Guangdong Sunrise Holdings Co., Ltd.
The First Quarterly Report for 2005

§1. Important notice

1.1 The Board of Directors of Guangdong Sunrise Holdings Co., Ltd. (hereinafter referred to as the Company) and its members individually and collectively accept responsibility for the correctness, accuracy and completeness of the contents of this report and confirm that there are no material omissions nor errors which would render any statement misleading.
1.2 The Quarterly report was examined and approved at 16th meeting of 4th Board (by communication). Director Chen Zhitao and Independent director Wu Zhaolin were absent from the meeting due to business trip.
1.3 Chairman of the Board of the Company, Mr. Yang Fenbo, general manager Mr. Wang Jianyu and person in charge of accounting organization, Yun Chunhua hereby confirm that the Financial Report of the Quarterly Report is true and complete.
1.4 The Quarterly Financial Report has not been audited.

§2. Company Profile

2.1 Basic information

Short form of stock	ST Sunrise A, ST Sunrise B	Short form before change (if have)	ST Lionda A, ST Lionda B
Stock code	000030,200030		
	Secretary of Board of Directors		Securities Affairs Representative
Name	Ao Yingchun		Chen Liantan
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2.2 Financial information

2.2.1 Major accounting data and financial indexes

Unit: RMB

	At the end of the report period	At the end of the previous year	Increase/decrease compared with the end of the last year (%)
Total assets	268,429,641.96	298,458,668.64	-10.06%
Shareholders' equity (excluding minority equity)	-1,599,098,606.63	-1,591,989,994.93	-0.45%
Net assets per share	-5.54	-5.52	-0.53%
Net assets per share after adjustment	-5.79	-5.78	-0.34%
	The report period	From the year-begin to the end of report period	Increase/decrease of the report period than the corresponding period of last year (%)
Net cash flow arising from operating activities	3,487,255.20	3,487,255.20	-

Earnings per share	-0.0246	-0.0246	-
Return on equity (%)	-	-	-
Return on equity after deducting non-recurring gains and losses	-	-	-
Items of non-recurring gains and losses		Amount	
Net income/expenditure of non-operating		1,800.00	
Total		1,800.00	

2.2.2 Statement of profit

Unit: RMB

Items	Jan. – Mar. 2004		Jan. – Mar. 2005	
	Consolidation	The Company	Consolidation	The Company
I. Income from main operations	29,480,868.49	-	29,415,365.89	-
Less: Cost of main operations	27,841,092.84	-	25,068,666.49	-
Taxes and extras of main operations	119,437.28	-	11,554.88	-
II. Profit from main operations	1,520,338.37	-	4,335,144.52	-
Add: profit from other operations	1,356,245.89	-	2,371,854.09	258,643.83
Less: Operating expenses	1,847,422.91	-	1,594,928.57	-
Administrative expenses	2,855,007.13	882,467.65	2,679,351.89	378,645.22
Financial expenses	8,344,092.76	7,684,262.31	7,960,468.60	7,515,286.99
III. Operating profit	-10,169,938.54	-8,566,729.96	-5,527,750.45	-7,635,288.38
Add: Investment income	-	-361,275.18	-	526,676.68
Subsidy income	-	-	-	-
Income from non-operating	384,726.34	384,725.34	1,800.00	-
Less: Expenditure of non-operating	6,930.00	350.00	-	-
IV. Total profit	-9,792,142.20	-8,543,629.80	-5,525,950.45	-7,108,611.70
Less: Income taxes	-	-	124,874.17	-
Minorities shareholders' gains and losses	-1,248,512.40	-	1,457,787.08	-
Unoffseting losses of subsidiaries	-	-	-	-
V. Net profit	-8,543,629.80	-8,543,629.80	-7,108,611.70	-7,108,611.70

2.3 Total number of shareholders at the end of the report period and shares held by the top ten shareholders of circulation share

Total number of shareholders at the end of report period		16926
Particulars about shares held by the top ten shareholders of circulation shares		
Shareholders' name (full name)	Number of circulation shares held at the year-end	Type (A-share, B-share, H-share and other)
CHINA EVERBRIGHT HOLDINGS CO.LTD	3,020,408	B股
WANG XIAO LONG	952,800	B股
WU CHING	596,922	B股
LIUZHOU JIALI REAL ESTATE DEVELOPMENT CO., LTD.	500,800	A股
LIN XIAO JUN	343,018	B股
CAI ZU JIAN	310,000	B股
ZHAN YI JUN	300,241	B股
CHEN BAO ZHU	298,636	B股

SHAO ZHEN	282,700	A股
DENG SHAO PING	258,100	B股

§3. Discussion and analysis of the Management

3.1 Brief analysis of total status of operating activities in the report period

In the report period, the Company's main operations was printing and packaging and no longer included property's operation and management because Shenzhen Lionda Industry & Trading Co., Ltd. and Shanghai Lionda Industrial co., Ltd. were no longer listed in the consolidated scope of the Company since Jan. 1, 2005. In the report period, the Company realized income from main operations of RMB 29,415,365.89, a decrease of 0.22% compared with the same period of last year, realized profit from main operations of RMB 4,335,144.52. Seeing that Shenzhen Jianian Industrial Co., Ltd. enhanced the cost control, thus the profit from main operations in the report period has increased by a big margin over the same period of last year (up 185.14%). But the Company's short-term loan still reached to RMB 576 million, resulting in the Company's financial expenses in the report period still reached to RMB 7.9605 million. Thus, the Company continued loss in the first quarter of 2005 and net profit was RMB –7,108,600.

3.1.1 Particulars about main industries or products taking over 10% of the total amount of income from main operations or profit of main operations

√ Applicable ☐Inapplicable

Product	Income from main operations (RMB)	Cost of main operations (RMB)	Gross profit ratio (%)
Printing and packaging	29,415,365.89	25,068,666.49	14.78％
Total	29,415,365.89	25,068,666.49	14.78％

3.1.2 Seasonal and periodicity characteristics of the operation

☐Applicable √ Inapplicable

3.1.3 Profit formation of the report period (Explanation of reason and material change of proportion of profit of main operations, other operating profit, period expense, investment income, subsidy income and non-operating income/expenses in the total amount of profit compared with of the previous report period)

☐Applicable √ Inapplicable

3.1.4 Explanation on material change of core business and its structure and the reason compared with the previous report period

√ Applicable ☐Inapplicable

The Company's main operations was printing and packaging and no longer included property's operation and management because Shenzhen Lionda Industry & Trading Co., Ltd. and Shanghai Lionda Industrial co., Ltd. were no longer listed in the consolidated scope of the Company since Jan. 1, 2005.

3.1.5 Explanation of reason and material change of profitability capability of main operations (gross profit ratio) compared with the previous report period

√ Applicable ☐Inapplicable

Seeing that Shenzhen Jianian Industrial Co., Ltd. enhanced the cost control, thus profitability capability of main operations (gross profit ratio) increased by 27.30% compared with the previous report period.

3.2 Analysis and explanation of significant events and the influence and solutions
□Applicable √Inapplicable

3.3 Particulars about accounting policy, accounting estimation, change of consolidated scope and significant accounting errors and explanation of reasons
□Applicable √Inapplicable

3.4 Relevant explanation of the Board of Directors and the Supervisory Committee under the situation of being audited and provided "Qualified opinion"
√Applicable □Inapplicable
Due to consideration of compressive stress of short term debt refunding was so big, and a large amount of guarantee debts has been appealed, if not be cancelled in a short time, would directly influenced the sustainable operation of the Company. Therefore, Shenzhen Dahua Tiancheng CPAs issued qualified opinion Auditing Report with stress events paragraphs. Withal, the Board of Directors of the Company considered that the Company faced the greater press short term debt refunding, but the short debt has descended by RMB 0.576 billion in the report period from RMB 0.69 billion of 2003, and in term of pay off inventory has made a certain progress, the Company still could raised the operating assets to maintain normal product operations; meanwhile, the Company would continuously promoted debt reorganization, strived for implementation of debt reorganization according to commerce principal, especially debt reorganization of Shenzhen China Bicycle Holdings Co., Ltd. (hereinafter referred to as SCB) unceasingly implement in Agreement Framework of SCB Reorganization, at that time would directly release the Company's guarantee responsibility for RMB 0.917 billion of debt capital and related interests which SCB amounted due from Huarong Company, the Company's contingent liability would decreased in a large margin, otherwise, the Company held 26.54% share equity from Shenzhen Jianian Industry Co., Ltd., was the 1st large shareholder of Jianian company, the 2nd large shareholder would consigned its holding share equity amounting to 19.03% from Shenzhen Jiannian Industry Co., Ltd. to be managed by the Company since July 1, 2003, therefore, the Company processed the actual right of controlling for Shenzhen Jianian Industry Co., Ltd., main operation scope were printing package and operation and management of property, and has certain returns capacity. In a word, the Company possessed capacity of sustainable operation. The Supervisory Committee considered that the explanation of the board of Directors of the Company for qualified opinion Auditing Report with stress events paragraphs issued by CPAs was exact and reasonable.

3.5 Estimation of accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation of reason

√ Applicable □Inapplicable

Due to short term loan of the Company was as high as RMB 0.576 billion, resulting in higher financial expenses of the Company, and the debt reorganization could not make progress, so as to estimate the 2005 semi-annual operation achievement of the Company unceasingly occurred losses.

3.6 Rolling adjustment of annual business plan or budget ever disclosed

□Applicable √ Inapplicable

Board of Directors of

Guangdong Sunrise Holdings Co., Ltd.

Chairman of the Board: Yang Fenbo

Apr. 29, 2005