per share	7	RMB cents	RMB cents
Basic		(1.7)	(2.1)
Diluted		N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Six months ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Loss for the period	(4,259)	(4,158)
Other comprehensive income:		
<i>Items that will be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	24	(20)
Other comprehensive income for the period, net of tax	24	(20)
Total comprehensive income for the period attributable to owners of the Company	(4,235)	(4,178)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2016

	Note	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	8	1,085	1,297
Investment properties	9	3,474	3,522
Golf club membership		291	291
Available-for-sale financial assets		1,500	1,500
		6,350	6,610
Current assets			
Trade receivables	10	11,808	12,771
Trade deposits	11	1,155	4,627
Prepayments and other deposits		555	492
Other receivables		634	12,129
Bank and cash balances		54,161	42,871
		68,313	72,890
Current liabilities			
Accruals and other payables		5,978	6,580
		5,978	6,580
Net current assets			
		62,335	66,310
Total assets less current liabilities			
		68,685	72,920

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2016

	Note	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
NET ASSETS		68,685	72,920
Capital and reserves			
Share capital	12	24,276	24,276
Reserves		44,409	48,644
TOTAL EQUITY		68,685	72,920

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2016

Attributable to owners of the Company (Unaudited)

	Share capital	Share premium	Merger reserve	Reserve fund	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2015	20,708	41,141	14,554	16,621	3,363	(2,570)	(45,394)	48,423
Issue of shares on exercise of share options	94	1,421	-	-	(558)	-	-	957
Total comprehensive income for the period	-	-	-	-	-	(20)	(4,158)	(4,178)
Changes in equity for the period	94	1,421	-	-	(558)	(20)	(4,158)	(3,221)
At 30 June 2015	20,802	42,562	14,554	16,621	2,805	(2,590)	(49,552)	45,202
At 1 January 2016	24,276	67,674	14,554	16,621	2,100	(1,987)	(50,318)	72,920
Total comprehensive income for the period	-	-	-	-	-	24	(4,259)	(4,235)
Changes in equity for the period	-	-	-	-	-	24	(4,259)	(4,235)
At 30 June 2016	24,276	67,674	14,554	16,621	2,100	(1,963)	(54,577)	68,685

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Six months ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(2,946)	5,378
NET CASH GENERATED FROM INVESTING ACTIVITIES	2,693	386
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	11,519	(1,390)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	24	(20)
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,290	4,354
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	42,871	14,360
CASH AND CASH EQUIVALENTS AT END OF PERIOD, REPRESENTED BY	54,161	18,714
Bank and cash balances	54,161	18,714



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016

1. BASIS OF PREPARATION

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

These condensed consolidated interim financial statements should be read in conjunction with the 2015 annual consolidated financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2015 except as stated below.

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

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2016. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); HKAS; and its Interpretations. The adoption of these new and revised HKFRSs did not have any significant effect on the condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016

3. REVENUE AND SEGMENT INFORMATION

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

	Six months ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Comprehensive property consultancy and sales agency service projects	6,352	8,169
Pure property planning and consultancy service projects	868	1,151
	7,220	9,320

The Group has carried on a single business in a single geographical segment, which is the provision of agency services for the sale of properties and property consultancy services in the PRC, and all the assets are substantially located in the PRC. Accordingly, there is only one single reportable segment of the Group which is regularly reviewed by the chief operating decision maker.

The accounting policies of the operating segment are same as those described in the Group's consolidated financial statements for the year ended 31 December 2015.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016

4. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax is required since the Company has no assessable profit for the period under review and the corresponding period last year.

No PRC enterprise income tax has been made in both periods as the relevant group entities incurred a loss for both periods.

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016

5. LOSS FOR THE PERIOD

The Group's loss for the period is arrived at after charging/(crediting):

	Six months ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
Auditor's remuneration	168	158
Interest income	(173)	(230)
Depreciation of property, plant and equipment	205	169
Depreciation of investment properties	48	48
Exchange loss/(gain), net	5	(11)
Loss on disposals of property, plant and equipment	23	10
Operating lease charges on land and buildings	826	1,468
Impairment loss of/(reversal of allowance for)		
– Trade receivables	72	(111)
– Trade deposits (*)	(208)	(546)

(*) Due to improvement of some project developers' ability to pay during the period under review, there was an improvement of the cash collection from some long aged projects. As a result, allowances made in prior years against trade deposits of approximately RMB208,000 was reversed.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016

6. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the period under review (six months ended 30 June 2015: Nil).

7. LOSS PER SHARE

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of approximately RMB4,259,000 (six months ended 30 June 2015: loss of RMB4,158,000) and the weighted average number of ordinary shares of 244,733,390 (six months ended 30 June 2015: 201,768,398) in issue during the period.

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary share during the period ended 30 June 2016 and 2015.

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2016, the Group acquired property, plant and equipment of approximately RMB39,000 (six months ended 30 June 2015: RMB686,000) and disposed of property, plant and equipment with carrying amount of approximately RMB46,000 (six months ended 30 June 2015: RMB10,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016

9. INVESTMENT PROPERTIES

All investment properties are located in the PRC. During the period under review, the Group had no addition or disposal of investment properties (six months ended 30 June 2015: Nil).

The Board is of the opinion that, had investment properties been carried at their fair values, the amounts would not be less than the stated carrying amounts as at 30 June 2016. The Board intends to hold those properties to earn rentals and/or for capital appreciation.

10. TRADE RECEIVABLES

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Trade receivables	14,336	15,227
Less: Allowance for trade receivables	(2,528)	(2,456)
	11,808	12,771

The average credit period granted to trade customers is 90 days. The Group seeks to maintain strict control its outstanding receivables. Allowance for trade receivables is made after the directors have considered the timing and probability of the collection on a regular basis.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016

10. TRADE RECEIVABLES (Continued)

The aging analysis of the Group's trade receivables, based on the billing summary and net of allowance, is as follows:

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
0 to 90 days	3,582	4,092
91 to 180 days	1,154	1,404
181 to 365 days	2,297	1,699
1 to 2 years	1,933	2,734
Over 2 years	2,842	2,842
	11,808	12,771

11. TRADE DEPOSITS

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Trade deposits	1,705	5,385
Less: Allowance for trade deposits	(550)	(758)
	1,155	4,627

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016

11. TRADE DEPOSITS (Continued)

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.

Allowance for trade deposits is made after the directors have considered the timing of the collection on a regular basis.

These trade deposits are refundable when the prescribed terms in the underlying agency contracts are achieved. Based on the payment date, aging analysis of the Group's trade deposits (net of allowance) at the end of the reporting period, is as follows:

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Over 1 year and up to 2 years	7	40
Over 2 years and up to 3 years	80	155
Over 3 years	1,068	4,432
	1,155	4,627

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016

12. SHARE CAPITAL

	Number of ordinary shares '000	Nominal value	
		HK\$'000	RMB'000
Authorised:			
Ordinary shares of HK\$0.1 each			
At 31 December 2015 (Audited)			
and 30 June 2016 (Unaudited)	2,000,000	200,000	206,000
Issued and fully paid:			
Ordinary shares of HK\$0.1 each			
At 1 January 2015 (Unaudited)	201,280	20,128	20,708
Issue of new shares			
under rights issue	40,596	4,060	3,338
Exercise of shares options	2,857	285	230
At 31 December 2015 (Audited), 1 January 2016 (Unaudited)			
and 30 June 2016 (Unaudited)	244,733	24,473	24,276

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016

13. COMMITMENTS

(i) Operating lease commitments

As at 30 June 2016, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Within one year	1,382	1,330
In the second to fifth years inclusive	439	1,044
	1,821	2,374

(ii) Other commitment

	30 June 2016 RMB'000 (Unaudited)	31 December 2015 RMB'000 (Audited)
Contracted but not provided for Legal and professional fee	500	500

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2016

14. RELATED PARTY TRANSACTIONS

The Group had the following transactions with its related parties during the period:

	Six months ended 30 June	
	2016 RMB'000 (Unaudited)	2015 RMB'000 (Unaudited)
(i) Compensation of key management personnel of the Group		
Fees	312	298
Basic salaries and other allowances	786	786
Retirement benefits scheme contributions	39	39
Total compensation paid to key management personnel	1,137	1,123
(ii) Rental payment to a related company owned by a director of the Company		
	401	42

15. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 30 June 2016 (Unaudited) (31 December 2015: Nil (Audited)).



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2016, the overall operating environment of the property sector was slightly better than that as in the last year, primarily due to the gradual relaxation of restrictions and the implementation of destocking policy across the PRC since last year. The differentiation between cities has become a norm. In relation to the first and second-tier cities within the country, such cities attracted massive population purchasing properties by virtue of their comprehensive industry chains, strong ability to attract population and well-equipped public ancillary facilities, which led to the surge of land and property prices and supply shortage. With respect to the third-tier cities within the country that are peripheral to the first and second-tier cities, such cities are able to attract the overflow customer base from the first and second-tier cities and are well-positioned, therefore have also shown good performance on destocking. As a result, most first to third-tier cities recorded satisfactory transaction volumes in the first half of year 2016. However, in relation to certain third and fourth-tier cities that are situated in less competitive areas within the country, their incomprehensive or low-end industry chains and inability to attract population had led to high inventory levels during the first half of the year 2016, and are still facing the issue of properties with high prices and no buyers.

During the first half of year 2016, with the stabilization of policy relaxation, the concentrated release of the nationwide demand for properties has driven the overall market to operate at high level. Currently, transaction volumes in the first-tier cities slow down; while transaction volumes in some popular second-tier cities are at high levels, leading to rise in property and land prices. The property sales agency business of the Group has still been significantly affected as the competition in the primary property agency market remained intense. As a result, revenue from comprehensive property consultancy and sales agency service of the Group had decreased by approximately 22.2%. Revenue from the pure property planning and consultancy business had decreased by 24.6%. The unaudited revenue of the Group for the period amounted to approximately RMB7,220,000, a decrease of approximately 22.5% from approximately RMB9,320,000 for the corresponding period of last year. In addition, with the proactive



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW *(Continued)*

cost control measures undertaken by the Group, the overall service costs had only increased by approximately 5.3% during the period under review, mainly due to major cost of services such as marketing expenses had not declined proportionately. As such, the Group had recorded a gross loss of approximately RMB1,087,000 for the period as compared to the gross profit of approximately RMB1,343,000 for the corresponding period last year. The overall operating and administrative expenses remained at a similar level as that of last year. Moreover, dividend income amounted to approximately RMB2,536,000. Thus, the loss for the period attributable to owners of the Company increased to RMB4,259,000 from the loss of RMB4,158,000 for the corresponding period of last year.

During the period under review, most of the Group's recorded revenue was generated from the Group's projects in Jiangsu Province, followed by Shanghai and Hubei Province, which represented approximately 77.2%, 11.9% and 9.3% of the Group's total revenue, respectively. On a comparative basis, in the first half of 2015, the Group's recorded revenue was mainly generated from projects in Jiangsu Province, followed by Hubei Province and Shanghai, which represented approximately 32.8%, 32.6% and 22.5% of the Group's total revenue, respectively.

COMPREHENSIVE PROPERTY CONSULTANCY AND SALES AGENCY BUSINESS

The Group principally provides comprehensive property consultancy and sales agency services in the primary residential and commercial property markets in the PRC. During the six months ended 30 June 2016, the Group managed 6 comprehensive property consultancy and sales agency service projects (for the six months ended 30 June 2015: 10 projects). The total gross floor area of the underlying properties sold by the Group acting as the agent was approximately 39,649 square meters (for the six months ended 30 June 2015: 50,657 square meters).



MANAGEMENT DISCUSSION AND ANALYSIS

COMPREHENSIVE PROPERTY CONSULTANCY AND SALES AGENCY BUSINESS *(Continued)*

The unaudited total revenue from such comprehensive property consultancy and sales agency service projects was approximately RMB6,352,000 (for the six months ended 30 June 2015: approximately RMB8,169,000), representing approximately 88.0% of the unaudited total revenue of the Group for the period under review (for the six months ended 30 June 2015: 87.7%).

As at 30 June 2016, the Group had 14 comprehensive property consultancy and sales agency service projects on hand (30 June 2015: 14 projects) with a total unsold gross floor area of approximately 293,936 square meters (30 June 2015: approximately 1,484,380 square meters). As at 30 June 2016, among the 14 projects, sale of the underlying properties of 1 project had not commenced.

PURE PROPERTY PLANNING AND CONSULTANCY BUSINESS

During the period under review, the Group has continued to develop its pure property planning and consultancy business. For the six months ended 30 June 2016, the Group has provided pure property planning and consultancy services for 4 property development projects (the six months ended 30 June 2015: 7 projects), which generated an aggregate revenue of approximately RMB868,000, representing approximately 12.0% of the unaudited total revenue of the Group (the six months ended 30 June 2015: revenue of approximately RMB1,151,000 or approximately 12.3%).



MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS AND OUTLOOK

Despite attempts of the central government to reduce the role of real estate in Chinese economy, it is evident that none of other current industries can inject such strong momentum into the national economy the way real estate can. It is expected that real estate will remain as one of the pillar industries of the national economy in the foreseeable future. Looking forward to the second half of the year, it is expected that the real estate policies will continue to vary depending on different cities, and sales volume and price will also grow steadily. Risks in popular cities accumulate which results in increasing adjustment pressure on housing market. In light of the high inventory level, reducing the number of unsold homes remains as the main task in the second half of the year.

As shifting the focus back to the first-tier cities has become a market consensus, land prices in first-tier cities have surged, with most of the lands being acquired by central government-owned enterprises, stated-owned enterprises and listed companies which possess strong financing resources. As such, a considerable number of developers have also turned their focus to second-tier cities, as a result of which, land prices in certain second-tier cities have also begun to rise. Rising land prices has driven property prices to grow. It is expected that the Group will maintain a strong focus in Shanghai in the second half of 2016, meanwhile adding pipeline business to expand ways of profit. Our secondary focus of development and operation will still be Jiangsu Province, where there are cities in excellent locations with rapid economic development, impressive innovation and capability to attract buyers from such first and second-tier cities such as Shanghai and Nanjing and has a relatively stable property market. One of the regions considered by the Group for expansion in 2016 will be Anhui Province, whose property



MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS AND OUTLOOK *(Continued)*

prices in various cities are not high in absolute value with steady growth in both volume and price. In other words, there is less concern about the emergence of property bubble and in general it is of better risk resilience. At the same time, the inventory level of commercial housing is relatively low, which means there will be huge demand in the future. As for Hubei Province, the growth in property price is fast in recent years and there is large supply of housing, resulting in highly competitive environment and harsh operating environment in the property agency business. In relation to Zhejiang Province, owing to the rapid development of its economy with complete industry chain and better economic conditions of the residents, the property market is rising steadily and the operating environment in the property agency business is more stable, it therefore will be one of our major operating regions.

In addition to the existing businesses, the Group is also actively exploring the possibility of launching an apartment rental platform during the second half of the year to broaden its long term and stable cash inflow streams. Furthermore, the Group also endeavors to develop overseas primary property market business. According to the relevant statistic, the aggregate amount of property investments in global markets by Chinese investors in 2015 increased significantly as compared to the year of 2014. Overseas properties have drawn more and more attention of investors in the PRC. So far, the popular regions for property investments are centralized in Europe, America and Southeast Asia, while a growing attention in particularly to the Southeast Asia region. As existing Chinese investors are not familiar with acquiring overseas properties in Southeast Asia, it is expected that a relatively higher cost will be placed on educating the Chinese investors of Southeast Asia property investments in the future. Nevertheless, the management believes that, with a huge investor base from China, properties markets in Southeast Asia still have opportunities to attract certain overseas investors and purchasers from China.



MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS AND OUTLOOK *(Continued)*

During the second half of the year, the management will continue to monitor any opportunity of development in the property market to enhance a long term and stable growth of income of the Group. The Group will also continue to encourage employees to actively identify potential new projects and prospective property developers. In addition, the Group will also strive to cut operating expenses by strengthening budget management and cost control, and to strictly control its cash outflow. The Group will strive to improve the operating performance of the Group in the second half of the year and to drive long-term development of the Group for the benefit of the Group and its employees, in order to create better returns for the shareholders of the Company.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2016, the Group had unaudited net current assets of approximately RMB62.3 million (31 December 2015: approximately RMB66.3 million), unaudited total assets of approximately RMB74.7 million (31 December 2015: approximately RMB79.5 million) and unaudited shareholders' funds of approximately RMB68.7 million (31 December 2015: approximately RMB72.9 million). The current ratio (calculated by dividing total current assets with total current liabilities) increased from 11.08 as at 31 December 2015 to 11.43 as at 30 June 2016.

As at 30 June 2016, the unaudited bank and cash balances of the Group amounted to approximately RMB54.2 million (31 December 2015: approximately RMB42.9 million).



MANAGEMENT DISCUSSION AND ANALYSIS

INDEBTEDNESS AND CHARGE ON ASSETS

The Group did not have any short or long term borrowing as at 30 June 2016 (31 December 2015: Nil).

The Group had no bank borrowings or overdrafts as at 30 June 2016 (31 December 2015: Nil).

As at 30 June 2016, the gearing ratio (calculated on the basis of total borrowings over total equity) of the Group was 0% (31 December 2015: 0%).

FOREIGN EXCHANGE RISKS

As the Group's sales are denominated in Renminbi, the Group's purchases and expenses are either denominated in Renminbi or Hong Kong dollar, and there is no significant foreign currency borrowings, the Group's 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.

INTEREST RATE RISKS

The Group does not carry any borrowings which are exposed to interest rate risk.



MANAGEMENT DISCUSSION AND ANALYSIS

MAJOR INVESTMENTS

For the six months ended 30 June 2016, save for the Group's 3% equity interest in Shanghai Hengda Group (Jiangsu) Investment Co., Ltd. (上海恒大集團(江蘇)投資有限公司) ("Shanghai Hengda") and the investment properties held by the Group as set out in note 9 to the condensed consolidated interim financial statements, no other significant investment was held by the Group. As at the date of this interim report, save for the continuing investment in Shanghai Hengda and the investment properties held by the Group, the Group has no future plans for material investments or capital assets.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2016 (31 December 2015: Nil).

CAPITAL COMMITMENTS

The Group had no material capital commitments as at 30 June 2016 (31 December 2015: Nil). The details to other commitments are provided in note 13 to the condensed consolidated interim financial statements on page 19 of this interim report.

STAFF AND GROUP'S EMOLUMENT POLICY

As at 30 June 2016, the Group had a total of 115 staff (31 December 2015: 126 staff).

The emolument policies of the Group are formulated based on the Group's operating results, employees' individual performance, working experience, respective responsibility, merit, qualifications and competence, as well as comparable market statistics and state policies, which are reviewed regularly by the management.



DISCLOSURE OF INTERESTS

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

As at 30 June 2016, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and 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 of Hong Kong Limited (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 Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Name of Directors	Company/Name of associated corporation	Capacity	Number and class of securities (Note 1)	Approximate percentage of shareholding
Mr. Chiang Chen Feng ("Mr. Chiang")	The Company	Interest of a controlled corporation (Note 2)	86,385,979 Ordinary Shares (L)	35.30%
		Beneficial owner and interest of spouse (Note 3)	1,637,390 Ordinary Shares (L)	0.67%

DISCLOSURE OF INTERESTS

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

Name of Directors	Company/Name of associated corporation	Capacity	Number and class of securities (Note 1)	Approximate percentage of shareholding
Ms. Lin Chien Ju ("Ms. Lin")	The Company	Interest of a controlled corporation (Note 4)	43,622,460 Ordinary Shares (L)	17.82%
		Beneficial owner (Note 5)	105,217 Ordinary Shares (L)	0.04% (Note 12)
Mr. Han Lin ("Mr. Han")	The Company	Beneficial owner	7,051,801 Ordinary Shares (L)	2.88%
		Beneficial owner (Note 6)	2,840,869 Ordinary Shares (L)	1.15% (Note 12)
Ms. Chang Hsiu Hua ("Ms. Chang")	The Company	Interest of spouse (Note 7)	86,385,979 Ordinary Shares (L)	35.30%
		Beneficial owner and interest of spouse (Note 8)	1,637,390 Ordinary Shares (L)	0.67%



DISCLOSURE OF INTERESTS

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

Name of Directors	Company/Name of associated corporation	Capacity	Number and class of securities (Note 1)	Approximate percentage of shareholding (Note 12)
Dr. Cheng Chi Pang ("Dr. Cheng")	The Company	Beneficial owner (Note 9)	105,217 Ordinary Shares (L)	0.04% (Note 12)
Mr. Ng Wai Hung ("Mr. Ng")	The Company	Beneficial owner (Note 10)	105,217 Ordinary Shares (L)	0.04% (Note 12)
Mr. Cui Shi Wei ("Mr. Cui")	The Company	Beneficial owner (Note 11)	105,217 Ordinary Shares (L)	0.04% (Note 12)

Notes:

1. The letter "L" denotes the Directors' long position in the shares ("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 1,637,390 Shares comprised the 894,347 Shares and 743,043 Shares beneficially owned by him and his wife, Ms. Chang respectively. Mr. Chiang was regarded as interested in all the Shares in which Ms. Chang was interested by virtue of the SFO.



DISCLOSURE OF INTERESTS

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

Notes: *(Continued)*

4. These Shares were registered in the name of Upwell Assets Corporation ("Upwell Assets"), the entire issued capital of which was evenly owned by Ms. Lin and her sister, Ms. Lin Shu Chi. 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 in these 105,217 Shares comprised the 100,000 options granted to her by the Company under the Share Option Scheme on 12 March 2008 and upward adjustment of 5,217 to the number of options as a result of the rights Issue ("Rights Issue") by the Company on the basis of one (1) rights share for every five (5) existing Shares held on 23 October 2015 by the shareholder of the Company that was completed in November 2015.
6. The long position of Mr. Han in these 2,840,869 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 on 12 March 2008, respectively and total upward adjustment of 140,869 to the number of options as a result of the Rights Issue completed in November 2015.
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 1,637,390 Shares comprised the 743,043 Shares and 894,347 Shares beneficially owned by her and her husband, Mr. Chiang respectively. Ms. Chang was regarded as interested in all the Shares in which Mr. Chiang was interested by virtue of the SFO.
9. The long position of Dr. Cheng in these 105,217 Shares represented 100,000 options granted to him by the Company under the Share Option Scheme on 12 March 2008 and upward adjustment of 5,217 to the number of options as a result of the Rights Issue completed in November 2015.



DISCLOSURE OF INTERESTS

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

Notes: *(Continued)*

10. The long position of Mr. Ng in these 105,217 Shares represented 100,000 options granted to him by the Company under the Share Option Scheme on 12 March 2008 and upward adjustment of 5,217 to the number of options as a result of the Rights Issue completed in November 2015.
11. The long position of Mr. Cui in these 105,217 Shares represented 100,000 options granted to him by the Company under the Share Option Scheme on 12 March 2008 and upward adjustment of 5,217 to the number of options as a result of the Rights Issue completed in November 2015.
12. These percentages are calculated on the basis of 247,995,127 Shares of the Company in issue as at 30 June 2016, assuming that all the then outstanding options granted under the Pre-IPO Share Option Scheme and Share Option Scheme had been exercised as at that date.

Save as disclosed above, as at 30 June 2016, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or 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 the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DISCLOSURE OF INTERESTS

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

As at 30 June 2016, the interests or short positions of the persons (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 were as follows:

Name of shareholder	Capacity	Number and class of securities (Note 1)	Approximate percentage of shareholding
Active Star	Beneficial owner (Note 2)	86,385,979 Ordinary Shares (L)	35.30%
Upwell Assets	Beneficial owner (Note 3)	43,622,460 Ordinary Shares (L)	17.82%
Ms. Lin Shu Chi	Interest of a controlled corporation (Note 3)	43,622,460 Ordinary Shares (L)	17.82%
Honorway Nominees Limited ("Honorway Nominees")	Beneficial owner (Note 4)	19,528,103 Ordinary Shares (L)	7.98%
Honorway Investments Limited	Interest of a controlled corporation (Note 4)	19,528,103 Ordinary Shares (L)	7.98%
Mr. Ho Hau Chong, Norman	Interest of a controlled corporation (Note 4)	19,528,103 Ordinary Shares (L)	7.98%

DISCLOSURE OF INTERESTS

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY *(Continued)*

Name of shareholder	Capacity	Number and class of securities (Note 1)	Approximate percentage of shareholding
Ms. Yvette Therese Ma	Interest of spouse (Note 5)	19,528,103 Ordinary Shares (L)	7.98%
Mr. Ho Hau Hay, Hamilton	Interest of a controlled corporation (Note 4)	19,528,103 Ordinary Shares (L)	7.98%
Ms. Sharon Young	Interest of spouse (Note 6)	19,528,103 Ordinary Shares (L)	7.98%

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 evenly owned by Ms. Lin Shu Chi and Ms. Lin, a non-executive Director. Ms. Lin Shu Chi was deemed to be interested in all the Shares in which Upwell Assets was interested by virtue of the SFO.



DISCLOSURE OF INTERESTS

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY *(Continued)*

Notes: *(Continued)*

4. These Shares were registered in the name of Honorway Nominees, 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 Nominees was interested by virtue of the SFO.
5. Ms. Yvette Therese Ma was deemed to be interested in all the Shares in which Mr. Ho Hau Chong, Norman, her spouse, was interested by virtue of the SFO.
6. Ms. Sharon Young was deemed to be interested in all the Shares in which Mr. Ho Hau Hay, Hamilton, her spouse, was interested by virtue of the SFO.

Save as disclosed above, as at 30 June 2016, no person (other than a Director or chief executive of the Company), had registered an interest or short position in the Shares or underlying Shares of the Company that was recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.



DISCLOSURE OF INTERESTS

SHARE OPTION SCHEMES

A pre-IPO share option scheme (“Pre-IPO Share Option Scheme”) was adopted pursuant to the written resolutions 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 adopted pursuant to the written resolutions passed by all shareholders of the Company on 10 June 2006. A new post-IPO share option scheme (“New Share Option Scheme”) was also adopted pursuant to the resolutions passed at the annual general meeting held on 17 June 2016. The purpose of the Share Option Scheme and New Share Option Scheme is to enable the Group to grant share options to selected participants as incentives or rewards for their contribution to the Group.

Eligible participants of the Share Option Scheme and New 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, shareholders of any member of the Group and the advisers or consultants of the Group. The Share Option Scheme and New Share Option Scheme will remain in force for a period of 10 years commencing from 10 June 2006 and 17 June 2016 respectively.

DISCLOSURE OF INTERESTS

SHARE OPTION SCHEMES (Continued)

Details of the movements in the Company's outstanding share options granted under the Pre-IPO Share Option Scheme, Share Option Scheme and New Share Option Scheme for the six months ended 30 June 2016 were as follows:

Category of participant	Number of shares in respect of share options					Date of grant	Exercise period	Exercise price	Closing price of the Shares on the trading day immediately before the date of grant
	Outstanding as at 1 January 2016	Granted during the period	Exercised during the period	Cancelled or lapsed during the period	Outstanding as at 30 June 2016			per Share HK\$	before the date of grant HK\$
Directors:									
Han Lin	789,130	-	-	-	789,130	10/06/2006	05/07/2007 to 04/07/2016	0.756	N/A
	1,025,869	-	-	-	1,025,869	12/03/2008	12/03/2009 to 11/03/2018	1.065	1.12
	1,025,870	-	-	-	1,025,870	12/03/2008	12/03/2010 to 11/03/2018	1.065	1.12
	2,840,869	-	-	-	2,840,869				
Lin Chien Ju	52,608	-	-	-	52,608	12/03/2008	12/03/2009 to 11/03/2018	1.065	1.12
	52,609	-	-	-	52,609	12/03/2008	12/03/2010 to 11/03/2018	1.065	1.12
	105,217	-	-	-	105,217				
Cheng Chi Pang	52,608	-	-	-	52,608	12/03/2008	12/03/2009 to 11/03/2018	1.065	1.12
	52,609	-	-	-	52,609	12/03/2008	12/03/2010 to 11/03/2018	1.065	1.12
	105,217	-	-	-	105,217				

DISCLOSURE OF INTERESTS

SHARE OPTION SCHEMES (Continued)

Category of participant	Number of shares in respect of share options					Date of grant	Exercise period	Exercise price	Closing price of the Shares on the trading day immediately before the date of grant
	Outstanding as at 1 January 2016	Granted during the period	Exercised during the period	Cancelled or lapsed during the period	Outstanding as at 30 June 2016			per Share	per Share
							HK\$	HK\$	
Ng Wai Hung	52,608	-	-	-	52,608	12/03/2008	12/03/2009 to 11/03/2018	1.065	1.12
	52,609	-	-	-	52,609	12/03/2008	12/03/2010 to 11/03/2018	1.065	1.12
	105,217	-	-	-	105,217				
Cui Shi Wei	52,608	-	-	-	52,608	12/03/2008	12/03/2009 to 11/03/2018	1.065	1.12
	52,609	-	-	-	52,609	12/03/2008	12/03/2010 to 11/03/2018	1.065	1.12
	105,217	-	-	-	105,217				
Total	3,261,737	-	-	-	3,261,737				

The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group (including the Pre-IPO Share Option Scheme) must not in aggregate exceed 30% of the Shares in issue from time to time (i.e. 73,420,017 Shares as at the date of this interim report) (the "Overriding Limit"). No further options may be granted under the Share Option Scheme if this will result in the Overriding Limit being exceeded.

As at the date of this interim report, options granted under the Share Option Scheme to subscribe for 2,472,607 Shares, representing approximately 1.01% of the issued share capital of the Company, remained outstanding.



OTHER INFORMATION

DISCLOSURE PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Mr. Ng Wai Hung, an independent non-executive Director, has been appointed as an independent non-executive director of Xinyi Automobile Glass Hong Kong Enterprises Limited (stock code: 08328), a company listed on the Stock Exchange, on 11 July 2016.

Dr. Cheng Chi Pang, an independent non-executive Director, has ceased to be a non-executive director of Build King Holdings Limited (stock code: 00240), a company listed on the Stock Exchange, on 19 May 2016; and has ceased to be a non-executive director of Wai Kee Holdings Limited (stock code: 00610), also a company listed on the Stock Exchange, on 19 May 2016.

PURCHASE, SALE 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 six months ended 30 June 2016.

PUBLIC FLOAT

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

CORPORATE GOVERNANCE

The Company periodically reviews its corporate governance practices to ensure its continuous compliance with the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules. Save for the deviation from code provision A.2.1 of the CG Code as disclosed below, the Directors consider that the Company has complied with the code provisions set out in the CG Code during the six months ended 30 June 2016.



OTHER INFORMATION

CORPORATE GOVERNANCE *(Continued)*

Pursuant to code provision A.2.1 of the CG Code, the roles of the chairman and chief executive should be separate and should not be performed by the same individual. During the period under review, the Company did not have separate chairman and chief executive, with Mr. Chiang Chen Feng performing these two roles. The Board believes that vesting both the roles of chairman and chief executive 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 such structure will enable the Company to make and implement decisions promptly and efficiently.

MODEL CODE FOR 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. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standards set out in the Model Code and the Company's code of conduct during the six months ended 30 June 2016. The interests held or deemed to be held by individual Directors in the Company's securities as at 30 June 2016 are set out on pages 29 to 33 of this report.

REVIEW BY AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference pursuant to the requirements of the CG Code and Rule 3.21 of the Listing Rules. The Audit Committee comprises all three existing 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.



OTHER INFORMATION

REVIEW BY AUDIT COMMITTEE *(Continued)*

The Audit Committee has reviewed the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2016 including the accounting, internal control and financial reporting issues. In carrying out this review, the Audit Committee has relied on a review conducted by the Company's external auditor in accordance with certain selected procedures based on those required under Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA as well as obtaining reports from the management. The Audit Committee has not undertaken detailed independent audit checks.

At the request of the Directors, the Company's external auditor, RSM Hong Kong, has carried out a review on the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2016 in accordance with certain procedures of Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2016 were approved by the Board on 29 August 2016.

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

Hong Kong, 29 August 2016