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 ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

The board (the "Board") of directors (the "Directors") of Fortune Sun (China) Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2014 together with the comparative figures for 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	**2014** *RMB'000*	2013 *RMB'000*
Revenue	*4*	**23,814**	34,956
Business tax and other levies		**(412)**	(1,004)
Cost of services rendered		**(19,724)**	(24,215)
Gross profit		**3,678**	9,737
Other income	*5*	**3,643**	2,184
Operating and administrative expenses		**(12,383)**	(12,720)
Loss from operations		**(5,062)**	(799)
Finance cost – loan interest		**(983)**	(984)
Loss before tax		**(6,045)**	(1,783)
Income tax	*7*	**–**	–
Loss for the year attributable to owners of the Company	*8*	**(6,045)**	(1,783)
		RMB cents	*RMB cents*
Loss per share	*10*		
Basic		**(3.01)**	(0.89)
Diluted		**N/A**	N/A

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	RMB'000	*RMB'000*
Loss for the year	**(6,045)**	(1,783)
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**(127)**	(10)
Other comprehensive income for the year, net of tax	**(127)**	(10)
Total comprehensive income for the year attributable to owners of the Company	**(6,172)**	(1,793)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	**2014** **RMB'000**	2013 RMB'000
Non-current assets			
Property, plant and equipment		**888**	1,319
Investment properties		**3,616**	3,708
Golf club membership		**291**	291
Available-for-sale financial assets	*11*	**1,500**	1,500
		6,295	6,818
Current assets			
Trade receivables	*12*	**19,888**	16,018
Trade deposits	*13*	**10,880**	13,207
Prepayments and other deposits		**658**	781
Other receivables	*14*	**12,860**	19,291
Bank and cash balances		**14,360**	14,682
		58,646	63,979
Current liabilities			
Accruals and other payables		**4,271**	4,464
Other loan		**–**	8,000
		4,271	12,464
Net current assets		**54,375**	51,515
Total assets less current liabilities		**60,670**	58,333
Non-current liabilities			
Other loan		**8,000**	–
Deferred tax liabilities		**4,247**	4,247
		12,247	4,247
NET ASSETS		**48,423**	54,086
Capital and reserves			
Share capital		**20,708**	20,644
Reserves		**27,715**	33,442
TOTAL EQUITY		**48,423**	54,086

1. GENERAL INFORMATION

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

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

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations.

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

These consolidated financial statements have been prepared on a going concern basis and the directors of the Company have assessed this with reference to the cash flows forecast for the next twelve months from 31 December 2014 based on the latest financial information of the Group, the latest market information and including but not limited to the following key underlying assumptions:

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

(ii) part of the shareholder's loan to an investee company as mentioned in note 14 to the consolidated financial statements will be repayable before or at the end of 2015; and

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

Based on the above assessment, the directors of the Company are therefore of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

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

In the current year, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2014. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2014. The directors anticipate that the new and revised HKFRSs will be adopted in the Group's consolidated financial statements when they become effective. The Group has assessed, where applicable, the potential effect of all new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

New Hong Kong Companies Ordinance

The requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant.

4. REVENUE

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

	2014 ***RMB'000***	2013 *RMB'000*
Comprehensive property consultancy and sales agency service projects	**22,355**	33,220
Pure property planning and consultancy service projects	**1,459**	1,736
	23,814	34,956

5. OTHER INCOME

	2014	2013
	RMB'000	*RMB'000*
Interest income	**574**	307
Gain on disposals of property, plant and equipment	**98**	–
Reversal of allowance for trade receivables	**1,741**	–
Reversal of allowance for trade deposits	**1,152**	1,627
Sundry income	**78**	250
	3,643	2,184

6. 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

	2014	2013
	RMB'000	*RMB'000*
Customer a	**6,376**	12,152
Customer b	**–**	8,324
Customer c	**6,557**	–

7. INCOME TAX

No provision for Hong Kong Profits Tax is required since the Company has no assessable profit for both years.

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.

No PRC enterprise income tax has been made in the current year as the relevant group entities incurred a loss or utilised the tax losses brought forward to set off against assessable profit for both years.

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

	2014	2013
	RMB'000	*RMB'000*
Loss before tax	**(6,045)**	(1,783)
Tax at the domestic income tax rate of 25% (2013: 25%)	**(1,511)**	(446)
Tax effect of income that is not taxable	**(723)**	(407)
Tax effect of expenses that are not deductible	**759**	937
Tax effect of tax losses not recognised	**1,636**	37
Tax effect of temporary differences not recognised	**(161)**	82
Tax effect of utilisation of tax losses not previously recognised	**–**	(203)
Income tax	**–**	–

8. LOSS FOR THE YEAR

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

	2014	2013
	RMB'000	*RMB'000*
Auditor's remuneration	**456**	439
Depreciation of property, plant and equipment	**528**	699
Depreciation of investment properties	**92**	95
Gain on disposals of property, plant and equipment	**(98)**	–
Net exchange loss	**32**	54
Operating lease charges on land and buildings	**2,967**	2,949
(Reversal of allowance)/allowance for		
– Trade receivables (*)	**(1,741)**	637
– Trade deposits (*)	**(1,152)**	(1,627)
Staff costs (including directors' remuneration)		
– Fees, salaries, bonus and allowances	**11,412**	12,321
– Retirement benefits scheme contributions	**2,014**	2,132
	13,426	14,453
Write off of property, plant and equipment	**–**	15

(*) *Due to improvement of some project developers' ability to pay during the year, there was an improvement of the cash collection from some long aged projects. As a result, allowances made in prior years against trade receivables and trade deposits of approximately RMB1,741,000 and RMB1,152,000 were reversed respectively.*

9. DIVIDEND

On 23 March 2015, the Directors resolved not to recommend the payment of a final dividend for the year ended 31 December 2014 to the shareholders of the Company (2013: Nil).

10. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss for the year attributable to owners of the Company of approximately RMB6,045,000 (2013: RMB1,783,000) and the weighted average number of ordinary shares of 200,529,917 (2013: 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 shares during the two years ended 31 December 2014 and 2013.

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group	
	2014	2013
	RMB'000	*RMB'000*
Unlisted investment, at cost	**1,500**	1,500

The above unlisted investment represents 3% equity interest investment in Shanghai Hengda Group (Jiangsu) Investment Co., Ltd. ("Hengda Jiangsu"), 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.

12. TRADE RECEIVABLES

	Group	
	2014	2013
	RMB'000	*RMB'000*
Trade receivables	**21,855**	19,726
Less: Allowance for trade receivables	**(1,967)**	(3,708)
	19,888	16,018

Allowance for trade receivables is made after the directors have considered the timing and probability of the collection.

The average credit period granted to trade customers is 90 days. The ageing analysis of the Group's trade receivables, based on the billing summary, and net of allowance is as follows:

	2014	2013
	RMB'000	*RMB'000*
0 to 90 days	**6,129**	6,696
91 to 180 days	**6,744**	3,181
181 to 365 days	**1,912**	3,562
1 to 2 years	**2,544**	860
Over 2 years	**2,559**	1,719
	19,888	16,018

Reconciliation of allowance for trade receivables:

	2014	2013
	RMB'000	*RMB'000*
At 1 January	**3,708**	3,071
(Reversal of allowance)/allowance for the year	**(1,741)**	637
At 31 December	**1,967**	3,708

At the end of the reporting period, the Group reviewed receivables for evidence of impairment on both an individual and collective basis. Allowance recognised for 2014 and 2013 were on trade receivables which were individually impaired 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 2014, trade receivables of approximately RMB13,759,000 (2013: RMB9,322,000) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2014	2013
	RMB'000	*RMB'000*
Up to 3 months	**6,744**	3,181
4 to 9 months	**1,912**	3,562
10 to 21 months	**2,544**	860
More than 21 months	**2,559**	1,719
	13,759	9,322

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, the 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.

13. TRADE DEPOSITS

	Group	
	2014	2013
	RMB'000	*RMB'000*
Trade deposits	**12,470**	15,949
Less: Allowance for trade deposits	**(1,590)**	(2,742)
	10,880	13,207

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.

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) at the end of the reporting period is as follows:

	2014	2013
	RMB'000	*RMB'000*
0 to 90 days	**–**	43
91 to 180 days	**8**	14
181 to 365 days	**925**	85
Over 1 year and up to 2 years	**152**	1,359
Over 2 years and up to 3 years	**640**	–
Over 3 years	**9,155**	11,706
	10,880	13,207

Reconciliation of allowance for trade deposits:

	2014	2013
	RMB'000	*RMB'000*
At 1 January	**2,742**	4,369
Reversal of allowance for the year	**(1,152)**	(1,627)
At 31 December	**1,590**	2,742

At the end of the reporting period, the Group reviewed the trade deposits for evidence of impairment on both an individual and collective basis. Allowance recognised for 2014 and 2013 were on trade deposits which were individually impaired customers which are experiencing financial difficulties and are in default or delinquency of payments.

As of 31 December 2014, trade deposits of approximately RMB3,541,000 (2013: RMB6,047,000) were past due but not impaired. The ageing analysis of these trade deposits is as follows:

	2014	2013
	RMB'000	*RMB'000*
Up to 3 months	**–**	824
4 to 9 months	**–**	–
9 months or above	**3,541**	5,223
	3,541	6,047

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, the management believes that no further 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 RMB9,606,000 (2013: RMB12,680,000) in which the customer used their property as collateral for the balance due to the Group and the Group is the first (2013: first) mortgagee against the property, the Group does not hold any collateral over the remaining balances.

14 OTHER RECEIVABLES

Included in other receivables is a shareholder's loan to Hengda Jiangsu of RMB12,362,000 (2013: RMB18,677,000). This shareholder's loan is unsecured, interest-free and has no fixed terms of repayment.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET AND BUSINESS REVIEW

In 2014, the overall operating environment of the property sector in China remained harsh as in 2013. Starting from the second half of 2014, even though a number of provinces and cities relaxed certain of their property policies and the People's Bank of China lowered the deposit reserve ratio to ease the monetary policy, the sentiment of the property market in general remained prudent and careful. The area sold and sales amount of commodity properties in the PRC in 2014 decreased by 7.6% and 6.3% respectively as compared to 2013. The area sold and sales amount of residential properties in the PRC decreased by 9.1% and 7.8% respectively as compared to 2013. The climate index of the nation-wide property development has been falling from 97.21 in December 2013 to 93.93 in December 2014, with paid-in capital for property developers dropped by 0.1% year-on-year and the personal mortgage loan for the year decreased by 2.6% as compared to the previous year. Due to the depressing environment of the PRC property industry, the prospect of the property market remained uncertain and the market witnessed delays in opening for sales of some property projects in light of the weak market demand for residential properties. Meanwhile, the difficulties in obtaining financing for some property developers in China resulted in postponement of certain property projects, which severely affected the Group's primary property sales agency business with a drop in area sold during the year.

Regarding the Group's operations in the year under review on a geographical sense, most of the Group's recorded revenue was generated from projects in Shanghai, followed by Hubei Province and Jiangsu Province, which represented approximately 33.12%, 27.80% and 16.64% of the Group's total revenue respectively. On a comparative basis, in 2013, the Group's recorded revenue was mainly generated from projects in Hubei Province, followed by Jiangsu Province and Jiangxi Province. Regarding business segments, during the year under review, although the revenue generated from the comprehensive property consultancy and sales agency service business decreased, it remained a major source of income for the Group and accounted for approximately 93.87% of the Group's total revenue (2013: approximately 95.03%), while the revenue generated from the pure property planning and consultancy accounted for approximately 6.13% of the total revenue (2013: approximately 4.97%) of the Group.

In 2014, the Group recorded revenue of approximately RMB23,814,000, representing a decrease of approximately 31.87% as compared to 2013 and gross profit decreased from approximately RMB9,737,000 in 2013 to approximately RMB3,678,000. Despite a decrease in overall cost of services of approximately 20.16%, the gross profit margin also dropped to approximately 15.44% during the year under review from approximately 27.9% in 2013 as major cost of services such as sales staff costs and marketing expenses had not declined proportionately. The overall operating and administrative expenses dropped slightly by approximately 2.80% as compared to last year. Therefore, the loss attributable to owners of the Company for the year under review increased significantly to RMB6,045,000 from the loss of approximately RMB1,783,000 for the preceding year.

COMPREHENSIVE PROPERTY CONSULTANCY AND AGENCY BUSINESS

During the year under review, the provision of comprehensive property consultancy and sales agency services for the primary property market in the PRC was the core business of the Group. In 2014, most of the revenue of the Group was generated from 20 comprehensive property consultancy and sales agency service projects (2013: 17 projects) with approximately 181,000 square meters (2013: approximately 336,000 square meters) of total saleable gross floor areas of the underlying projects. The reported revenue from these comprehensive property consultancy and sales agency service projects for the year ended 31 December 2014 was approximately RMB22,355,000, representing approximately 93.87% of the total revenue of the Group (2013: approximately RMB33,220,000, representing approximately 95.03% of the total revenue).

As at 31 December 2014, the Group had 17 comprehensive property consultancy and sales agency service projects on hand with total unsold gross floor areas of approximately 1,873,000 square meters (2013: approximately 2,406,000 square meters). Among these 17 projects, sales of the underlying properties of 5 projects have not yet commenced as at 31 December 2014.

PURE PROPERTY PLANNING AND CONSULTANCY BUSINESS

During the year ended 31 December 2014, the Group implemented in total 6 pure property planning and consultancy service projects (2013: 4 projects). Owing to the lack of large-sized consultancy projects primarily as a result of the sluggish property market in the PRC, the reported revenue generated from this business segment for the year decreased by approximately 15.96% to RMB1,459,000, representing 6.13% of the total revenue for the year of 2014 (2013: approximately RMB1,736,000, representing 4.97% of the total revenue).

PROSPECTS

Starting from 2010, in order for the domestic property market to develop in a stable and healthy manner and for the housing price to fall to a reasonable level, the Central Government introduced a series of tightened macro-control policies to the property industry. Such policies adhered to the three measures, namely the restrictions on housing price, restrictions on property purchases and restrictions on housing loan. Reforms on property development and tax policies were also implemented. In 2014, the average property price of most cities decreased for consecutive months. In light of the general slide in property price, starting from the second half of 2014, various provinces and cities had started to implement certain property easing measures including relaxation of restrictions on property purchases.

In 2015, the Group will continue to focus on the comprehensive property consultancy and sales agency service as its main businesses and will remain cautious on the market. The Group will endeavor to continue its cooperation with property developers and new potential business partners targeting at commodity housing, and focus on the development opportunities in the first and second-tier cities. The Group will also strive to secure more property consultancy and sales agency service projects.

The Group will maintain a strong focus in Shanghai in 2015. Although Shanghai is still subject to stringent restrictions from the state, the gradual adjustment and relaxation of the policies by the government and maturity of the property market in Shanghai as a major first-tier city of substantial population signifies that it is the most stable regional market with minimum risk. As such, Shanghai has remained the current core of our business development. It is expected that the relaxation of the standard pricing ceiling of property agency services in Shanghai in March 2015 will help increase the operating flexibility of property developers. Regarding the situation in Jiangsu Province, although the competition in Jiangsu Province is harsh, the property sales in Jiangsu Province is expected to improve after the removal of restrictions on property purchases due to its inherent favorable operating environment. Therefore, Jiangsu Province will be another strong focus of the Group in 2015. Apart from existing operating regions, the Group will also pay attention to the development in second-tier markets, in particular Zhejiang Province and Anhui Province, in which the household income is higher in Zhejiang Province and the demand for housing is stronger, and the operating environment in the property agency business in Anhui Province is more favourable with stable property price level in general.

The year 2015 will remain as a year for the Group to broaden sources of income and to minimize expenditures. The management of the Group will endeavor to incentivize their employees to proactively identify new projects and new developers, and strive to cut operating expenses by means of strengthening budget management and cost control, so as to pursue a long-term development for the Company and its employees as a whole and satisfactory return to our shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

In the year of 2014, the Group's source of funds was mainly cash generated from operations.

As at 31 December 2014, the Group had net current assets of approximately RMB54,375,000 (2013: approximately RMB51,515,000), total assets of approximately RMB64,941,000 (2013: approximately RMB70,797,000) and shareholders' funds of approximately RMB48,423,000 (2013: approximately RMB54,086,000).

As at 31 December 2014, the bank and cash balances of the Group amounted to approximately RMB14,360,000 (2013: approximately RMB14,682,000).

BANK BORROWINGS AND OVERDRAFTS

The Group had no bank borrowings or overdrafts as at 31 December 2014 (2013: Nil).

INDEBTEDNESS AND CHARGE ON ASSETS

The Group did not have any short term borrowing (2013: RMB8,000,000) and had a long term borrowing of RMB8,000,000 (2013: Nil) as at 31 December 2014 which will mature in December 2016 and is secured by the investment properties of the Group with carrying amount of approximately RMB3,616,000 (2013: approximately RMB3,708,000).

As at 31 December 2014, the Group had total borrowings of RMB8,000,000. The gearing ratio of the Group (calculated on the basis of total bank and other borrowings over total equity) was 16.52% (2013: 14.79%).

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

INTEREST RATE RISKS

The borrowing rates of the Group were mainly floating rates based on the benchmark interest rate for RMB loans of the same periods from financial institutions announced by the People's Bank of China. During the year of 2014, the People's Bank of China reduced the benchmark interest rate for three-year RMB loans from 6.15% to 6.00% in November 2014. The Group's exposure to interest rate risk exposure mainly stemmed from fluctuations of borrowing rates for the Group's debts. Interest rate hikes will increase the cost of borrowings of the Group.

STAFF AND EMOLUMENT POLICY

As at 31 December 2014, the Group had a total of 163 staff (2013: 226 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. The emolument policies of the Group are reviewed by the management of the Group regularly.

MAJOR INVESTMENTS

For the year ended 31 December 2014, 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）("Hengda Jiangsu") as set out in note 11 to the consolidated financial statements and the investment properties held by the Group, no other significant investment was held by the Group. As at the date of this announcement, save for the continuing investment in Hengda Jiangsu and the investment properties held by the Group, the Group had no future plans for material investments or capital assets.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2014 (2013: Nil).

CAPITAL COMMITMENTS

The Group had no material capital commitments as at 31 December 2014 (2013: Nil).

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 2014.

CORPORATE GOVERNANCE PRACTICES

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 of 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 year ended 31 December 2014.

Pursuant to code provision A.2.1 of the CG Code, the responsibilities between the chairman and chief executive should be separate and should not be performed by the same individual. For the year under review, the Company did not have a 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 year ended 31 December 2014.

REVIEW BY AUDIT COMMITTEE

Pursuant to the requirements of the CG Code and Rule 3.21 of the Listing Rules, the Company has established an audit committee (the "Audit Committee") of the Board with written terms of reference and comprising all three independent non-executive Directors.

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, internal controls and risk management system of the Group. It is responsible for making recommendations to the Board for the appointment, reappointment or removal of the external auditor; reviewing and monitoring the external auditor's independence and objectivity, as well as reviewing and monitoring the effectiveness of the audit process to make sure that the same is in full compliance with applicable standards.

During the year ended 31 December 2014, the Audit Committee met with the external auditor to review and approve the audit plans and also reviewed the Group's annual results of 2013 and interim results of 2014 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 2014.

PUBLICATION OF THE RESULTS AND ANNUAL REPORT

This results announcement is published on the Company's website (www.fortune-sun.com) and the Stock Exchange's website (www.hkexnews.hk). The 2014 Annual Report will be dispatched to the shareholders of the Company and will be made available on the websites of the Company and the Stock Exchange in due course.

2015 ANNUAL GENERAL MEETING

It is proposed that the 2015 Annual General Meeting (the "2015 AGM") will be held on Friday, 19 June 2015. A notice convening the 2015 AGM will be published on the Company's website (www.fortune-sun.com) and the Stock Exchange's website (www.hkexnews.hk) and will be dispatched to the shareholders of the Company accordingly.

CLOSURE OF REGISTER OF MEMBERS

To ascertain Shareholders' entitlement to attend and vote at the 2015 AGM, the register of members of the Company will be closed from Wednesday, 17 June 2015 to Friday, 19 June 2015 (both days inclusive) during which period no transfer of shares will be registered.

In order to qualify for attending and voting at the 2015 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, being the Company's branch share registrar and transfer office in Hong Kong, for registration no later than 4:30 p.m. on Tuesday, 16 June 2015.

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

Hong Kong, 23 March 2015

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