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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

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 2012 together with the comparative figures in 2011 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2012

	Note	**Six months ended 30 June** **2012** ***RMB'000*** **(Unaudited)**	2011 *RMB'000* (Unaudited)
Revenue	*3*	**15,965**	11,805
Business tax and other levies		**(344)**	(770)
Cost of services rendered		**(9,184)**	(18,267)
Gross profit/(loss)		**6,437**	(7,232)
Other income		**4,924**	1,268
Operating and administrative expenses		**(6,321)**	(8,782)
Profit/(loss) from operations		**5,040**	(14,746)
Finance cost – loan interest		**(531)**	(451)
Profit/(loss) before tax		**4,509**	(15,197)
Income tax (expense)/credit	*4*	**(2,322)**	1,106
Profit/(loss) for the period attributable to owners of the Company	*5*	**2,187**	(14,091)
Earnings/(loss) per share	*7*	***RMB cents***	*RMB cents*
Basic		**1.1**	(7.0)
Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit/(loss) for the period	**2,187**	(14,091)
Other comprehensive income:		
Exchange differences on translating foreign operations	**(78)**	(57)
Other comprehensive income for the period, net of tax	**(78)**	(57)
Total comprehensive income for the period attributable to owners of the Company	**2,109**	(14,148)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2012

	Note	30 June 2012 RMB'000 (Unaudited)	31 December 2011 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		**2,069**	2,499
Investment properties		**3,850**	3,897
Golf club membership		**291**	291
Available-for-sale financial assets		**1,500**	1,500
		7,710	8,187
Current assets			
Trade receivables	*8*	**19,068**	17,448
Trade deposits	*9*	**16,820**	17,995
Prepayments and other deposits		**677**	2,042
Other receivables	*10*	**22,435**	18,584
Bank and cash balances		**11,249**	13,204
		70,249	69,273
Current liabilities			
Accruals and other payables		**4,578**	8,510
Net current assets		**65,671**	60,763
Total assets less current liabilities		**73,381**	68,950
Non-current liabilities			
Other loan	*11*	**8,000**	8,000
Deferred tax liabilities		**6,569**	4,247
		14,569	12,247
NET ASSETS		**58,812**	56,703
Capital and reserves			
Share capital		**20,644**	20,644
Reserves		**38,168**	36,059
TOTAL EQUITY		**58,812**	56,703

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

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

These condensed consolidated financial statements should be read in conjunction with the 2011 annual consolidated financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements for the year ended 31 December 2011.

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 2012. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards 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 period and prior years.

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.

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 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	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Comprehensive property consultancy and sales agency service projects	**13,789**	9,968
Pure property planning and consultancy service projects	**2,176**	1,837
	15,965	11,805

The Group has carried on a single business in a single geographical segment, which is the provision of agency services for the sale of properties and property consultancy services in the PRC, and all the assets are substantially located in the PRC. Therefore, no operating segment information has been presented.

The accounting policies of the operating segment are same as those described in the Group's consolidated financial statements for the year ended 31 December 2011.

4. INCOME TAX (EXPENSE)/CREDIT

Income tax (expense)/credit represents:

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Deferred tax	**(2,322)**	1,106

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit in Hong Kong for the period under review (six months ended 30 June 2011: RMB Nil).

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

The 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 tax law was effective since 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 25% (six months ended 30 June 2011: 24%) PRC enterprise income tax during the period. No PRC enterprise income tax is required since Shanghai Fortune Sun has sufficient tax losses brought forward to set off against current period's assessable profit and Cornerstone has no assessable profit for the period under review (six months ended 30 June 2011: RMB Nil).

5. PROFIT/(LOSS) FOR THE PERIOD

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

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Auditor's remuneration		
– Current	**203**	191
– Under-provision in prior year	**64**	83
	267	274
Interest income	**(95)**	(120)
Depreciation of property, plant and equipment	**432**	483
Depreciation of investment properties	**47**	47
Exchange gain, net	**(72)**	–
Gain on disposals of property, plant and equipment	**–**	(11)
Staff costs (including directors' remuneration)		
– Fees, salaries, bonus and allowances	**6,332**	4,478
– Retirement benefits scheme contributions	**948**	850
	7,280	5,328
Operating lease charges on land and buildings	**1,364**	1,297
Allowance for/(reversal of) impairment		
– Trade receivables (*)	**(1,660)**	1,877
– Trade deposits (*)	**(2,197)**	(1,127)
– Other receivables (*)	**(893)**	(144)
	(4,750)	606

* *Due to some project developers' ability to pay has improved during the period, there was an improvement of the cash collection from some long aged projects. As a result, impairment losses made in prior years against the trade receivables, trade deposits and other receivables of approximately RMB1,660,000, RMB2,197,000 and RMB893,000 were reversed respectively.*

6. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the period under review (six months ended 30 June 2011: RMB Nil).

7. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share attributable to owners of the Company is based on the profit for the period attributable to owners of the Company of approximately RMB2,187,000 (six months ended 30 June 2011: loss of RMB14,091,000) and the weighted average number of ordinary shares of 200,470,000 (six months ended 30 June 2011: 200,470,000) in issue during the period.

No diluted earnings/(loss) per share is presented as the Company did not have any dilutive potential ordinary share during the period ended 30 June 2012 (six months ended 30 June 2011: RMB Nil).

8. TRADE RECEIVABLES

	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**22,466**	22,506
Less: Allowance for impairment	**(3,398)**	(5,058)
	19,068	17,448

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:

	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 90 days	**10,003**	3,408
Between 91 to 180 days	**2,007**	2,013
Between 181 to 365 days	**1,248**	4,052
Between 1 to 2 years	**5,130**	6,205
Over 2 years	**680**	1,770
	19,068	17,448

9. TRADE DEPOSITS

	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade deposits	**20,211**	23,583
Less: Allowance for impairment	**(3,391)**	(5,588)
	16,820	17,995

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) is as follows:

	30 June 2012	31 December 2011
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 90 days	**195**	–
Between 91 to 180 days	**–**	–
Between 181 to 365 days	**–**	–
Between 1 to 2 years	**437**	417
Between 2 to 3 years	**875**	833
Over 3 years	**15,313**	16,745
	16,820	17,995

10. OTHER RECEIVABLES

Included in other receivables is the shareholder's loan to Shanghai Hengda Group (Jiangsu) Investment Co., Ltd. of approximately RMB18,677,000 (31 December 2011: RMB14,500,000). This shareholder's loan is unsecured, interest-free and has no fixed terms of repayment.

11. OTHER LOAN

The other loan from an unrelated company is denominated in RMB, interest-bearing at a floating interest rate based on twice of the benchmark interest rate for RMB loans of the same periods from financial institutions announced by the People's Bank of China, thus exposes the Group to cash flow interest rate risk, and will be repayable on or before December 2014. The other loan is secured by the Group's investment properties.

12. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group

	Six months ended 30 June	
	2012	2011
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Fees	**283**	293
Basic salaries and other allowances	**963**	853
Retirement benefits scheme contributions	**32**	29
Total compensation paid to key management personnel	**1,278**	1,175

13. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at 30 June 2012 (31 December 2011: RMB Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2012, shadowed by the unfavorable international economic outlook and the domestic economic growth slowdown, the Chinese central government prioritized "stable growth" in its economic development plan. Prudent monetary policies had been pursued as the central government lowered bank's reserve requirement ratio twice and interest rate on loans once during the period.

In order to consolidate the effect of real estate regulations, the Chinese government, on the one hand, has continued to resolutely curb speculation and investment demand and maintain restrictions on house purchasing and mortgage loans, on the other hand, has taken measures in supporting and protecting reasonable needs for owner-occupied residence. More than 30 cities had introduced housing incentives such as adjustment of housing provident fund loan facilities and reduction of tax on first-time purchases of properties. Statistically, from January to June 2012, the gross floor area of commodity housing sold in China fell 10.0% year-on-year, with a decrease of 11.2% in residential gross floor area sold. The sales value of commodity housing in China fell 5.2% year-on-year, with a decrease of 6.5% in sales value of residential properties. In June 2012, the Real Estate Climate Index of the country dropped from approximately 99 at the end of 2011 to approximately 95, reflecting a slowdown in the property market of Mainland China.

During the period under review, the Group recorded an unaudited turnover of approximately RMB15,965,000, represented an increase of approximately 35.2% as compared with the unaudited turnover of approximately RMB11,805,000 in the first half of 2011. Due to several announcements made by Chinese regulators to show their determination to curb property prices and the series of stringent control measures imposed, market sentiment in the first and second-tier cities was relatively prudent in the first half of the year and the demand was substantially reduced. Certain residential projects that had recorded positive sales last year were marked by substantially less than expected sales this year. Due to the tightening of credit policies, some developers experienced insufficient investment funds thus had to postpone, terminate property sales or even dispose of interests in development projects. Nevertheless, the Group had recorded satisfactory revenues on several projects in the first half of the year.

For the six months ended 30 June 2012, the gross profit margin of the Group was approximately 40.3% (six months ended 30 June 2011: gross loss margin of approximately 61.3%). The turnaround from loss to profit was mainly because in addition to the increase in sales revenue, the Group had been focusing on cost control in the first half of the year, in particular substantially reducing marketing expenses. The unaudited profit attributable to the owners of the Company during the period under review was approximately RMB2,187,000 (six months ended 30 June 2011: loss of approximately RMB14,091,000).

During the period under review, most of the Group's recorded revenue was generated from projects in Shanghai, followed by Jiangsu province and Hubei province, which represented approximately 51.2%, 23.4% and 17.4% of the Group's total revenue respectively. By comparison, in the first half year of 2011, the Group's recorded revenue was mainly generated from projects in Hubei province, followed by Jiangsu province and Hainan province, which represented approximately 55.7%, 20.9% and 7.7% of total revenue, respectively.

COMPREHENSIVE PROPERTY CONSULTANCY AND SALES AGENCY BUSINESS

The Group has been mainly engaged in providing comprehensive property consultancy and sales agency services for the primary residential and commercial property market in the PRC. For the six months ended 30 June 2012, the Group had 20 projects in operation (six months ended 30 June 2011: 16 projects), of which 16 projects were comprehensive property consultancy and sales agency projects (six months ended 30 June 2011: 11 projects). Gross floor areas of approximately 149,000 square metres (six months ended 30 June 2011: 132,000 square metres) of the relevant underlying properties under these comprehensive property consultancy and sales agency projects were sold through the Group.

Total unaudited revenue generated from these comprehensive property consultancy and sales agency projects of approximately RMB13,789,000 contributed approximately 86.4% of the unaudited total revenue of the Group during the period under review (six months ended 30 June 2011: approximately RMB9,968,000 or contributed approximately 84.4%).

As at 30 June 2012, the Group had a total of 25 comprehensive property consultancy and sales agency projects on hand with total unsold gross floor areas of approximately 3,809,000 square metres (as at 30 June 2011: 28 comprehensive property consultancy and sales agency projects, with total unsold gross floor areas of approximately 3,880,000 square metres). Among these 25 projects, the sales of the underlying properties of 9 projects have not yet commenced as at 30 June 2012.

PURE PROPERTY PLANNING AND CONSULTANCY BUSINESS

During the period under review, the Group also committed to developing the pure property planning and consultancy business. However, the area of newly-started residential properties in the country continued a weaker trend in the first half year, representing a fall of 10.7% year-on-year, and the area of lands purchased by property developers decreased by 19.9% year-on-year. In view of this, during the six months ended 30 June 2012, the Group provided pure property planning and consultancy services for only 4 property development projects (six months ended 30 June 2011: 5 projects) and recorded pure planning and consultancy revenue of approximately RMB2,176,000, accounting for approximately 13.6% of the total unaudited revenue of the Group (six months ended 30 June 2011: revenue of approximately RMB1,837,000 or accounting for approximately 15.6%).

FUTURE PROSPECTS

In the first half of the year, micro adjustment of differentiated housing policies, rigid property demand, low interest costs together with the incentive sales strategy of lowering price to improve sales volume adopted by developers resulted in increasingly buoyant market activities of the property market in Mainland China.

Looking forward to the second half of the year, the macro-economy is expected to be under more pressures. Increasing investments, especially in infrastructure, will continue to be an important means of maintaining stable economic growth in China. It is expected that the micro-adjustment of monetary policy will intensify, the control over property market will not be relieved and property investment demand will continue to be restrained. In addition, the area of newly-started residential properties in the country continued a weaker trend as the finance crunch in the property industry has not yet been fundamentally mitigated. In June 2012, the area of commodity housing available for sale in China was 314.08 million square meters, which represented an increase by 33.1% year-on-year and a continuing high level of inventories in the property market. Accordingly, it is estimated that the area of newly-started residential property projects in China will be smaller in the second half year.

Although most of the first and second-tier cities with stable current property prices have implemented policy restrictions on property purchase and third and fourth-tier cities have slower housing demand growth, the management expects that, under the existing policies and market conditions, the property prices are more likely to remain stable in general in the second half of the year given that macro-economy maintains a healthy growth and residents' income continues to increase in China. In addition, due to possible lower interest rates and the rigid demand and home improvement demand accumulated throughout the previous periods, the trading volume of properties in China is expected to remain stable in the second half of the year, with even a possible increase compared to that of the first half year. In the second half of the year, the Company intends to seek for more appropriate property consultancy and sales agency service projects in accordance with the nation's policy directions and with more consistency to the industry trends. The Company will proactively participate in the market and seek to identify more investment opportunities for property development so as to improve our future profitability.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2012, the Group had unaudited net current assets of approximately RMB65.671 million (31 December 2011: approximately RMB60.763 million), unaudited total assets of approximately RMB77.959 million (31 December 2011: approximately RMB77.460 million) and unaudited shareholders' funds of approximately RMB58.812 million (31 December 2011: approximately RMB56.703 million). The current ratio increased from 8.14 as at 31 December 2011 to 15.34 as at 30 June 2012.

As at 30 June 2012, the unaudited bank and cash balances of the Group amounted to approximately RMB11.249 million (31 December 2011: approximately RMB13.204 million).

INDEBTEDNESS AND GEARING RATIO

The Group had a long term borrowing of RMB8.00 million as at 30 June 2012 (31 December 2011: RMB8.00 million) which will mature in December 2014 and is secured by the investment properties of the Group.

As at 30 June 2012, the Group's gearing ratio (calculated as the total borrowings to total assets) had slightly dropped from 10.33% as at 31 December 2011 to 10.26% as at 30 June 2012.

PLEDGED ASSETS

As at 30 June 2012, the long term interest-bearing loan was secured by all the investment properties of the Group with carrying amount in total of approximately RMB3.850 million (31 December 2011: approximately RMB 3.897 million).

FOREIGN EXCHANGE EXPOSURE

As the Group's sales are predominantly denominated in Renminbi and its purchases and expenses are mainly denominated in Renminbi, and there is no significant foreign currency borrowings, the Group's currency fluctuation risk is considered insignificant. The Group currently does not have any 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 EXPOSURE

The Group's exposure to interest rate risk mainly stemmed from fluctuations of borrowing rates for the Group's debts, which were mainly floating rates from financial institutions based on the benchmark interest rate for RMB loans of the same periods announced by the People's Bank of China. During the review period, the People's Bank of China lowered the benchmark interest rate for RMB loans from 6.65% as at the beginning of the period to 6.40% as at the end of the period. The Group currently does not have an interest rate hedging policy. However, the management continuously monitors the interest rate risk exposure and will consider to hedge significant interest rate risk exposure should the need arise.

STAFF

As at 30 June 2012, the Group had a total of 212 staff (31 December 2011: 243 staff), whose remuneration and benefits were determined based on market rates, the PRC's state policies, respective domestic statutory requirements and individual performance.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

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

CORPORATE GOVERNANCE

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its corporate governance code during the six months ended 30 June 2012. Save for the deviation from code provision A.2.1 of the CG Code and code provisions A.1.8 and A.6.7 of the revised CG Code which came into effect on 1 April 2012, the Directors are not aware of any information which would reasonably indicate that the Company is not, or was not, in compliance with the code provisions set out in the CG Code during the six months ended 30 June 2012.

Pursuant to code provision A.1.8 of the revised CG Code, the Company should arrange appropriate insurance cover in respect of legal action against its Directors. The Company has not arranged such insurance cover for its Directors as of the six months ended 30 June 2012 as the management was of the opinion that sound and effective corporate governance within the Group would suffice in monitoring and mitigating legal and compliance risks. Nevertheless, in order to offer fuller protection to the Directors, the management is currently under discussions to arrange appropriate insurance cover for Directors in the future.

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. For the period under review, the Company did not have a separate chairman and CEO and Mr. Chiang Chen Feng performed these two roles. The Company deviated from code provision A.2.1 of the CG Code as the Board believes that vesting the roles of both chairman and CEO in the same person has the benefit of ensuring consistent leadership within the Group. The Board also considers that such an arrangement would not impair the balance of power and authority within the Group, but enables the Company to make and implement decisions promptly and efficiently.

Pursuant to code provision A.6.7 of the revised CG Code, independent non-executive directors and non-executive directors should attend general meetings. Ms. Lin Chien Ju, a non-executive Director, and Mr. Ng Wai Hung, an independent non-executive Director, were unable to attend the annual general meeting of the Company held on 15 June 2012 due to family engagements.

The written terms of reference of each of the audit committee, remuneration committee and nomination committee of the Board had been revised with reference to the amendments to the CG Code which came into effect on 1 April 2012.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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"). The Company has made specific enquiry of all Directors, and all Directors have confirmed to the Company that they have fully complied with the required standard set out in the Model Code during the six months ended 30 June 2012.

REVIEW OF ACCOUNTS

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 of all three existing independent non-executive Directors, namely Mr. Ng Wai Hung, Mr. Cui Shi Wei, and Dr. Cheng Chi Pang. Dr. Cheng Chi Pang is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2012 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 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 Hong Kong Institute of Certified Public Accountants ("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 Nelson Wheeler, has carried out a review on the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2012 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 2012 were approved by the Board on 24 August 2012.

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

Hong Kong, 24 August 2012

As at the date of this announcement, the executive Directors are Mr. Chiang Chen Feng, Ms. Chang Hsiu Hua and Mr. Han Lin; the non-executive Director is Ms. Lin Chien Ju; and the independent non-executive Directors are Mr. Ng Wai Hung, Mr. Cui Shi Wei, and Dr. Cheng Chi Pang.