



SUN EAST GROUP LIMITED
(Incorporated in Bermuda)
(Company Registration No. 35733)
(the “Company”)

UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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

1a An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

<u>The Group</u>	Three months ended 31 March 2012 HK\$'000	Three months ended 31 March 2011 HK\$'000	Increase (Decrease) %
Revenue	-	6	-100%
Cost of goods sold	-	(1)	-100%
Gross profit	-	5	-100%
Administrative expenses	(1,139)	(3,961)	-71%
Other expenses	-	(3,655)	0%
Finance costs	-	1,077	-100%
Loss before taxation	(1,139)	(6,534)	-83%
Taxation	-	-	0%
Loss for the year	(1,139)	(6,534)	-83%
Other comprehensive income for the year, net of tax	-	-	0%
Total comprehensive loss for the year	(1,139)	(6,534)	-83%

The Group's loss before taxation is arrived at after (charging) / crediting:

	Three months ended 31 March 2012 HK\$'000	Three months ended 31 March 2011 HK\$'000
	<hr/>	<hr/>
Depreciation of property, plant and equipment	(5.7)	(0.8)
Finance costs made / (written back)	-	1,077
Impairment loss on intangible assets	-	(500)
Exchange loss	(88)	(2,791)
Change in fair value of options	-	(3,155)

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

	<u>The Group</u>		<u>The Company</u>	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	10,427	134	10,423	117
Other receivables and prepayments	65	-	65	-
	<u>10,492</u>	<u>134</u>	<u>10,488</u>	<u>117</u>
Non-current assets:				
Plant and equipment	63	7	57	-
Total non-current assets	<u>63</u>	<u>7</u>	<u>57</u>	<u>-</u>
Total assets	<u>10,555</u>	<u>141</u>	<u>10,545</u>	<u>117</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>				
Current liabilities:				
Other payables	909	1,555	889	1,383
Amount due to holding company	1,995	293	1,828	293
Advance from holding company	10,497	-	10,497	-
Total liabilities	<u>13,401</u>	<u>1,848</u>	<u>13,214</u>	<u>1,676</u>
Capital and reserves:				
Share capital	3,528	3,528	3,528	3,528
Reserves	(6,374)	(5,235)	(6,197)	(5,087)
Total equity	<u>(2,846)</u>	<u>(1,707)</u>	<u>(2,669)</u>	<u>(1,559)</u>
Total liabilities and equity	<u>10,555</u>	<u>141</u>	<u>10,545</u>	<u>117</u>

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

	<u>Unsecured</u>	
	31 March 2012 HK\$'000	31 December 2011 HK\$'000
Amount payable in one year or less	10,497	-

On 9 February, 21 March and 22 March 2012, the Holding Company Singapore Petrol Development Co., Pte Ltd provided the advance loan to the Company with the amount of SGD 200,000, SGD 500,000 and 1,000,000 respectively as financial support to enable the Group and the Company to meet the liabilities as and when they fall due.

Details of any collateral

NIL

Contingent liabilities

As at 31 March 2012, the Group has no contingent liabilities.

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

	Three months ended 31 March 2012 HK'000	Three months ended 31 March 2011 HK'000
OPERATING ACTIVITIES		
Loss before taxation	(1,139)	(6,534)
Adjustments for:		
Depreciation and amortisation	6	1
Change in fair value of options	-	3,155
Impairment loss on intangible assets	-	500
Exchange loss	-	2,791
Finance costs	-	(1,077)
Operating cash flows before movements in working capital	(1,133)	(1,164)
Other receivables, deposits and prepayments	(65)	-
Other payables and accrued charges	(646)	44
Cash (used in) operations	(1,844)	(1,120)
NET CASH GENERATED (USED IN) OPERATING ACTIVITIES	(1,844)	(1,120)
NET CASH (USED IN) /FROM INVESTING ACTIVITIES	-	-
INVESTING ACTIVITIES		
Purchase of fixed asset	(62)	-
NET CASH USED IN INVESTING ACTIVITIES	(62)	-
FINANCING ACTIVITIES		
Advance from shareholders	-	1,119
Amount due to ultimate holding company	1,702	-
Advance from Holding Company	10,497	-
NET CASH INFLOW FROM FINANCING ACTIVITIES	12,199	1,119
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	10,293	(1)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	134	25
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	10,427	24

1d(i) A statement (for the issuer and the 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.

Group	Share capital	Share premium	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2012	3,528	140,760	(145,995)	(1,707)
Total comprehensive loss for the period	-	-	(1,139)	(1,139)
At 31 March 2012	3,528	140,760	(147,134)	(2,846)
At 1 January 2011	122,275	102,121	(361,840)	(137,444)
Capital reorganisation	(121,786)	(102,121)	223,907	-
Debt conversions	2,201	98,649	-	100,850
Fair value changes of option	-	3,155	-	3,155
Total comprehensive loss for the period	-	-	(6,535)	(6,534)
At 31 March 2011	2,690	101,804	(144,468)	(39,973)
Company	Share capital	Share premium	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2012	3,528	140,760	(145,847)	(1,559)
Total comprehensive loss for the period	-	-	(1,110)	(1,110)
At 31 March 2012	3,528	140,760	(146,957)	(2,669)
At 1 January 2011	122,275	102,121	(389,174)	(164,778)
Capital reorganisation	(121,786)	(102,121)	223,907	-
Debt conversions	2,201	98,649	-	100,850
Fair value changes of option	-	3,155	-	3,155
Total comprehensive loss for the period	-	-	(5,790)	(5,790)
At 31 March 2011	2,690	101,804	(171,057)	(66,563)

1d(ii) Details of any changes in the company's share capital arising from right 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.

There were no changes in the Company's share capital during the current financial period reported on.

1d(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.

The total number of issued shares is 3,527,654,875 shares as at 31 March 2012 and as at 31 December 2011. The Company does not have any treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

1d(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.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

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

These figures have neither been audited nor reviewed by the Company'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.

Yes

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

Not applicable

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	
	Three months ended 31 March 2012	Three months ended 31 March 2011
Net loss attributable to shareholders	(1,139,186)	(6,534,000)
	HK cents	HK cents
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares in issue; and	(0.032)	(0.38)
Weighted average number of ordinary shares in issue	3,527,654,875	1,711,908,264
(b) On a fully diluted basis	(0.032)	(0.29)
Weighted average number of ordinary shares in issue	3,527,654,875	2,216,400,421

7. **Net assets value (for the issuer and the 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>	
	31 March 2012	31 Dec 2011	31 March 2012	31 Dec 2011
	HK cents	HK cents	HK cents	HK cents
Net asset value per ordinary share	(0.08)	(0.05)	(0.08)	(0.04)

The calculation of net asset value per ordinary share is based on the Group's net assets as at 31 March 2012 of approximately HK\$(2,846,366) (31 Dec 2011: HK\$(1,707,000)) and the Company's net asset value as at 31 March 2012 of approximately HK\$(2,669,247) (31 Dec 2011: HK\$(1,559,000)) and share capital of 3,527,654,875 shares (31 December 2011: share capital of 3,527,654,875 shares).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **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; 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.**

Review of the Group's performance for the financial period ended 31 March 2012 ("1Q FY2012") as compared to the financial period ended 31 March 2011 ("1Q FY2011")

Revenue

The Group's revenue decreased from HK\$6k in 1Q FY2011 to NIL in 1Q FY2012. The decrease in revenue was mainly attributable to the lack of support of promotion and branding programme for the beauty products.

Gross Margin

Our gross profit decreased from HK\$5k in 1Q FY2011 to NIL in 1Q FY2012, mainly attributable to a decrease in revenue.

Other Operating Income

There was no other operating income this quarter.

Selling and distribution costs

No selling and distribution expenses were incurred during the three months ended 31 March 2012.

Administrative expenses

Administrative expenses decreased from HK\$3,961k in 1Q FY2011 to HK\$1,139k in 1Q FY2012, mainly due to the decrease of legal and professional cost and exchange loss.

Other expenses

Compared to HK\$3.6 million net change in fair value arising from share options issued and the impairment loss of trademarks incurred in 1Q FY 2011, no other expenses incurred for the period ended 31 March 2012.

Finance costs

No finance cost incurred in 1Q FY 2012 compared to HK\$1.1 million in 1Q FY 2011. The decrease was due to the settlement of the FRNs upon the debt restructuring.

Taxation

No taxation was provided for this quarter.

Net Loss

The Group incurred a net loss of HK\$1,139k for the three months ended 31 March 2012 as compared to a net loss of HK\$6,534k for the three months ended 31 March 2011. The net loss was mainly due to the decrease in revenue, staff related expenses, travelling expenses and other administration expenses incurred.

Review of the Group's Cashflow for Q1 FY2012 as compared to Q1 FY2011

Operating cash outflow for 1Q FY2012 was HK\$1,844k due to the continuous losses of the Group. The decrease in other payables of HK\$646k was recorded during this period.

Net cash inflow from financing activities for 1Q FY2012 of HK\$12,199k was mainly represented by the loan advanced and expenses paid on behalf from the ultimate holding company Singapore Petrol Development Co., Pte Ltd. The advance was used to settle the liabilities as and when they fall due.

Review of the Group's Financial Position as at 31 March 2012 and 31 December 2011

Other receivable increased slightly by HK\$65k for the period which was represented by prepayment and deposit. The decrease in HK\$646k in other payables was recorded for the period. Amount due to ultimate holdings and advance loan from Holding company increased by HK\$1,702k and HK\$10,497k respectively to reflect the financial support from Singapore Petrol Development Co., Pte Ltd.

Negative working capital increased from HK\$894k as at end of December 2011 to HK\$1,844k as at end of March 2012. The increase resulted from continuous loss made by the Company.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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.

With regard to the existing businesses, the Company's current intention is to carry on the same with a view to turn it profitable. In addition, the Company is looking into the diversification of the businesses and exploring new and alternative revenue streams in the long-term interest of the Shareholders. Subject to the shareholders approval, the Company will, through its 100% owned subsidiary Singapore Petro Pte Ltd, undertake the new business of trading in the following products:

- (a) petrol and other raw materials used for blending gasoline, including but not limited to mixed aromatics such as methyl tertiary-butyl ether (“MTBE”) C5 and MTBE C9;
- (b) petrochemicals including and to limited to paraxylene, ethanediol, styrene; and
- (c) fuel oil. ^(Note)

The Company intends to fund its working capital requirements initially through a combination of funding from its holding company, Singapore Petrol Development Co., Pte Ltd, bank facilities and through revenue generated from the new business after it commences.

Note: The Company had on 8 May 2012 given notice of the special general meeting of the Company to be held on 31 May 2012 to seek shareholders’ approval for the new business. Further details of the new business are set out in the Company’s circular to shareholders dated 8 May 2012, a copy of which is available on the website of the Singapore Exchange Securities Trading Limited at www.sgx.com

11. Dividend

(a) Current Financial Period Reported On

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the period ended 31 March 2012.

13. Aggregate value of the Interested Person Transactions conducted during the period ended December 2011 pursuant to Rule 920(a)(ii) of the Listing Manual. If the Group has obtained a general mandate from shareholder for IPTs, the aggregate value of such transactions as required under Rule 902(1)(a)(ii). If no IPT mandate has been obtained, please make a statement to that effect.

There are no Interested Person Transactions conducted during the period ended 31 March 2012 except for the interest-free advances made by Controlling shareholder Singapore Petrol Development Co., Pte Ltd.

The Company does not have a general mandate from shareholders for the interested person transaction.

14. Updates on internal controls

The Company wishes to update that since 31 December 2011, the following steps have been taken by the Board/Audit Committee:

- (i) The Board had at Board meeting held on 23 February 2012 approved *inter alia* the Company's internal authorization levels and limits for (a) approval of cheque issuances and telegraphic transfers at the Company and subsidiary levels respectively; (b) the incurring of office daily fixed expenditures; (c) approving travelling expenditures and other personal reimbursements; and (d) authorization for fixed asset purchase and investments;
- (ii) The Company has engaged WLA Regnum Advisory Services Pte Ltd ("WLA") to provide internal control services and an internal control framework has been performed by them and approved by Audit Committee on 26 April 2012. A matrix of the core processes and key risks is to be documented and submitted by WLA for the management's review, together with a proposal of the policies and procedures to be adopted by the Board; and
- (iii) The Company also intends to hire a suitably qualified internal auditor who shall be a full time employee of the Company and who shall report directly to the Audit Committee.

BY ORDER OF THE BOARD

Ye Jianming
Executive Chairman
Date: 10 May 2012

CONFIRMATION BY THE BOARD

We, Ye Jian Min and Chen Rong Liang being two directors of Sun East Group Limited (“**the Company**”), do hereby confirm on behalf of the directors of the Company, that, 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 results for the financial period ended 31 March 2012 to be false or misleading in any material aspect.

On behalf of the board of directors

Ye Jianming
Executive Chairman

Chen Rong Liang
Executive Director

Date: 10 May 2012