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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: 00352)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

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 2025 (the “**period under review**” or the “**period**”) together with the comparative figures for 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
		2025	2024
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	4	330	1,146
Cost of services rendered		(170)	(1,384)
Gross profit/(loss)		160	(238)
Investment income and other gains and losses		659	968
Operating and administrative expenses		(2,699)	(4,666)
Finance cost		(41)	(43)
Loss before tax		(1,921)	(3,979)
Income tax expense	5	—	—
Loss for the period attributable to the owners of the Company	6	(1,921)	(3,979)
		<i>RMB cents</i>	<i>RMB cents</i>
Loss per share	8		
Basic		(0.78)	(1.61)
Diluted		(0.78)	(1.61)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Loss for the period	<u>(1,921)</u>	<u>(3,979)</u>
Other comprehensive income:		
<i>Items that will be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	<u>991</u>	<u>271</u>
Other comprehensive income for the period, net of tax	<u>991</u>	<u>271</u>
Total comprehensive expense for the period attributable to the owners of the Company	<u><u>(930)</u></u>	<u><u>(3,708)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2025

		30 June 2025	31 December 2024
	<i>Notes</i>	RMB'000	RMB'000
		(Unaudited)	(Audited)
Non-current assets			
Property, plant and equipment		458	505
Right-of-use assets		1,528	1,756
Investment properties		9,619	9,743
		11,605	12,004
Current assets			
Trade receivables	9	1,251	1,412
Prepayments and other deposits		579	600
Other receivables		57	97
Financial assets at fair value through profit or loss		–	10,000
Bank and cash balances		4,375	3,489
		6,262	15,598
Current liabilities			
Accruals and other payables		2,936	4,000
Lease liabilities		434	434
		3,370	4,434
Net current assets		2,892	11,164
Total assets less current liabilities		14,497	23,168
Non-current liability			
Lease liabilities		1,222	1,463
Loan from a related company		10,500	18,000
		11,722	19,463
NET ASSETS		2,775	3,705
Capital and reserves			
Share capital		24,394	24,394
Reserves		(21,619)	(20,689)
TOTAL EQUITY		2,775	3,705

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

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 2024 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 2024.

2. ADOPTION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and amendments to 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 2025. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); HKAS; and its Interpretations.

3. CHANGES IN HKFRSs

The HKICPA has issued a number of amended HKFRSs that are first effective for the current accounting period of the Group.

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of amended HKFRSs effective for the annual periods beginning on or after 1 January 2025.

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

The Group is principally engaged in providing property consultancy and sales agency services for the property markets in the People's Republic of China (the "PRC"), which is the reportable segment of the Group. Revenue during the period under review and disaggregation of revenue from contracts with customers are as follows:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Comprehensive property consultancy and sales agency service projects, recognised at a point in time		
Primary geographical markets		
PRC	330	1,146
Pure property planning and consultancy service projects, recognised over time		
Primary geographical markets		
PRC	—	—
	<u>330</u>	<u>1,146</u>

The following table provides information about trade receivables from contracts with customers:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	<u>1,251</u>	<u>1,412</u>

The Group carried on a single business which is the provision of agency services for the sale of properties and property consultancy services, with the majority of business in the PRC, and 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 2024.

5. 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 incurred in both periods as the relevant group entities had no assessable profit for both periods.

No provision for Tax on Profit in the subsidiary of the Company in Cambodia has been made as the subsidiary 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.

6. LOSS FOR THE PERIOD

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Auditor's remuneration	160	160
Interest income	(64)	(63)
Depreciation of property, plant and equipment	47	177
Depreciation of right-of-use assets	228	273
Depreciation of investment properties	124	361
Gross rental income from investment properties less direct outgoing of RMB Nil (2024: RMB Nil)	(139)	(223)
Reversal of allowance for – Trade receivables	(492)	(400)
	<u>(492)</u>	<u>(400)</u>

7. DIVIDENDS

The Board does not recommend the payment of any interim dividend for the period under review (six months ended 30 June 2024: Nil).

8. 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 RMB1,921,000 (six months ended 30 June 2024: RMB3,979,000) and the number of ordinary shares of 246,183,390 (six months ended 30 June 2024: 246,183,390) in issue during the period.

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary shares during the respective periods ended 30 June 2025 and 30 June 2024.

9. TRADE RECEIVABLES

	30 June	31 December
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Trade receivables	5,807	6,460
Less: Allowance for credit loss	(4,556)	(5,048)
	<u>1,251</u>	<u>1,412</u>

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

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
0 to 90 days	53	279
91 to 180 days	150	9
181 to 365 days	9	18
1 to 2 years	343	680
Over 2 years	696	426
	<hr/>	<hr/>
	1,251	1,412
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MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the first half of 2025, China's headline economic indicators remained within the authorities' target range. Real GDP expanded by 5.3% year-on-year and broad money supply (M2) grew by 8.3%, while investment in manufacturing and high-technology industries continued to register positive growth, supporting overall macro-economic stability. Beneath these aggregates, domestic demand rebalanced: consumers gravitated toward value-for-money purchases, corporate capital expenditure became increasingly selective and project-specific, and export orders displayed heightened sensitivity to external cycles.

To underpin activity, the People's Bank of China implemented successive reserve-requirement and loan-prime-rate reductions, and fiscal authorities enlarged the quota of special-purpose bonds. Although these measures ensured abundant system liquidity, credit appetite among enterprises and households remained subdued, indicating a slower-than-usual transmission of monetary policy.

Within the property sector, the transition from incremental expansion to quality-oriented demand became more pronounced. Despite more than 160 cities easing purchase restrictions or offering subsidies, national contracted residential floor space and sales value declined by 3.7% and 5.2%, respectively. Real-estate development investment contracted by 11.2% and developer funding by 6.2%. Land-auction activity was uneven – premium plots in Tier-1 cities achieved record unit prices early in the year, yet overall bidding cooled in the second quarter as developers prioritised liquidity, while lower-tier cities continued to contend with elevated inventory levels.

Against this backdrop, the Group adopted a disciplined, defensive stance. The agency business was streamlined to focus exclusively on the comparatively predictable Yancheng project, and new mandates in other regions were deferred. Managerial attention was redirected toward low-capital, cash-generative asset-management opportunities.

Negotiations are under way for management mandates covering the Oriental Building and the Huaneng United Tower in Shanghai's core CBD. Proposed terms feature phased capital expenditure and profit-sharing arrangements designed to cushion prospective cash flows against market volatility, with commencement targeted for the fourth quarter of 2025.

During the period under review, the Group recorded revenue of approximately RMB0.3 million, representing a significant decrease of approximately 71.2% as compared with approximately RMB1.1 million recorded for the corresponding period of last year. Such decrease was mainly due to the decrease in revenue generated from the comprehensive property consultancy and sales agency service projects of the Group in the PRC by approximately RMB0.8 million to approximately RMB0.3 million for the period under review as compared with approximately RMB1.1 million recorded for the corresponding period in the preceding year for reasons further explained in the paragraph headed “comprehensive property consultancy and sales agency business” below. Revenue from the pure property planning and consultancy projects of the Group is RMB nil during the period under review and the preceding year for reasons further explained in the paragraph headed “pure property planning and consultancy business” below.

The Group recorded gross profits of approximately RMB0.16 million for the period under review as compared with gross loss of approximately RMB0.24 million in the corresponding period in the previous year. Such increase was mainly resulted from the tight cost saving policy adopted. The overall operating and administrative expenses decreased by approximately 42.2% as a result of the tight cost saving policy implemented by the Group during the period under review.

Thus, the Group recorded a net loss of approximately RMB1.9 million for the period under review as compared with a net loss of approximately RMB4.0 million in the corresponding period in the previous year.

Regarding the Group’s operations during the period under review in a geographical sense, most of the Group’s revenue recorded in the PRC was generated from projects in Zhejiang Province, followed by Jiangsu Province, which represented approximately 58.0% and 42.0% of the Group’s total revenue, respectively. On a comparative basis, in the corresponding period of 2024, the Group’s recorded revenue was mainly generated from projects in Jiangsu Province, followed by Zhejiang Province which represented approximately 56.2% and 43.8% of the Group’s total revenue, respectively. Regarding business segments, during the period under review, the revenue generated from the comprehensive property consultancy and sales agency service business segment remained a major source of income for the Group and accounted for 100% of the Group’s total revenue (for the six months ended 30 June 2024: approximately 100%), and no revenue was generated from the pure property planning and consultancy business segment (for the six months ended 30 June 2024: 0% of the Group’s total revenue).

Comprehensive Property Consultancy and Sales Agency Business

The Group principally provides comprehensive property consultancy and sales agency services for the properties markets with the majority of business in the PRC. During the period under review, the Group had managed 2 comprehensive property consultancy and sales agency service projects (for the six months ended 30 June 2024: 3 projects) in the PRC. The total gross floor area of the underlying properties sold by the Group acting as the agent during period under review was approximately 1,000 square meters (for the six months ended 30 June 2024: 1,000 square meters) in the PRC.

The unaudited total revenue from such comprehensive property consultancy and sales agency service projects for the period under review was approximately RMB0.3 million (for the six months ended 30 June 2024: approximately RMB1.1 million), representing a decrease by approximately 71.2% as compared with the corresponding period in 2024. The decrease in revenue from comprehensive property consultancy and sales agency service projects mainly resulted from the decline in demand from the primary property markets in the PRC as a result of the weak economy in the PRC since the second quarter of 2023.

As at 30 June 2025, the Group had 1 comprehensive property consultancy and sales agency service project on hand (30 June 2024: 3 projects) with a total unsold gross floor area of approximately 2,000 square meters (30 June 2024: approximately 27,000 square meters). As at 30 June 2025, all projects had commenced the sales.

Pure Property Planning and Consultancy Business

For the six months ended 30 June 2025, the Group had no ongoing projects in the pure property planning and consultancy business segment and therefore no revenue was recorded for such segment (the six months ended 30 June 2024: RMB Nil).

The lack of revenue from pure property planning and consultancy business was mainly due to the situation of the economy in the PRC during the period under review, resulting in reduced demand for the Group's market research and promotion planning services for the developers.

PROSPECTS AND OUTLOOKS

Looking ahead, market consensus anticipates at least one additional policy rate cut and a further reserve-requirement adjustment before year-end. While such measures should sustain liquidity, modest household income expectations and the maturing urbanisation process suggest that the property market will remain in an adjustment phase. The Group will therefore continue to prioritise cash preservation and risk control, monitor policy implementation and inventory digestion, and revisit expansion only when demand-side indicators exhibit sustained improvement, thereby preserving financial resilience while retaining flexibility to capture growth opportunities as conditions normalise.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2025, the Group had unaudited net current assets of approximately RMB2.9 million (31 December 2024: approximately RMB11.2 million), unaudited total assets of approximately RMB17.9 million (31 December 2024: approximately RMB27.6 million) and unaudited shareholders' funds of approximately RMB2.8 million (31 December 2024: approximately RMB3.7 million). The current ratio (calculated by dividing total current assets with total current liabilities) decreased from 3.52 as at 31 December 2024 to 1.86 as at 30 June 2025.

As at 30 June 2025, the unaudited bank deposits and bank and cash balances of the Group are denominated in Renminbi and Hong Kong Dollars and amounted to approximately RMB4.4 million (31 December 2024: approximately RMB3.5 million).

INDEBTEDNESS AND CHARGE ON ASSETS

As at 30 June 2025, the Group did not have any short term borrowing (31 December 2024: Nil) and had long term borrowing of RMB10.5 million (31 December 2024: RMB18 million) which were denominated in Renminbi and will mature in 31 December 2027.

The Group had no bank borrowings or overdrafts as at 30 June 2025 (31 December 2024: Nil).

As at 30 June 2025, the gearing ratio (calculated on the basis of total borrowings over total equity) of the Group was 378.4% (31 December 2024: 485.8%).

As at 30 June 2025, the Group had no charge on assets.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There was no material acquisition or disposal of subsidiaries, associates or joint ventures of the Company during period under review.

EVENTS AFTER THE REPORTING PERIOD

There was no significant event after the end of the period under review up to the date of this announcement.

FOREIGN EXCHANGE RISKS

As the Group's sales are denominated in Renminbi and United States dollar, the Group's purchases and expenses are either denominated in Renminbi, Hong Kong dollar or United States 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 did not carry any bank borrowings which are exposed to interest rate risk during the period under review.

The Group's exposure to interest rate risk mainly stemmed from fluctuations of interest rates for the Group's bank balances and other borrowings with floating interest rate, as the Group had no bank borrowings.

MATERIAL INVESTMENTS

Reference is made to the announcement dated 7 July 2025, as at 31 December 2024, the Company through members of the Group subscribed for wealth management products offered by China Merchants Bank Co., Ltd. ("**CMB**") and Hua Xia Bank Co., Limited ("**HXB**") amounting to approximately RMB5,000,000 each, with total of approximately RMB10,000,000, representing approximately 36.2% of the total assets of the Company as at 31 December 2024 and the Group recorded as financial assets at fair value through profit or loss ("**FVTPL**").

The investments in wealth management products under financial assets at FVTPL were made for treasury management purpose to maximise return on idle funds the Group during the year ended 31 December 2024.

During the period ended 30 June 2025, the entire principal amount subscribed for the CMB's and HXB's wealth management products has been fully redeemed and the Group recorded net realised gain of approximately RMB18,000 on the financial assets at FVTPL.

The Group had no material investments as at 30 June 2025. As at the date of this announcement, 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 2025 (31 December 2024: Nil).

CAPITAL COMMITMENTS

The Group had no material capital commitments as at 30 June 2025 (31 December 2024: Nil).

STAFF AND GROUP'S EMOLUMENT POLICY

As at 30 June 2025, the Group had a total of 19 staff (31 December 2024: 25 staff). The Group recorded staff costs (excluding directors' remuneration) of approximately RMB1.5 million (for the six months ended 30 June 2024: RMB1.4 million) during the six months ended 30 June 2025.

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 of the Group. The Company has adopted a share option scheme pursuant to the resolutions passed by the shareholders of the Company on 17 June 2016 for the purpose of providing incentives and rewards to eligible participants, including the employees of the Group, for their contribution to the Group.

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 2025.

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 announcement, 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 Part 2 of Appendix C1 to the Listing Rules. Save for the deviation from code provision C.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 2025.

Pursuant to code provision C.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 under this arrangement will not be impaired and that such arrangement 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 for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (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 2025.

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 Mr. Chow Yiu Ming, Mr. Cui Shi Wei and Mr. Lam Chun Choi. Mr. Chow Yiu Ming is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated interim financial statements and this announcement of the Group for the six months ended 30 June 2025 including the accounting, internal control and financial reporting issues. The Audit Committee did not have any disagreement on the accounting treatment adopted by the Group in its unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2025.

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 were approved by the Board on 29 August 2025.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND THE INTERIM 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 2025 interim 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.

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

Hong Kong, 29 August 2025

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. Cui Shi Wei, Mr. Lam Chun Choi and Mr. Chow Yiu Ming.