Guangdong Sunrise Holdings Co., Ltd.

The First Quarterly Report 2008

§1. Important Notice

1.1 The Board of Directors, the Supervisory Committee and directors, supervisors and senior management of Guangdong Sunrise Holdings Co., Ltd. (hereinafter referred to as "the Company") warrant that this report does not contain any false or misleading statements or omit any material facts and all information set forth herein are true, accurate and complete.

1.2 None of the directors, supervisors, senior management demonstrated uncertainty or disagreement about the truthfulness, accuracy, and completeness of the first quarterly report.

1.3 All directors attended the Board meeting.

1.4 The Financial Report of the first quarterly report period has not been audited.

1.5 Chairman of the Board of the Company Mr. Wang Jianyu, Person in charge of Accounting Affairs and concurrently General Manager Mr. Wang Jianyu, Person in charge of Accounting Organ Yu Deshan hereby confirm that the Financial Report of the Quarterly Report is true and complete.

§ 2. Company Profile

2.1 Main accounting data and financial indexes

Unit: RMB Yuan

	At the period-end of this report period	At the period-end of last year	Increase/decrease (+,-)
Total assets	27,108,396.72	27,154,777.79	-0.17%
Owner's equity (or shareholders' equity)	-1,657,897,934.13	-1,638,393,498.52	-1.20%
Net assets per share	-5.75	-5.68	1.20%
	This period	Same period of last year	Increase/decrease (+,-)
Net profit			
Net cash flow arising from operating activities	69,415.30	-32,475.10	313.75%
Net cash flow per share arising from operating activities	0.0002	-0.0001	313.75%
Basic earnings per share	-0.0332	-0.03	-10.67%
Diluted earnings per share	-0.0332	-0.03	-10.67%
Return on equity			
Return on equity after deducting non-recurring gains and losses			

Items of non-recurring gains and losses

Unit: RMB Yuan

Items of non-recurring gains and losses	From the beginning of the year to the end of the report period
Total	0.00

2.2 Total number of shareholders at the end of the report period and statement on shares held by the top ten shareholders holding tradable shares

Unit: Share

Total number of shareholders		13,143
Particulars about shares held by the top ten tradable shareholders		
Name of shareholders	**Number of tradable shares held**	**Type of share**
LIUZHOU JIALI REAL ESTATE DEVELOPMENT CO., LTD.	1,810,000	RMB ordinary shares
CHINA EVERBRIGHT HOLDINGS CO.LTD	1,414,433	Domestically listed foreign shares
SU MING	1,110,000	RMB ordinary shares
CITRINE CAPITAL LIMITED	868,783	Domestically listed foreign shares
CHEN JUN	867,820	Domestically listed foreign shares
DENG ZHI	552,700	Domestically listed foreign shares
NI MIN	541,700	Domestically listed foreign shares
WU SHU PING	480,000	RMB ordinary shares
BOCI SECURITIES LIMITED	480,000	Domestically listed foreign shares
GAO SHAO HUA	458,100	Domestically listed foreign shares

§3 Significant Events

3.1 Particular about large-margin change of main accounting statement item and financial index and its reason

□Applicable √Inapplicable

3.2 The progress of significant events and influence, as well as the analysis and explanation on resolving proposal

□Applicable √Inapplicable

3.3 The fulfillment of the commitment made by the Company, shareholders and the actual controller

√Applicable □Inapplicable

Name of shareholders: Shenzhen Lionda Group Co., Ltd Commitment: 1. As the non-tradable shareholder, Shenzhen Guoyin Investment Group Co., Ltd did not express explicit opinions for the share merger reform; the consideration it should pay in accordance with share merger reform would be paid by Shenzhen Lionda Group Co., Ltd. 2. As the S*ST Sunrise shares held by non-tradable shareholder, Shenzhen Huashengda Investment Holdings Co., Ltd were frozen, the consideration it should pay in accordance with share merger reform would be paid by Shenzhen Lionda Group Co., Ltd. after the payment, if the shares listed, it should return the consideration, or get the agreement of Shenzhen Lionda Group Co., Ltd. After the share merger reform, when Shenzhen Huashengda Investment Holdings Co., Ltd listed the held non-tradable shares, it should get the agreement of Lionda and let Guangdong Sunrise Group Co., Ltd apply listing and trading of the shares to Stock Exchange. 3. The related expenses of share merger reform would be paid by the first shareholder, Shenzhen Lionda Group Co., Ltd. Implementation of commitments: The share merger reform failed to perform yet. Because the 191.4 million shares of the Company held by the controlling shareholder

Shenzhen Lionda Group Co., Ltd were frozen judicially, the Company could not apply for the implementation of the share merger reform to Securities Depository & Clearing Corp. temporarily.

3.4 Warnings of possible loss or large-margin change of the accumulated net profit made during the period from the beginning of the year to the end of the next report period compared with the same period of the last year according to prediction, as well as explanations on the reasons

√ Applicable ☐Inapplicable

The Company's short-term loan high reached to RMB 478 million, resulting in the still larger financial expenses of the Company. It is predicted that operation achievement of the Company for the interim of 2008 will make a deficit of about RMB 19 million.

3.5 Other significant events

3.5.1 Securities investment

☐Applicable √ Inapplicable

3.5.2 Equity of other listed companies the Company held

☐Applicable √ Inapplicable

3.5.3 Interviews and visits in the reporting period

Date	Venue	Manner	Visitors	Topics discussed and information provided
26 Feb. 2008	Secretariat of the Board	Communication by telephone	Investor of A shares	Relisting date of A stock and they were told that share merger reform plan would be handled after freeing from sealing of equity held by the first largest shareholder.

§4 Attachment

4.1 Balance Sheet

Prepared by Guangdong Sunrise Holdings Co., Ltd. 31 Mar. 2008 Unit: RMB Yuan

Items	Amount at the period-end		Amount at the period-begin	
	Consolidation	Parent company	Consolidation	Parent company
Current Assets:				
Monetary funds	71,603.98	71,603.98	2,188.68	2,188.68
Settlement fund reserve				
Dismantle fund				
Transaction financial asset				
Notes receivable				
Account receivable				
Account paid in advance				
Premium receivables				
Receivables from reinsurers				

Reinsurance contract reserve receivables				
Interest receivable	1,851,203.38	1,851,203.38	1,931,203.38	1,931,203.38
Other account receivable	2,488,748.40	2,488,748.40	2,391,108.22	2,391,108.22
Financial assets purchased under agreements to resell				
Inventories	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00
Non-current assets due within 1 year				
Other current assets				
Total current assets	6,411,555.76	6,411,555.76	6,324,500.28	6,324,500.28
Non-current assets:				
Loans and advance				
Available for sale financial assets				
Held to maturity investments				
Long-term account receivable				
Long-term equity investment	12,554,209.94	12,554,209.94	12,543,375.02	12,543,375.02
Investing property				
Fixed asset	8,142,631.02	8,142,631.02	8,286,902.49	8,286,902.49
Project in construction				
Engineering material				
Fixed asset disposal				
Bearer biological asset				
Oil assets				
Intangible assets				
Development expense				
Goodwill				
Long-term expense to be apportioned				
Deferred tax assets				
Other non-current assets				
Total of non-current assets	20,696,840.96	20,696,840.96	20,830,277.51	20,830,277.51
Total assets	27,108,396.72	27,108,396.72	27,154,777.79	27,154,777.79
Current liabilities:				
Short-term borrowings	477,642,167.91	477,642,167.91	467,553,910.86	467,553,910.86
Borrowing from Central Bank				
Deposits and due to banks and other financial institutions				
Placements from banks and other financial institutions				
Transaction financial liabilities				
Notes payable				
Account payable				
Account received in advance				
Financial assets sold under agreements to repurchase				
Handling charges and commission payable				
Employee’s compensation	492,186.93	492,186.93	488,108.73	488,108.73

payable				
Tax payable	67,544.01	67,544.01	-1,752.22	-1,752.22
Interest payable	358,412,736.72	358,412,736.72	349,492,769.23	349,492,769.23
Other account payable	156,449,787.71	156,449,787.71	156,073,332.14	156,073,332.14
Due to reinsurers				
Insurance contract reserve				
Customer deposits				
Amount payables under security underwriting				
Non-current liabilities due within 1 year				
Other current liabilities				
Total current liabilities	993,064,423.28	993,064,423.28	973,606,368.74	973,606,368.74
Non-current liabilities:				
Long-term borrowings				
Debentures payable				
Long-term payables				
Specific purpose account payables				
Provisions for contingent liabilities	691,941,907.57	691,941,907.57	691,941,907.57	691,941,907.57
Deferred tax liabilities				
Other non-current liabilities				
Total non-current liabilities	691,941,907.57	691,941,907.57	691,941,907.57	691,941,907.57
Total liabilities	1,685,006,330.85	1,685,006,330.85	1,665,548,276.31	1,665,548,276.31
Owner’s equity				
Share capital	288,420,000.00	288,420,000.00	288,420,000.00	288,420,000.00
Capital surplus	381,059,098.78	381,059,098.78	381,059,098.78	381,059,098.78
Less: Treasury Stock				
Reserved fund	138,304,806.89	138,304,806.89	138,304,806.89	138,304,806.89
General risk provision				
Retained earnings	-2,465,681,839.80	-2,465,681,839.80	-2,446,177,404.19	-2,446,177,404.19
Foreign exchange difference				
Total owners' equity attributable to holding company	-1,657,897,934.13	-1,657,897,934.13	-1,638,393,498.52	-1,638,393,498.52
Minority interest				
Total owner’s equity	-1,657,897,934.13	-1,657,897,934.13	-1,638,393,498.52	-1,638,393,498.52
Total liabilities and owner’s equity	27,108,396.72	27,108,396.72	27,154,777.79	27,154,777.79

9.2.2 Income Statement

Prepared by Guangdong Sunrise Holdings Co., Ltd Jan.-Mar. 2008 Unit: RMB Yuan

Item	Amount of this period		Amount of last period	
	Consolidation	Parent company	Consolidation	Parent company
I. Total sales	308,995.16	308,995.16	598,429.46	598,429.46
Including: Sales	308,995.16	308,995.16	598,429.46	598,429.46
Interests income				
Premium income				

Handling charges and commission income				
II. Total cost of sales	9,886,981.77	9,886,981.77	7,979,885.41	7,979,885.41
Including: Cost of sales				
Interests expenses				
Handling charges and commission expenses				
Claim expenses-net				
Provision for insurance liability reserve				
Expenses for reinsurance accepted				
Payments on surrenders				
Policyholder dividends				
Taxes and associate charges				
Selling and distribution expenses				
Administrative expenses	969,360.72	969,360.72	729,872.03	729,872.03
Financial expense	8,917,621.05	8,917,621.05	7,250,013.38	7,250,013.38
Impairment loss				
Add: gain/(loss) from change in fair value (“-” means loss)				
Gain/(loss) from investment (“-” means loss)				
Including: income form investment on affiliated enterprise and jointly enterprise				
Foreign exchange difference (“-” means loss)				
III. Business profit (“-” means loss)	-9,577,986.61	-9,577,986.61	-7,381,455.95	-7,381,455.95
Add: non-business income				
Less: non-business expense				
Including: loss from non-current asset disposal				
IV. Total profit (“-” means loss)	-9,577,986.61	-9,577,986.61	-7,381,455.95	-7,381,455.95
Less: Tax expense				
V. Net profit (“-” means loss)	-9,577,986.61	-9,577,986.61	-7,381,455.95	-7,381,455.95
Attributable to: Parent company				
Minority interest				
VI. Earnings per share				
(I) basic earnings per share	-0.0332	-0.0332	-0.03	-0.03
(II) diluted earnings per share	-0.0332	-0.0332	-0.03	-0.03

9.2.3 Cash Flow Statement

Prepared by Guangdong Sunrise Holdings Co., Ltd. Jan.-Mar. 2008 Unit: RMB Yuan

Item	Amount of this period		Amount of last period	
	Consolidation	Parent company	Consolidation	Parent company
1. Cash flows for operating activities:				
Cash received from sales of goods or rending of services				
Cash received on deposits and from banks and other financial institutions				
Net increased cash received on borrowings from central bank				

Cash received on placements from other financial institutions				
Premium received				
Cash received from reinsurance				
Net increased amount received on policyholder deposit and investment				
Cash received from disposal of held for trading financial assets				
Interests, handling charges and commission received				
Cash received on placements from bank, net				
Cash received under repurchasing, net				
Refund of tax and fare received				
Other cash received relating to operating activities	512,182.60	512,182.60	413,473.09	413,473.09
Sub-total of cash inflows	512,182.60	512,182.60	413,473.09	413,473.09
Cash paid for goods and services				
Loans and advances drawn				
Cash paid to central bank, banks and other financial institutions, net				
Claims paid				
Interests, handling charges and commission paid				
Dividends paid to policyholders				
Cash paid to and on behalf of employees	107,510.18	107,510.18	208,231.78	208,231.78
Tax and fare paid				
Other cash paid relating to operating activities	335,257.12	335,257.12	237,716.41	237,716.41
Sub-total of cash outflows	442,767.30	442,767.30	445,948.19	445,948.19
Net cash flow from operating activities	69,415.30	69,415.30	-32,475.10	-32,475.10
2. Cash Flows from Investment Activities:				
Cash received from return of investments				
Cash received from investment income				
Net cash received from disposal of fixed assets, intangible assets and other long-term assets				
Proceeds from sale of subsidiaries and other operating units				
Other cash received relating to investment activities				
Sub-total of cash inflows				
Cash paid for acquiring fixed assets, intangible assets and other long-term assets				
Cash paid for acquiring investments				
Net cash used in loans				
Net cash used in acquiring subsidiaries and other operating units				
Other cash paid relating to investment activities				
Sub-total of cash outflows				
Net cash flow from investing activities				
3. Cash Flows from Financing Activities:				
Cash received from absorbing investment				
Including: Cash received from increase in minority interest				
Cash received from borrowings				
Cash received from issuing debentures				
Other proceeds relating to financing activities				
Sub-total of cash inflows				

Cash paid for settling debt				
Cash paid for distribution of dividends or profit or reimbursing interest				
Including: dividends or profit paid to minority interest				
Other cash payments relating to financing activities				
Sub-total of cash outflows				
Net cash flow from financing activities				
4. Effect of foreign exchange rate changes				
5. Increase in cash and cash equivalents	69,415.30	69,415.30	-32,475.10	-32,475.10
Add : Cash and cash equivalents at year-begin	2,188.68	2,188.68	76,550.21	76,550.21
6.Cash and cash equivalents at the end of the year	71,603.98	71,603.98	44,075.11	44,075.11

4.4 Auditor's report

Auditor's opinion: un-audited

Guangdong Sunrise Holdings Co., Ltd.

Chairman of the Board: Wang Jianyu

18 April 2008