



**PASSION HOLDINGS LIMITED**  
**Registration No. 200820355E**

*The initial public offering of the Company's shares was sponsored by Genesis Capital Pte Ltd (the "Manager"). The Manager assumes no responsibility for the contents of this announcement.*

**UNAUDITED FIRST QUARTER COMBINED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

**PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

1(a) A combined income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

|   | Group                                  |  |                             |
|---|--|--|-----------------------------|
|   | RMB'000                                |  | (%)                         |
|   | 3 months ended<br>30 September<br>2009 | 3 months ended<br>30 September<br>2008 | Increase/<br>(decrease) +/- |
|   | (a)                                    | (b)                                    | (a) – (b)                   |
| Revenue   | 149,695                                | 120,894                                | 24                          |
| Cost of sales   | (99,131)                               | (83,709)                               | 18                          |
| <b>Gross Profit</b>   | <b>50,564</b>                          | <b>37,185</b>                          | <b>36</b>                   |
| Other operating income  | 2,217                                  | 185                                    | 1,098                       |
| Distribution expenses   | (12,146)                               | (2,001)                                | 507                         |
| Administrative expenses   | (2,691)                                | (3,855)                                | (30)                        |
| Finance costs   | (738)                                  | (1,101)                                | (33)                        |
| Other operating expenses  | (2,630)                                | -                                      | n/m                         |
| <b>Profit before tax</b>  | <b>34,576</b>                          | <b>30,413</b>                          | <b>14</b>                   |
| Income tax  | (4,692)                                | (3,589)                                | 31                          |
| <b>Profit after tax attributable to shareholders of the Company</b> | <b>29,884</b>                          | <b>26,824</b>                          | <b>11</b>                   |
| <b>Earnings per share (RMB cents)</b>                               |  |  |                             |
| - Basic and diluted   | 9.06                                   | 8.94                                   |                             |

n/m – not meaningful

| Notes to the Income Statement:  | Group                                  |  |
|---|--|--|
|   | RMB'000                                |  |
|   | 3 months ended<br>30 September<br>2009 | 3 months ended<br>30 September<br>2008 |
| <b>Profit before tax is arrived at after charging / (crediting) :</b> |  |  |
| Interest income   | 426                                    | 149                                    |
| Interest on borrowings  | 738                                    | 1,040                                  |
| Foreign exchange (gain)/loss  | 69                                     | 1,704                                  |
| Depreciation  | 746                                    | 726                                    |
| Amortization expenses   | 90                                     | 90                                     |

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

|                                     | Note | Group                           |                            | Company                         |                            |
|-------------------------------------|------|---------------------------------|----------------------------|---------------------------------|----------------------------|
|                                     |      | 30 September<br>2009<br>RMB'000 | 30 June<br>2009<br>RMB'000 | 30 September<br>2009<br>RMB'000 | 30 June<br>2009<br>RMB'000 |
| <b>Non-current assets</b>           |      |                                 |                            |                                 |                            |
| Property, plant and equipment       |      | 50,064                          | 41,308                     | -                               | -                          |
| Investments in subsidiaries         |      | -                               | -                          | 1,764                           | 1,764                      |
| Land use rights lease prepayments   |      | 15,737                          | 15,827                     | -                               | -                          |
|                                     |      | <b>65,801</b>                   | <b>57,135</b>              | <b>1,764</b>                    | <b>1,764</b>               |
| <b>Current assets</b>               |      |                                 |                            |                                 |                            |
| Land use rights lease prepayments   |      | 359                             | 359                        | -                               | -                          |
| Inventories                         |      | 68,551                          | 46,939                     | -                               | -                          |
| Trade and other receivables         |      | 155,052                         | 138,596                    | -                               | 5,948                      |
| Due from a subsidiary (non-trade)   |      | -                               | -                          | 68,074                          | -                          |
| Cash and cash equivalents           |      | 144,206                         | 59,236                     | 28,304                          | 45                         |
|                                     |      | <b>368,168</b>                  | <b>245,130</b>             | <b>96,378</b>                   | <b>5,993</b>               |
| <b>Total assets</b>                 |      | <b>433,969</b>                  | <b>302,265</b>             | <b>98,142</b>                   | <b>7,757</b>               |
| <b>Equity</b>                       |      |                                 |                            |                                 |                            |
| Share capital                       |      | 95,184                          | 4,429                      | 95,184                          | 4,429                      |
| Statutory common reserve            |      | 39,168                          | 39,168                     | -                               | -                          |
| Exchange fluctuation reserve        |      | 358                             | 358                        | -                               | -                          |
| Accumulated profits/(losses)        |      | 182,511                         | 152,627                    | (4,121)                         | (1,388)                    |
|                                     |      | <b>317,221</b>                  | <b>196,582</b>             | <b>91,063</b>                   | <b>3,041</b>               |
| <b>Current liabilities</b>          |      |                                 |                            |                                 |                            |
| Trade and other payables            |      | 74,428                          | 45,243                     | 2,740                           | 1,716                      |
| Note payables                       |      | 470                             | 3,070                      | -                               | -                          |
| Bank borrowings                     |      | 34,761                          | 44,615                     | -                               | -                          |
| Due to a subsidiary (non-trade)     |      | -                               | -                          | 350                             | -                          |
| Due to a director                   |      | 3,989                           | 10,725                     | 3,989                           | 3,000                      |
| Income tax payable                  |      | 3,100                           | 2,030                      | -                               | -                          |
|                                     |      | <b>116,748</b>                  | <b>105,683</b>             | <b>7,079</b>                    | <b>4,716</b>               |
| <b>Total equity and liabilities</b> |      | <b>433,969</b>                  | <b>302,265</b>             | <b>98,142</b>                   | <b>7,757</b>               |

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

|                   | As at 30 September 2009 |           | As at 30 June 2009 |           |
|-------------------|-------------------------|-----------|--------------------|-----------|
|                   | Secured                 | Unsecured | Secured            | Unsecured |
|                   | RMB'000                 | RMB'000   | RMB'000            | RMB'000   |
| Note payables*    | 470                     | -         | 3,070              | -         |
| Bank borrowings** | 19,500                  | 15,261    | 37,815             | 6,800     |

Details of any collateral:

\* The note payables are secured by cash deposits which represent 40% of amount payable

\*\*These bank borrowings are secured by certain property, plant and equipment of our subsidiary, Yirong Arts & Crafts Co., Ltd

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

| Group   | RMB'000                                |  |
|---|--|--|
|   | 3 months ended<br>30 September<br>2009 | 3 months ended<br>30 September<br>2008 |
| <b>Cash flow from operating activities</b>                    |  |  |
| Profit before tax   | 34,576                                 | 30,413                                 |
| Adjustments for:  |  |  |
| Depreciation of property, plant and equipment                 | 746                                    | 726                                    |
| Amortization of land use rights lease prepayment              | 90                                     | 90                                     |
| Interest expense  | 738                                    | 1,039                                  |
| Interest income   | (426)                                  | (149)                                  |
| <b>Operating profit before working capital changes</b>        | <b>35,724</b>                          | <b>32,119</b>                          |
| <b>Changes in working capital:</b>                            |  |  |
| Inventories   | (21,612)                               | 7,797                                  |
| Trade and other receivables                                   | (16,456)                               | 3,664                                  |
| Trade and other payables                                      | 28,463                                 | (2,708)                                |
| <b>Cash generated from operations</b>                         | <b>26,119</b>                          | <b>40,872</b>                          |
| Interest paid   | (738)                                  | (1,039)                                |
| Income tax paid   | (3,622)                                | (3,969)                                |
| <b>Net cash generated from operating activities</b>           | <b>21,759</b>                          | <b>35,864</b>                          |
| <b>Cash flows from investing activities</b>                   |  |  |
| Acquisition of property, plant and equipment                  | (9,502)                                | (28)                                   |
| Interest received   | 426                                    | 149                                    |
| <b>Net cash (used in)/generated from investing activities</b> | <b>(9,076)</b>                         | <b>121</b>                             |
| <b>Cash flows from financing activities</b>                   |  |  |
| (Repayment of)/Proceeds from bank borrowings, net             | (9,854)                                | 576                                    |
| Decrease/(Increase) in deposit pledged with bank              | 2,288                                  | (8,196)                                |
| Repayment of note payables, net                               | (2,600)                                | (1,400)                                |
| Balances with a director                                      | (6,735)                                | 95,173                                 |
| Balances with a related party                                 | 722                                    | -                                      |
| Net proceeds from issue of new shares                         | 90,755                                 | -                                      |
| Dividend paid   | -                                      | (130,000)                              |
| <b>Net cash generated/(used in) from financing activities</b> | <b>74,576</b>                          | <b>(43,847)</b>                        |
| Net increase/(decrease) in cash and cash equivalents          | 87,259                                 | (7,862)                                |
| Cash and cash equivalents at beginning of the period          | 56,759                                 | 46,473                                 |
| <b>Cash and cash equivalents at end of the period</b>         | <b>144,018</b>                         | <b>38,611</b>                          |

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

| <u>Group</u>  | Share capital | Exchange fluctuation reserves | Statutory common reserves | Accumulated profits | Total attributable to equity holders of the parents |
|---|---------------|-------------------------------|---------------------------|---------------------|---|
|   | RMB'000       | RMB'000                       | RMB'000                   | RMB'000             | RMB'000   |
| At 30 June 2008   | 2,121         | -                             | 24,445                    | 185,716             | 212,282   |
| Issue of new shares   | 2,666         | -                             | -                         | -                   | 2,666   |
| Effect of Restructuring Exercise                              | (358)         | 358                           | -                         | -                   | -   |
| Net profit for the period                                     | -             | -                             | -                         | 111,634             | 111,634   |
| Dividend paid   | -             | -                             | -                         | (130,000)           | (130,000)   |
| Transfer to statutory common reserve                          | -             | -                             | 14,723                    | (14,723)            | -   |
| At 30 June 2009   | 4,429         | 358                           | 39,168                    | 152,627             | 196,582   |
| At 30 June 2009   | 4,429         | 358                           | 39,168                    | 152,627             | 196,582   |
| Issue of new shares – IPO (net of allowable listing expenses) | 90,755        | -                             | -                         | -                   | 90,755  |
| Net profit for the period                                     | -             | -                             | -                         | 29,884              | 29,884  |
| At 30 September 2009  | 95,184        | 358                           | 39,168                    | 182,511             | 317,221   |

| <u>Company</u>  | Share capital | Accumulated losses | Total   |
|---|---------------|--------------------|---------|
|   | RMB'000       | RMB'000            | RMB'000 |
| At 30 June 2009   | 4,429         | (1,388)            | 3,041   |
| Issue of new shares – IPO (net of allowable listing expenses) | 90,755        | -                  | 90,755  |
| Net loss for the period                                       | -             | (2,733)            | (2,733) |
| At 30 September 2009  | 95,184        | (4,121)            | 91,063  |

- 1(d)(ii) Details of any changes in the 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 the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.**

On 2 September 2009, the Company launched its initial public offering ("IPO"). A total of 90,000,000 new ordinary shares were issued to the public. As a result of the IPO and as at 30 September 2009, our Company has an issued and paid-up capital of RMB95,183,561, comprising 390,000,000 ordinary shares.

As at 30 June 2009, the issued and paid-up capital of the Company was RMB4,429,205 comprising 300,000,000 ordinary shares.

- 1(d)(iii) To show 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.**

Total number of issued shares excluding treasury shares: 390,000,000 (30 June 2009: 300,000,000)

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

Not applicable.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the Group's auditors.

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

Not applicable.

- 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 accounting policies and methods of computation applied in the financial statements for the current financial year are consistent with those of the audited financial statements for the year ended 30 June 2009.

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.

The adoption of certain new/revised accounting standards effected on 1 January 2009 has no significant impact on the Group's result of operations.

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

|   | Group                                  |  |
|---|--|--|
|   | 3 months ended<br>30 September<br>2009 | 3 months ended<br>30 September<br>2008 |
| Net profit for the period (RMB'000)                 | 29,884                                 | 26,824                                 |
| Weighted average number of ordinary shares in issue | 330,000,000                            | 300,000,000                            |
| Basic earnings per share (RMB cents)                | 9.06                                   | 8.94                                   |
| Diluted earnings per share (RMB cents)              | 9.06                                   | 8.94                                   |

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 year reported on ; and  
(b) immediate preceding financial year.

|  | Group                         |                          | Company                       |                          |
|--|-------------------------------|--------------------------|-------------------------------|--------------------------|
|  | As at<br>30 September<br>2009 | As at<br>30 June<br>2009 | As at<br>30 September<br>2009 | As at<br>30 June<br>2009 |
| Net asset value per ordinary share as at the end of the period (RMB cents) | 81.34                         | 65.53                    | 23.35                         | 1.01                     |

8. **A review of the performance for the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the followings :-**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for current financial period reported on, including ( where applicable) seasonal or cyclical factors; and
  - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

### **Income Statement**

**(30 September 2009 vs. 30 September 2008)**

The Group posted revenue growth of 24% to RMB149.7 million in 1Q FY2010 due primarily to strong domestic demand in the PRC. This enabled the Group to deliver net profit attributable to equity holders of the Company of RMB29.9 million during the quarter.

### Sales

#### *Revenue – By product series*

|  | 3 months ended<br>30 September 2009 | 3 months ended<br>30 September 2008 | Change    |               |
|--|-------------------------------------|-------------------------------------|-----------|---------------|
|  | RMB'000                             | RMB'000                             | %         | RMB'000       |
| Wood series                                    | 10,375                              | 18,580                              | (44)      | (8,205)       |
| Rattan-wood series                             | 120,459                             | 98,631                              | 22        | 21,828        |
| Iron series                                    | 5,650                               | 361                                 | 1,465     | 5,289         |
| Medium-Density<br>Fibreboard ("MDF")<br>series | 6,062                               | 608                                 | 897       | 5,454         |
| Bamboo-wood series                             | 7,149                               | 2,714                               | 163       | 4,435         |
| <b>Total</b>                                   | <b>149,695</b>                      | <b>120,894</b>                      | <b>24</b> | <b>28,801</b> |

The Group revenue rose 24% to RMB149.7 million in 1Q FY2010, except for the wood series products, all other series posted increases in sales. The main reason for the increased sales in product series such as rattan-wood, iron, MDF and bamboo-wood was the numerous new designs launched during the China Import and Export Fair (otherwise known as the "Canton Fair") convened in April 2009 in Guangzhou. The Group had received significant amount of orders following the Fair, especially from local distributors. For the wood series, which comprises primarily picture and drawing frames, there is inherent limitation in design; hence, fewer orders were received. However, the Group pursuant to the request by existing distributors is exploring new wood series products to spur the demand of this series.

### Revenue – By geographical segments

|                       | 3 months ended<br>30 September 2009 | 3 months ended<br>30 September 2008 | Change    |               |
|-----------------------|-------------------------------------|-------------------------------------|-----------|---------------|
|                       | RMB'000                             | RMB'000                             | %         | RMB'000       |
| PRC                   | 44,586                              | 10,786                              | 313       | 33,800        |
| Other Asian Countries | 20,142                              | 22,899                              | (12)      | (2,757)       |
| Europe                | 52,082                              | 58,954                              | (12)      | (6,872)       |
| America               | 21,970                              | 28,255                              | (22)      | (6,285)       |
| Other Countries       | 10,915                              | -                                   | n/m       | 10,915        |
| <b>Total</b>          | <b>149,695</b>                      | <b>120,894</b>                      | <b>24</b> | <b>28,801</b> |

n/m – not meaningful

Sales to the PRC and Other Countries (which include Australia, New Zealand and Africa) have increased by approximately RMB33.8 million and RMB10.9 million respectively. These increases were mainly due to new distributors and new designs launched. As America is still recovering from the adverse economic condition, the orders received were lower than the corresponding period of the previous financial year. Sales to Other Asian Countries and Europe were lower than the corresponding period of FY2009. This was due mainly to the production capacity reaching the maximum level. As such the Group planned the production schedules toward orders with higher margin and also negotiated with our distributors in these regions for the postponement of delivery dates. The Group has contracted equipment suppliers for the expansion of the production facilities and expects the production capacity to be increased by approximately 40% in 2Q FY2010.

#### Gross profit

Gross profit increased by 36% from RMB37.2 million in 1Q FY2009 to RMB50.6 million in 1Q FY2010 due to higher sale volume and better margin. The gross profit margin improved to 33.8% from 30.8% due to the Group planning the production schedule towards orders with higher margin as the production capacity is reaching the maximum level.

#### Other operating income

Other operating income increased by RMB2.0 million from RMB0.2 million in 1Q FY2009 to RMB2.2 million in 1Q FY2010. The increase was due to higher sales of samples and scrap materials of approximately RMB1.4 million, higher interest income received of approximately RMB0.3 million and incentive amounting to approximately RMB0.3 million received from the local government.

#### Expenses

Distribution expenses increased by RMB10.1 million from RMB2.0 million in 1Q FY2009 to RMB12.1 million in 1Q FY2010. The increase was due mainly to increases in advertisement and promotion expenses of approximately RMB8.6 million, insurance of approximately RMB0.9 million and custom expenses of approximately RMB0.6 million.

Administrative expenses decreased by RMB1.2 million from RMB3.9 million in 1Q FY2009 to RMB2.7 million in 1Q FY2010 due mainly to lower foreign exchange losses incurred from RMB1.7 million to RMB0.1 million. The decrease was partially offset by increases in other expenses of approximately RMB0.4 million.

Other operating expenses relate to certain IPO expenses which were not capitalized.

Overall, Group's net profit attributable to equity holders increased by 11% from RMB26.8 million in 1Q FY2009 to RMB29.9 million in 1Q FY2010.

**Financial Position**  
**(30 September 2009 vs. 30 June 2009)**

Non-current assets increased from RMB57.1 million as at 30 June 2009 to RMB65.8 million as at 30 September 2009. Property, plant and equipment increased from RMB41.3 million to RMB50.1 million due mainly to RMB9.5 million of deposits paid in respect of contracts committed. These contracts are primarily for the expansion of production capacity which is expected to be increased by approximately 40%. This increase was partially offset by RMB0.7 of depreciation for the period. Land use rights lease prepayment decreased from RMB15.8 million to RMB15.7 million due to amortization for the period.

Current assets increased from RMB245.1 million as at 30 June 2009 to RMB368.2 million as at 30 September 2009. Inventories increased from RMB46.9 million to RMB68.6 million as the Group's semi-finished goods have increased due to expected deliveries in the month of October 2009. Trade and other receivables increased from RMB138.6 million to RMB155.1 million due mainly to the increase in trade receivables amounting to approximately RMB25.6 million in line with higher sales. The increase was partially offset by the decrease in prepayment amounting to approximately RMB9.1 million which relate to IPO expenses and advertisement cost. Cash and cash equivalents increased from RMB59.2 million to RMB144.2 million due mainly to the net proceeds received from the issue of new shares pursuant to the Company's recently completed IPO.

Current liabilities increased from RMB105.7 million as at 30 June 2009 to RMB116.7 million as at 30 September 2009. Trade and other payables increased from RMB45.2 million to RMB74.4 million due primarily to increase in trade payables amounting to approximately RMB29.7 million. The increase in trade payables was due to timing differences and extended credit terms granted from certain major suppliers and was partially offset by marginal decrease in other payables. Repayments of note payables and bank borrowings amounting to approximately RMB2.6 million and RMB9.9 million respectively resulted in lower note payables and bank borrowings as at 30 September 2009. The amount due to a director decreased from RMB10.7 million to RMB4.0 million due to repayment.

Shareholders' equity increased from RMB196.6 million as at 30 June 2009 to RMB317.2 million as at 30 September 2009 due to increase in share capital amounting to approximately RMB90.8 million in respect of net proceeds received from the issue of new shares pursuant to the Company's recently completed IPO, as well as the Group's net profit for the three months ended 30 September 2009.

## Liquidity

**(30 September 2009 vs. 30 September 2008)**

Net cash generated from operating activities was approximately RMB21.8 million which comprised operating profit before working capital changes of approximately RMB35.7 million adjusted for net working capital outflow of approximately RMB9.6 million, interest paid of approximately RMB0.7 million and income taxes paid of approximately RMB3.6 million.

Net cash used in investing activities was approximately RMB9.1 million. This comprised deposits of approximately RMB9.5 million paid in respect of expanding the production facilities, partially offset by interest received of approximately RMB0.4 million.

Net cash generated from financing activities was approximately RMB74.6 million. This comprised net proceeds of approximately RMB90.8 million from the issue of new shares pursuant to the Company's recently completed IPO, repayment of advances by a related party of approximately RMB0.7 million and decrease in deposit pledged with a bank of approximately RMB2.3 million, partially offset by repayments of advances due to a director, note payables and bank borrowings of approximately RMB6.7 million, RMB2.6 million and RMB9.9 million, respectively.

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

Not applicable.

- 10. A commentary at the date of the announcement of the significant trends and 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.**

## Prospects

The Group aims to become one of the leading handicraft and furnishing product manufacturers in the PRC and achieve recognition as a market leader for our brand name, product quality and design and development capabilities. In light of the current economic conditions, the environment in which we operate will remain challenging, although there are signs of an economic recovery. Nevertheless, our Directors are optimistic of the long term prospects of our Group and believe that the growing handicrafts and furnishing industry in the PRC and Other Asian Countries will have a positive impact on our future prospects. As such, the Group is increasing its production capacity in anticipation of an increase in orders.

The Group will continue to explore new markets and appoint new distributors, especially in the bigger cities, both in the PRC and overseas in order to grow our business and thus, create value to our shareholders.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

**Ordinary Shares:**

No.

**(b) Corresponding Period of the immediately preceding financial year**

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

**Ordinary Shares:**

In September 2008, the Group declared and paid net dividends amounting to RMB130 million.

**(c) Date payable**

**Ordinary Shares:**

Not applicable.

**(d) Book Closure Date**

**Ordinary Shares:**

Not applicable.

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

No dividend has been declared or recommended for the period ended 30 September 2009.

**13. Negative Assurance Confirmation pursuant to SGX Listing Rule 705(4)**

To the best of our knowledge and belief, nothing has come to the attention of the Directors of the Company which may render the First Quarter Results of the Group for the financial period ended 30 September 2009 to be false or misleading in any material respect.

**By Order of the Board**

Chen Huiling  
Chairman  
9 November 2009

Zhao Long  
Chief Executive Officer