

UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2011 (“Q1 2011”) IN RESPECT OF THE FINANCIAL YEAR ENDING 31 DECEMBER 2011 (“FY2011”)

PART1 INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), FULL YEAR RESULTS

1.(a)(i) An income statement (for the Group) for the 3-month period ended 31 March 2011 together with a comparative statement for the corresponding period of the immediate preceding financial year

Unaudited consolidated income statement of the Group for the first quarter period ended 31 March 2010 and 31 March 2011

	The Group		
	Q1 2011	Q1 2010	%
	RMB'000	RMB'000	Change
Revenue	27,099	34,572	(22)
Cost of sales	(21,474)	(26,064)	(18)
Gross profit	5,625	8,508	(34)
Other operating income	455	5,293	(91)
Share of losses of associates	(828)	-	N.M.
General and administrative expenses	(8,811)	(7,703)	14
Selling and distribution expenses	(1,803)	(1,589)	13
Finance income (costs)	1,351	(1,800)	N.M.
(Loss)/profit before tax	(4,011)	2,709	N.M.
Income tax expense	(910)	(800)	14
Net (loss)/profit for the period	(4,921)	1,909	N.M.

“Q1 2010” and “Q1 2011” denotes the first quarter period ended 31 March 2010 and 31 March 2011 respectively

“% Change” denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure

“N/M” denotes “Not meaningful”

1.(a)(ii) The accompanying notes to the unaudited financial statements form an integral part of the financial statements

	The Group		
	Q1 2011	Q1 2010	%
	RMB'000	RMB'000	Change
(Loss)/profit before tax has been arrived at after charging/(crediting):			
Depreciation of property, plant and equipment	2,349	2,530	(7)
Foreign currency exchange gain	(140)	(14)	900.0
Gain on disposal of property, plant and equipment	(1)	(33)	(97)
Share of loss of associates	828	-	N.M.
Waived construction and related costs	-	(4,977)	N.M.
Interest income	(130)	(16)	713
Finance (Income)/expenses	(1,458)	1,800	N.M.

“Q1 2010” and “Q1 2011” denotes the first quarter period ended 31 March 2010 and 31 March 2011 respectively

“% Change” denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure

“N/M” denotes “Not meaningful”.

1.(b)(i) A statements of financial position (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year

Statements of financial position of the Group and the Company as at 31 March 2011 and 31 December 2010

	The Group		The Company	
	31 March 2011 RMB'000	31 December 2010 RMB'000	31 March 2011 RMB'000	31 December 2010 RMB'000
Non-current assets				
Property, plant and equipment	71,689	76,472	5	5
Land use rights	64	64	-	-
Investment properties	183,650	183,650	-	-
Prepayments and other receivables	26,102	25,681	-	-
Amounts due from a related party	60,497	59,672	-	-
Amounts due from associates	39,186	37,886	-	-
Investments in subsidiaries	-	-	213,738	213,738
Investments in associates	55,704	56,532	-	-
	436,892	439,957	213,743	213,743
Current assets				
Completed properties for sale	357,492	369,664	-	-
Properties under development for sale	660,174	635,212	-	-
Trade receivables	5,248	4,911	-	-
Prepayments and other receivables	124,827	42,307	36	36
Amounts due from subsidiaries	-	-	443,358	442,403
Amounts due from related parties	44,003	44,124	-	-
Amounts due from associates	54,655	54,655	-	-
Income tax recoverable	18,832	17,038	-	-
Pledged bank deposits	12,406	11,360	-	-
Cash and cash equivalents	40,299	59,670	249	804
	1,317,936	1,238,941	443,643	443,243
Current liabilities				
Trade payables	74,091	85,287	-	-
Sales and rental deposits	295,823	247,916	-	-
Accruals and other payables	345,269	349,501	850	652
Amount due to subsidiaries	-	-	7,952	7,876
Amounts due to related parties	19,812	21,597	10,888	10,888
Amounts due to associates	6,156	6,156	-	-
Income tax payables	46,546	46,331	-	-
Bank and other borrowings	44,000	29,000	-	-
	831,697	785,788	19,690	19,416
Net current assets	486,239	453,153	423,953	423,827
	923,131	893,110	637,696	637,570
Capital and reserves				
Issued capital	305,888	305,888	305,888	305,888
Share premium	224,094	224,094	224,094	224,094
Capital reserve	49,031	49,031	-	-
Share option reserve	-	-	-	-
Retained earnings	271,482	274,838	107,714	107,588
Equity attributable to owners of the Company	850,495	853,851	637,696	637,570
Non-controlling interests	10,210	11,775	-	-
Total equity	860,705	865,626	637,696	637,570
Non-current liabilities				
Long term bank borrowings	35,000	-	-	-
Deferred tax liabilities	27,426	27,484	-	-
	62,426	27,484	-	-
	923,131	893,110	637,696	637,570

1.(b)(ii) Aggregate amount of borrowings and debt securities for the Group.

	The Group	
	31 March 2011 RMB '000	31 December 2010 RMB '000
Borrowings, secured ⁽¹⁾	-	29,000
Borrowings, unsecured	50,000	-
	50,000	29,000
The borrowings are repayable:		
On demand or within one year	15,000	29,000
More than one year	35,000	-
	50,000	29,000

Note:

(1) Secured against certain completed properties for sales of the Group.

1.(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year. Unaudited consolidated statement of cash flows of the Group for the first quarter periods ended 31 March 2010 and 31 March 2011.

	The Group	
	Q1 2011	Q1 2010
	RMB'000	RMB'000
OPERATING ACTIVITIES		
(Loss)/profit before tax	(4,011)	2,709
Adjustments for:		
Depreciation of property, plant and equipment	2,349	2,530
Foreign currency exchange gain	(140)	(14)
Gain on disposal of property, plant and equipment	(1)	(33)
Share of loss of associates	828	-
Waived construction and related costs	-	(4,977)
Finance (income) Expenses	(1,351)	1,800
Interest income	(130)	(16)
Operating cash flows before movements in working capital	(2,456)	1,999
Decrease in completed properties for sale	12,172	28,298
Increase in properties under development for sale	(24,945)	(33,899)
(Increase)/decrease in trade receivables	(843)	161
Increase in prepayments and other receivables	(14,014)	(2,728)
Decrease in trade payables	(8,778)	(36,970)
Increase in sales and rental deposits	47,907	34,853
(Decrease)/increase in accruals and other payables	(6,593)	7,551
Cash generated from/(used in) operations	2,450	(735)
Income tax paid	(2,545)	(4,422)
NET CASH USED IN OPERATING ACTIVITIES	(95)	(5,157)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2)	(34)
Increase in pledged bank deposits	(1,046)	(80)
Loan to third party	-	(10,000)
Deposits for a jointly controlled investment	(68,000)	-
Proceed from disposal of projects	1,950	-
Refund of investment cost of available-for-sale investments	-	1,400
Interest received	130	16
NET CASH USED IN INVESTING ACTIVITIES	(66,968)	(8,698)
FINANCING ACTIVITIES		
Repayments of bank and other borrowings	-	(6,800)
Receipts of new loans	50,000	-
(Repaid to)/received from related parties	(1,664)	2,234
Interest paid	(644)	-
NET CASH GENERATED FROM / (USED IN) FINANCING ACTIVITIES	47,692	(4,566)
DECREASE IN CASH AND CASH EQUIVALENTS	(19,371)	(18,421)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	59,670	64,562
CASH AND CASH EQUIVALENTS AT END OF PERIOD	40,299	46,141

1.(d) A statements of comprehensive income (for the issuer and group), together with a comparative statement for the corresponding year of the immediately preceding financial period.

Unaudited consolidated statements of comprehensive income of the Group and the Company for the first quarter period ended 31 March 2010 and 31 March 2011

	The Group	
	Q1 2011	Q1 2010
	RMB'000	RMB'000
(Loss)/profit for the period	(4,921)	1,909
Other comprehensive income for the period	<u>-</u>	<u>-</u>
Total comprehensive (expense)/income for the period	<u>(4,921)</u>	<u>1,909</u>

Total comprehensive (expense)/income for the period attributable to:

Owners of the Company	(3,356)	2,080
Minority interests	<u>(1,565)</u>	<u>(171)</u>
	<u>(4,921)</u>	<u>1,909</u>

	The Company	
	Q1 2011	Q1 2010
	RMB'000	RMB'000
Income/(loss) for the period	126	(883)
Other comprehensive expense for the period	<u>-</u>	<u>-</u>
Total comprehensive income/(expense) for the period	<u>126</u>	<u>(883)</u>

Total comprehensive income/(expense) for the period attributable to:

Owners of the Company	126	(883)
Minority interests	<u>-</u>	<u>-</u>
	<u>126</u>	<u>(883)</u>

“Q1 2010” and “Q1 2011” denotes the first quarter period ended 31 March 2010 and 31 March 2011 respectively

1.(e)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Unaudited consolidated statement of changes in equity of the Group for the 3-month period ended 31 March 2010 and 31 March 2011

	The Group									
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Share option reserve RMB'000	Revaluation reserve RMB'000	Bond reserve RMB'000	Retained earnings RMB'000	Attributable to owners of the Company RMB'000	Minority interests RMB'000	Total RMB'000
Balance at 1 January 2011	305,888	224,094	49,031	-	-	-	274,838	853,851	11,775	865,626
Comprehensive expense for the period	-	-	-	-	-	-	(3,356)	(3,356)	(1,565)	(4,921)
Balance at 31 March 2011	305,888	224,094	49,031	-	-	-	271,482	850,495	10,210	860,705

	The Group									
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Share option reserve RMB'000	Revaluation reserve RMB'000	Bond reserve RMB'000	Retained losses RMB'000	Attributable to owners of the Company RMB'000	Minority interests RMB'000	Total RMB'000
Balance at 1 January 2010	305,888	224,094	49,031	18,077	-	-	230,783	827,873	84,200	912,073
Comprehensive income/(expense) for the period	-	-	-	-	-	-	2,080	2,080	(171)	1,909
Balance at 31 March 2010	305,888	224,094	49,031	18,077	-	-	232,863	829,953	84,029	913,982

	The Company					
	Share capital RMB'000	Share premium RMB'000	Share option reserve RMB'000	Bond Reserve RMB'000	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2011	305,888	224,094	-	-	107,588	637,570
Comprehensive income for the period	-	-	-	-	126	126
Balance at 31 March 2011	305,888	224,094	-	-	107,714	637,696

	The Company					
	Share capital RMB'000	Share premium RMB'000	Share option reserve RMB'000	Bond Reserve RMB'000	Retained losses RMB'000	Total RMB'000
Balance at 1 January 2010	305,888	224,094	18,077	-	88,814	636,873
Comprehensive expense for the period	-	-	-	-	(883)	(883)
Balance at 31 March 2010	305,888	224,094	18,077	-	87,931	635,990

1.(e)(ii) Details of any changes in company's share capital arising from rights issue, bonus issue, share buy backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no movements in the Company's share capital during the 3-month period ended 31 March 2011.

Sunshine Employee Share Option Scheme

Pursuant to the Sunshine Employee Share Option Scheme ("SESOS"), which was approved by the Company's shareholders at the Extraordinary General Meeting held on 30 April 2007, a total of 60,000,000 share options were granted to the eligible employees on 29 November 2007. No share options were issued in Q1 2011 and there was no ordinary share that may be issued upon the exercise of any share option outstanding as at 31 March 2011 (31 December 2010: Nil).

1.(e)(iii) The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	<u>As at 31 March 2011</u>	<u>As at 31 December 2010</u>
Total number of issued ordinary shares	978,000,000	978,000,000

1.(e)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company has no treasury shares as at 31 March 2011.

2. Whether the figures have been audited, or reviewed in accordance with which standard (eg. The Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard.

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

The figures have not been audited or reviewed by the auditors.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computation adopted by the Group in respect of the audited financial statements for the financial year ended 31 December 2010 have been consistently applied by the Group for the financial periods presented.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

There are no changes in the accounting policies and methods of computation, including any required by an accounting standard.

6. Earnings per ordinary shares of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Unaudited earnings/(losses) per ordinary shares of the Group for the 3-month periods ended 31 March 2010 and 31 March 2011

	<u>The Group</u>	
	<u>Q1 2011</u> RMB'000	<u>Q1 2010</u> RMB'000
(Loss)/profit attributable to owners of the Company	<u>(3,356)</u>	<u>2,080</u>
Basic (Singapore cents) ⁽¹⁾	<u>(0.07) cents</u> ⁽²⁾	<u>0.04 cents</u> ⁽²⁾
Diluted (Singapore cents) ⁽¹⁾	<u>(0.07) cents</u> ⁽⁴⁾	<u>0.04 cents</u> ⁽³⁾

Notes:

- (1) Calculated based on the average exchange rate of S\$1: RMB5.16 (Q1 2010: S\$1: RMB4.86)
- (2) Based on the issued share capital of 978,000,000 ordinary shares. No new shares are issued during the three months period ended 31 March 2011 and 31 March 2010.
- (3) The computation of the diluted earnings per share does not take into account of the exercise of the Company's share options because the exercise price of these options was higher than the average market share price of the Company for the three month periods ended 31 March 2010. The number of ordinary shares that may be issued upon exercise of all share options outstanding as at 31 March 2010 was 51,150,000.
- (4) There was no ordinary share that may be issued upon exercise of all share options outstanding as at 31 March 2011.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	<u>The Group</u>		<u>The Company</u>	
	<u>31 March</u> <u>2011</u> RMB'000	<u>31 December</u> <u>2010</u> RMB'000	<u>31 March</u> <u>2011</u> RMB'000	<u>31 December</u> <u>2010</u> RMB'000
Net asset value (net of minority interests) as at end of financial period/ year	<u>850,495</u>	<u>853,851</u>	<u>637,696</u>	<u>637,570</u>
Net asset value per ordinary share as at the end of financial period/ year (Singapore cents) ⁽¹⁾	<u>16.72 cents</u>	<u>17.15 cents</u>	<u>12.54 cents</u>	<u>12.81 cents</u>

Note:

- (1) Calculated based on exchange rate of S\$1: RMB5.20 as at 31 March 2011 (as at 31 December 2010: S\$1: RMB5.09) and issued share capital of 978,000,000 ordinary shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period report on.

(a) Review of consolidated statement of comprehensive income of the Group for Q1 2011 (relative to that for Q1 2010)

Overview

Sunshine Holdings Limited is an award-winning Henan-based developer of residential and commercial properties. We strategically focus on building affordable medium end quality housing in tier-2 and 3 cities mainly located in Henan Province, PRC.

Revenue

The Group's revenues (net of sales tax) generated in Q1 2011 and Q1 2010 were as follow:

	Q1 2011		Q1 2010	
	RMB million	%	RMB million	%
(1) Sales of developed properties	15.7	58	23.1	67
(2) Rental income	10.2	38	10.3	30
(3) Property management income	1.2	4	1.2	3
	<u>27.1</u>	<u>100</u>	<u>34.6</u>	<u>100</u>

Our overall revenue decreased by RMB7.5 million or 22% from RMB34.6 million in Q1 2010 to RMB27.1 million in Q1 2011, attributed principally to lower sales of developed properties in respect of the Shangqiu Sunshine Shuixie Huidu Project (商丘阳光水榭花都) and Luoyang Sunshine Shuangxi Buluo Project (洛阳阳光双溪布洛项目) as a significant amount of mortgage financings by buyers for units of these two projects had yet been completed.

Notwithstanding the lower sales recognized in Q1 2011, the Group would like to highlight that it has collected sales deposits, in respect of its developed projects as well as projects under development, aggregating RMB295.8 million as at 31 March 2011.

Gross profit

In line with the lower revenue registered, our gross profit decreased by RMB2.9 million or 34% from RMB8.5 million in Q1 2010 to RMB5.6 million in Q1 2011. The Group registered a lower gross profit margin of 21% in Q1 2011 compared to that of 25% in Q1 2010 as units sold in Q1 2010 comprised more commercial properties which command a higher profit gross margins.

Other operating income

Our other operating income decreased by RMB4.8 million or 91% from RMB5.3 million in Q1 2010 to RMB0.5 million in Q1 2011. The other operating income of Q1 2010 was attributed mainly to an one-off write-back of over-accruals for construction and related costs while that of Q1 2011 comprised principally interest income and exchange gain due to favourable exchange rate movements between RMB and US dollars.

Share of loss of associates

There was no share of loss of associates in Q1 2011 as Climbing Ace Limited (攀峰有限公司), together with its subsidiaries comprising Xinxiang Gaojie Technology Development Co., Ltd (新乡高捷科技发展有限公司), Xinxiang Shiantai Commerce Co., Ltd (新乡市安泰商贸有限公司) and Hainan Sunshine Elegant Jade Investment & Development Co., Ltd (海南阳光美基投资开发有限公司) (collectively, the "Climbing Ace Group"), only ceased to be the subsidiaries and became the associated companies of the Group in October 2010 following the Group reducing its equity interest in the Climbing Ace Group from 51% to 40%.

General and administrative expenses

Our general and administrative expenses increased by RMB1.1 million or 14% from RMB7.7 million in Q1 2010 to RMB8.8 million in Q1 2011, attributed mainly to a guarantee fee paid to a third party guarantor for the procurement of a RMB50 million loan (the "New Loan") in Q1 2011 amidst the present tight lending environment promulgated by the relevant Chinese authorities on banks in extending credits to property developers in China.

Selling and distribution expenses

Our selling expenses increased by RMB0.2 million or 13% from RMB1.6 million in Q1 2010 to RMB1.8 million in Q1 2011, principally due to increased marketing efforts which led to increased sales deposits collected as mentioned above.

Finance (income)/expense

We registered a finance income of RMB1.4 million in Q1 2011, principally attributed to the amortization of long-term receivables (net of interest expense), *vis-à-vis* a finance expense of RMB1.8 million in Q1 2010.

(Loss)/profit before tax

With the lower gross profit and higher operating expenses recorded in Q1 2011 relative to Q1 2010, a net loss before tax of RMB4.0 million was registered in Q1 2011 *vis-à-vis* a net profit before tax of RMB2.7 million attained in Q1 2010.

(b) Review of statements of financial position of the Group as at 31 March 2011 (relative to that as at 31 December 2010)

Non-current assets

Our non-current assets decreased by RMB3.1 million or 1% from RMB439.9 million as at 31 December 2010 to RMB436.9 million as at 31 March 2011, attributed mainly to the amortization of the long-term receivables in Q1 2011.

Current assets

Our properties under development for sale increased by RMB24.9 million or 4% pursuant to the continuing development at the Xinxiang Sunny Town Project (新乡阳光新城项目) and the Zhoukou Yangguang Peninsula City Project (周口阳光半岛城邦项目).

The increases in prepayments and other receivables by RMB82.0 million or more than 2-fold was attributed mainly to a deposit of RMB68 million placed with a third party (the "Co-Investor") with a view to jointly develop residential properties in the Xinxiang County, Henan pursuant to a conditional agreement entered into between the Group and the Co-Investor in Q1 2011 (the "Agreement"). Subsequently to Q1 2011, the Agreement was cancelled as the Co-Investor failed to procure the land needed for the intended development and the aforesaid deposit of RMB68.0 million was accordingly refunded to the Group on 12 May 2011.

The increases in income tax recoverable by RMB1.8 million or 11% was attributed mainly to increased income tax paid in advance for corporate income tax and land appreciation tax computed based on sales deposits collected.

The increases in pledged bank deposits by RMB1.0 million or 9% was mainly attributed to the increase in pledged deposits placed with banks to secure the grant of mortgage loans to the buyers of the Group's properties; these pledged deposits will be released upon the issuance of ownership certificates to the buyers concerned.

The decreases in completed properties for sales of RMB12.2 million or 3% was due to the continuing sale of units at these properties.

The decrease in cash and bank balances by RMB19.4 million or 32% was due mainly to the payment of operating expenses and deposits.

Taken as a whole, our current assets increased by RMB79.0 million or 6% from RMB1,238.9 million as at 31 December 2010 to RMB1,317.9 million as at 31 March 2011.

Current liabilities

Sales and rental deposits increased by RMB47.9 million or 19% due mainly with the continued sales generated from the Xinxiang Sunny Town Project (新乡阳光新城项目) and Zhoukou Yangguang Peninsula City Project (周口阳光半岛城邦项目).

Repayment made in Q1 2011 resulted in the decrease in trade payables of RMB11.2 million.

Taken as a whole, our current liabilities increased by RMB45.9 million or 6% from RMB785.8 million as at 31 December 2010 to RMB831.7 million as at 31 March 2011.

Following from the above, we improved our working capital position by RMB33.1 million or 7% from RMB453.2 million as at 31 December 2010 to RMB486.2 million as at 31 March 2011

Non current liabilities

Our non current liabilities increased by RMB34.9 million or more than 2-fold from RMB27.5 million as at 31 December 2010 to RMB62.4 million as at 31 March 2011, principally due to the non-current portion of the New Loan.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Nil

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The spate of cooling-off measures introduced by the Chinese government in recent months in checking soaring property prices and curbing excessive speculation are beginning to have a toll on the various Chinese cities' sales volume, particularly with regard to the first tier cities. Notwithstanding which, the continued rapid urbanization promoted by the Henan Province has cushioned off some of these effects, with the Province registering a year-on-year growth in its total sale quantum of residential units by 36.1% albeit a slow down in sales growth by 38.2%.

Moving forward, the Group will step up its marketing efforts to generate more sales and implement more cost containment measures to curtail expenses with a view to generate net cash inflows in funding its working capital and investment in new projects, including but not limited to resource-related business, commercial and tourism properties, currently under exploration by the Group.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(c) Date payable

Not applicable.

(d) Books closure date

No applicable.

12. If no dividend has been declared / recommended, a statement to that effect.

No dividend has been declared or recommended for the three months ended 31 March 2011.

BY ORDER OF THE BOARD

**Mr Guo Yinghui
Chairman and CEO**

13 May 2011



Company Registration No. CT-140095

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements of the Group and the Company for the three months ended 31 March 2011 to be false or misleading in any material aspect.

Signed for and on behalf of the Board of Directors

Mr Li Bin
Director

Ms Dong Ling Ling
Director

13 May 2011