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江農國際控股有限公司
Jiangchen International Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

(stock code on Main Board: 01069)

(stock code on GEM: 08305)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2011**

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the “Directors”) of Jiangchen International Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or this announcement misleading.

FINANCIAL HIGHLIGHTS

- Turnover for the three months ended 31 March 2011 amounted to approximately RMB56.6 million (2010: RMB42.9 million), representing an increase of 31.9% as compared with corresponding periods in 2010.
- Profits attributable to owners of the Company for the three months ended 31 March 2011 amounted to approximately RMB6.4 million (2010: RMB5.0 million), representing an increase of 27.3% as compared with corresponding periods in 2010.
- Basic earnings per share for the three months ended 31 March 2011 amounted to RMB0.017 (2010: RMB0.014).
- The Directors do not recommend the payment of an interim dividend for the three months ended 31 March 2011 (2010: nil).

UNAUDITED RESULTS

The board of Directors (the “Board”) of the Company is pleased to announce the following unaudited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) for the three months ended 31 March 2011 together with comparative unaudited consolidated figures for the corresponding periods in 2010.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the three months ended 31 March	
	Notes	2011 RMB'000 (Unaudited)	2010 RMB'000 (Unaudited)
Turnover	3	56,634	42,930
Cost of sales		(48,106)	(35,861)
Gross profit		8,528	7,069
Other operating income	4	55	4
Selling and distribution costs		(308)	(160)
Administrative expenses		(892)	(1,097)
Finance costs	5	(34)	(18)
Profit before tax	6	7,349	5,798
Income tax expense	7	(967)	(791)
Profit and total comprehensive income for the period		6,382	5,007
Profit and total comprehensive income attributable to:			
Owners of the Company		6,382	5,015
Non-controlling interests		–	(8)
		6,382	5,007
Earnings per share	8		
– Basic		RMB0.017	RMB0.014
– Diluted		RMB0.017	RMB0.014

Notes:

1. BASIS OF PREPARATION

The unaudited consolidated results of the Group for the three months ended 31 March 2011 have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the GEM Listing Rules.

2. PRINCIPAL ACCOUNTING POLICIES

The accounting policies used in the preparation of these results are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2010.

3. TURNOVER AND SEGMENT INFORMATION

Turnover represents the net amounts received and receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

The Group's operating segments, based on information reported to the chief operating decision maker for the purpose of resource allocation and performance assessment are as follows:

- (i) manufacturing and wholesaling of OEM products
- (ii) manufacturing and sales of branded products ("Brand business").

The following is an analysis of the Group's revenue and results by reportable segments for the three months ended 31 March 2011 and 2010:

Three months ended 31 March 2011

	Manufacturing and wholesaling of OEM products RMB'000 (Unaudited)	Brand business RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Revenue	<u>47,182</u>	<u>9,452</u>	<u>56,634</u>
Segment results	<u>6,500</u>	<u>1,403</u>	7,903
Other operating income			55
Central administrative costs			(575)
Finance costs			(34)
Profit before tax			<u>7,349</u>

Three months ended 31 March 2010

	Manufacturing and wholesaling of OEM products <i>RMB'000</i> <i>(Unaudited)</i>	Brand business <i>RMB'000</i> <i>(Unaudited)</i>	Total <i>RMB'000</i> <i>(Unaudited)</i>
Revenue	38,409	4,521	42,930
Segment results	5,706	656	6,362
Other operating income			4
Central administrative costs			(550)
Finance costs			(18)
Profit before tax			5,798

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represent the results from each segment without allocation of central administrative costs including directors' salaries, other operating income, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The Group's revenue from external customers by geographical location are detailed below:

	For the three months ended 31 March	
	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Hong Kong	–	1,947
The People's Republic of China (the "PRC") (excluding Hong Kong)	52,899	40,983
Others	3,735	–
	<u>56,634</u>	<u>42,930</u>

An analysis of segment assets and capital expenditure by geographical area in which the assets are located has not been presented as the Group's assets are substantially located in the PRC.

4. OTHER OPERATING INCOME

	For the three months ended 31 March	
	2011 <i>RMB'000</i> <i>(Unaudited)</i>	2010 <i>RMB'000</i> <i>(Unaudited)</i>
Bank interest income	20	4
Exchange gain	35	–
	<u>55</u>	<u>4</u>

5. FINANCE COSTS

	For the three months ended 31 March	
	2011 <i>RMB'000</i> <i>(Unaudited)</i>	2010 <i>RMB'000</i> <i>(Unaudited)</i>
Interest on bank borrowings wholly repayable within one year	<u>34</u>	<u>18</u>

6. PROFIT BEFORE TAX

	For the three months ended 31 March	
	2011 <i>RMB'000</i> <i>(Unaudited)</i>	2010 <i>RMB'000</i> <i>(Unaudited)</i>
Profit before tax has been arrived at after charging:		
Directors' emoluments	51	42
Other staff costs	6,737	5,158
Retirement benefits scheme contributions, excluding directors' emoluments	<u>2,554</u>	<u>1,361</u>
Total staff costs	<u>9,342</u>	<u>6,561</u>
Amortisation of prepaid lease payments	40	40
Cost of inventories recognised	48,106	35,861
Depreciation of property, plant and equipment	285	189
Exchange loss	–	12
Operating lease rental paid in respect of rented premises	<u>58</u>	<u>19</u>

7. INCOME TAX EXPENSE

	For the three months ended	
	31 March	
	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
PRC Enterprise Income Tax		
– Current period	<u>967</u>	<u>791</u>

Hong Kong Profits Tax has not been provided for as there were no assessable profits derived from Hong Kong for the three months ended 31 March 2011 and 2010.

Pursuant to the laws and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and BVI.

Pursuant to the relevant laws and regulations in the PRC, the Group’s PRC subsidiaries are exempted from PRC Enterprise Income Tax for two years starting from their first profit-making year, followed by a 50% reduction for the next three years. The first profit-making year of the PRC subsidiaries is 2008. Accordingly, the PRC subsidiaries are exempted from PRC Enterprise Income Tax from 1 January 2008 to 31 December 2009 and are entitled to a 50% exemption of income tax from 1 January 2010 to 31 December 2012.

Under the Law of the People’s Republic of China on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

8. EARNINGS PER SHARE

The calculation of basic earnings per share for the three months ended 31 March 2011 is based on the profit attributable to owners of the Company of approximately RMB6,382,000 (2010: RMB5,015,000) and the weighted average number of shares in issue during the period of 370,000,000 (2010: 370,000,000).

The diluted earnings per share are the same as the basic earnings per share for the three months ended 31 March 2011 and 2010 as there is no effect of dilutive potential ordinary shares.

9. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2011 (2010: nil).

10. RESERVES

	Attributable to owners of the Company					Total RMB'000
	Share Premium RMB'000	Capital reserve RMB'000	Statutory reserves RMB'000	Other reserves RMB'000	Retained earnings RMB'000	
At 1 January 2011 (audited)	10,642	10	5,256	18,038	43,809	77,755
Total comprehensive income for the period	–	–	–	–	6,382	6,382
At 31 March 2011 (unaudited)	<u>10,642</u>	<u>10</u>	<u>5,256</u>	<u>18,038</u>	<u>50,191</u>	<u>84,137</u>
At 1 January 2010 (audited)	10,642	10	2,661	19,697	23,315	56,325
Total comprehensive income for the period	–	–	–	–	5,015	5,015
Acquisition of additional interests in a subsidiary from non-controlling shareholders (<i>Note 11(c)</i>)	–	–	–	(1,659)	–	(1,659)
At 31 March 2010 (unaudited)	<u>10,642</u>	<u>10</u>	<u>2,661</u>	<u>18,038</u>	<u>28,330</u>	<u>59,681</u>

11. RELATED PARTY TRANSACTIONS

- (a) During the period, the Group entered into the following transactions with related parties:

	For the three months ended 31 March	
	2011 RMB'000 (Unaudited)	2010 RMB'000 (Unaudited)
Mr. Tsoi Kam On (蔡金鉸) (Note 1) – rental expense incurred	<u>7</u>	<u>7</u>

Note:

1. Mr. Tsoi Kam On (蔡金鉸) is the brother of Mr. Cai Shuiyong.

- (b) The remuneration of Directors and other members of key management during the period was as follows:

	For the three months ended 31 March	
	2011 RMB'000 (Unaudited)	2010 RMB'000 (Unaudited)
Salaries and other allowances	100	91
Retirement benefits scheme contributions	<u>7</u>	<u>5</u>
	<u>107</u>	<u>96</u>

- (c) Acquisition of 30% additional equity interests in Jiangxi Hongfeng Textile Company Limited (“Hongfeng Textile”)

As mentioned in the announcement and circular issued by the Company dated 23 December 2009 and 13 January 2010 respectively, Sino Prosper (Asia) Limited (“Sino Prosper”), a wholly-owned subsidiary of the Company, conditionally entered into Equity Transfer Agreement II on 23 December 2009 with Hong Feng International Holdings Limited (“Hong Feng International”), a company owned by Mr. Cai Shuiyong and Mr. Cai Shuiping as to 50% each. Pursuant to the agreement, Sino Prosper agreed to purchase from and Hong Feng International agreed to dispose of 30% additional equity interests in Hongfeng Textile for a consideration in cash of approximately RMB3.5 million. On 28 January 2010, approval of the acquisition was obtained from the independent shareholders in an extraordinary general meeting. The acquisition was completed on 5 March 2010 and Hongfeng Textile became a wholly-owned subsidiary of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

The Group is principally engaged in the manufacturing and wholesaling of apparels in the People's Republic of China (the "PRC"). The apparels produced by the Group can be broadly categorized into cotton and sweat jacket, sportswear and leisurewear, trousers and children garment.

As at 31 March 2011, the Company has a domestic distribution network consisting of two self-owned stores, six franchise shops and forty distribution outlets across Jiangxi province, Hunan province, Fujian province and Guangxi province for the sales and marketing of its own design products.

Financial review

Turnover

The Group's turnover for the three months ended 31 March 2011 increased by 31.9% to approximately RMB56.6 million as compared to that of approximately RMB42.9 million for the three months ended 31 March 2010. The increase in the Group's turnover was mainly attributable to the increase in demand of the Company's products and the continuous effort of the Group's sales team. The aggregate turnover from the domestic sales for the three months ended 31 March 2011 increased to approximately RMB9.5 million (2010: RMB4.5 million), representing approximately 16.7% of the total turnover during the period.

Gross profit

The Group achieved a gross profit of approximately RMB8.5 million for the three months ended 31 March 2011, representing an increase of approximately 20.6% as compared to RMB7.1 million for the three months ended 31 March 2010. The gross profit margin for the three months ended 31 March 2011 amounted to 15.1% (2010: 16.5%). The decrease in gross profit margin for the three months ended 31 March 2011 was mainly attributable to the increase in raw materials and direct labour cost.

Selling and distribution costs

The selling and distribution costs increased by approximately 92.5% from approximately RMB160,000 for the three months ended 31 March 2010 to approximately RMB308,000 for the three months ended 31 March 2011. The increase in selling and distribution costs was mainly attributable to the increase in transportation costs and research and development expenses.

Administrative expenses

The administrative expenses decreased by approximately 18.7% from approximately RMB1,097,000 for the three months ended 31 March 2010 to approximately RMB892,000 for the three months ended 31 March 2011. The decrease in administrative expenses was mainly attributable to the decrease in legal and professional fees.

Income tax expense

Pursuant to the relevant laws and regulations of the PRC, the Group's PRC subsidiaries are exempted from PRC Enterprise Income Tax (the "EIT") for the two years starting from their first profit-making year, followed by a 50% tax concession for the next three years. Such EIT exemption will end on 31 December 2012. As the Group's PRC subsidiaries have been profit-making or deem to be profit-making since 1 January 2008, they were exempted from the EIT from 1 January 2008 to 31 December 2009 and are entitled to a 50% tax concession from 1 January 2010 to 31 December 2012. The effective tax rate of the Group for the three months ended 31 March 2011 is 13.2% (for the three months ended 31 March 2010: 13.6%).

Profit attributable to owner of the Company

The profit attributable to owner of the Company increased by approximately 27.3% from approximately RMB5.0 million for the three months ended 31 March 2010 to approximately RMB6.4 million for the three months ended 31 March 2011.

Basic earnings per share

The basic earnings per share for the three months ended 31 March 2011 amounted to RMB0.017 (2010: RMB0.014), representing an increase of approximately 21.4% as compared with corresponding period in 2010.

OUTLOOK

It is the Group's objective to become one of the major budget apparel manufacturers and wholesalers in the PRC by expanding the wholesale business into rural areas outside the non-first-tier cities. The Directors consider there are promising potentials for the Company's products in such areas.

Leveraging on the experience of its management team in the apparel industry, the Company will continue to enhance the product design capacity to cater for different types of customers. The newly established research and development department will also conduct research on latest trend and market demand on production materials and review the manufacturing processes with a view to improve productivity, reduce wastage and achieve better quality control.

In addition, the Group will continue to expand its distribution network and market coverage by establishing additional distribution outlets in Fujian province, Jiangxi province, Zhejiang province and Guangxi province in the PRC and to explore opportunities for merger and acquisitions with a view to increase shareholders' wealth.

With a view to enhance the corporate profile and image of the Group and to improve the public awareness of the Company, as disclosed in the announcement of the Company dated 21 March 2011, the Company has made an application for the transfer of listing of the shares of the Company from the GEM to the Main Board of the Stock Exchange (the "Transfer") under Chapter 9A of the Rules Governing the Listing of Securities on the Stock Exchange. The Directors are of the view that the Transfer will be beneficial to the future growth, financial flexibility and business development of the Company. On 21 April 2011, the approval-in-principle for the Transfer was granted by the Stock Exchange. The last day of dealings in the shares of the Company on GEM (under stock code: 08305) is 13 May 2011. The Directors expect that dealings in the shares of the Company on the Main Board (under stock code: 01069) will commence on 16 May 2011. For details of the Transfer, please refer to the above announcements.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2011, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange, pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company

pursuant to Section 352 of the SFO, or which were required, pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) Long position in shares of the Company

Name of Director	Number of ordinary shares			Total	Percentage of issued share capital
	Personal interests	Family interests	Corporate interests		
Mr. Cai Shuiyong	–	–	231,250,000 ⁽¹⁾	231,250,000	62.5%
Mr. Cai Shuiping	–	–	231,250,000 ⁽¹⁾	231,250,000	62.5%

Note:

1. These shares are owned by Well Bright Group Limited (“Well Bright”) which is owned 50% by Mr. Cai Shuiyong and 50% by Mr. Cai Shuiping. Therefore, each of Mr. Cai Shuiyong and Mr. Cai Shuiping is deemed to be interested in 231,250,000 shares held by Well Bright Group Limited under the SFO.

(ii) Long position in ordinary shares of associated corporation

Name of Director	Name of associated corporation	Capacity/Nature	Number of securities held	Percentage of shareholding
Mr. Cai Shuiyong	Well Bright	Beneficial owner	1	50%
Mr. Cai Shuiping	Well Bright	Beneficial owner	1	50%

Save as disclosed above, as at 31 March 2011, none of the Directors and chief executive of the Company had any interests or short positions in any shares, underlying shares and debenture of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2011, so far as is known to the Directors and taking no account of the shares to be issued pursuant to options which may be granted under the share option scheme (as defined below), the following persons (other than the Directors or chief executive of the Company), who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company in accordance with the provision of Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein, were as follows:

Name	Capacity	Number of ordinary shares	Percentage of issued share capital
Well Bright Group Limited	Beneficial owner	231,250,000	62.5%
Ms. Cai Shuyan	Interest of spouse	231,250,000 ⁽¹⁾	62.5%
Ms. Sun Meige	Interest of spouse	231,250,000 ⁽²⁾	62.5%
Reachup Holdings Limited	Beneficial owner	27,750,000 ⁽³⁾	7.5%
Mr. Huang Wen Bin	Interest of controlled corporation	27,750,000 ⁽³⁾	7.5%
Mr. Huang Wen Bin	Beneficial owner	8,720,000	2.4%

Notes:

1. Mr. Cai Shuiyong beneficially owned 50% of Well Bright and Well Bright held 231,250,000 shares of the Company. Ms. Cai Shuyan is the spouse of Mr. Cai Shuiyong. Therefore, Ms. Cai Shuyan is deemed to be interested in all shares of the Company held by Mr. Cai Shuiyong.
2. Mr. Cai Shuiping beneficially owned 50% of Well Bright and Well Bright held 231,250,000 shares of the Company. Ms. Sun Meige is the spouse of Mr. Cai Shuiping. Therefore, Ms. Sun Meige is deemed to be interest in all shares of the Company held by Mr. Cai Shuiping.
3. These shares are owned by Reachup Holdings Limited which is wholly owned by Mr. Huang Wen Bin. Therefore, Mr. Huang Wen Bin is deemed to be interested in 27,750,000 shares held by Reachup Holdings Limited under the SFO.

Save as disclosed above, as at 31 March 2011, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

DIVIDEND

The Directors do not recommend the payment of an interim dividend for the three months ended 31 March 2011 (2010: Nil) and there is no closure of the register of members accordingly.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (“Share Option Scheme”) on 15 September 2009. Since the Share Option Scheme has become effective upon the Company’s listing on GEM, no share options were granted, exercised or cancelled by the Company under the Share Option Scheme during the period under review and there were no outstanding share options under the Share Option Scheme as at 31 March 2011.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed shares of the Company for the three months ended 31 March 2011.

CODE ON CORPORATE GOVERNANCE PRACTICE

Pursuant to the code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Mr. Cai Shuiyong is appointed as the chairman and chief executive officer of the Company who is responsible for managing the Board and the Group’s business. The Board considers that Mr. Cai Shuiyong has in-depth knowledge in the Group’s business and can make appropriate decisions promptly and efficiently. Nevertheless, the Board will continue to review the effectiveness of the Group’s corporate governance structure to assess whether the separation of the positions of chairman and chief executive officer of the Company is necessary.

Save as disclosed above, the Company has complied with the code provisions of the Code on Corporate Governance Practice set out in Appendix 15 of the GEM Listing Rules for the three months ended 31 March 2011.

COMPETITION AND CONFLICT OF INTEREST

None of the Directors, the management shareholders or substantial shareholders of the Company or any of its respective associates has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, as defined in the GEM Listing Rules, or has any other conflict of interests with the Group for the three months ended 31 March 2011.

REMUNERATION COMMITTEE

The Company established a remuneration committee in September 2009 with written terms of reference in compliance with the Code on Corporate Governance Practices set out in Appendix 15 of the GEM Listing Rules. The primary duties of the remuneration committee are, amongst other things, to review and determine the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management and to make recommendation to our Board on our Group's policy and structure for all remuneration of our Directors and senior management.

Currently, the remuneration committee comprises one executive Director, namely, Mr. Cai Shuiyong and two independent non-executive Directors, namely Mr. Shen Guoquan and Ms. Chan Ling. Mr. Cai Shuiyong has been appointed as the chairman of the remuneration committee.

NOMINATION COMMITTEE

The Company established a nomination committee in September 2009 with written terms of reference in compliance with the Code on Corporate Governance Practices set out in Appendix 15 of the GEM Listing Rules. The principal duties of the nomination committee are to identify and nominate suitable candidates for the appointment of the Directors and make recommendations to the Board on succession planning for the Directors.

Currently, the nomination committee comprises one executive Director, namely Mr. Cai Shuiyong and two independent non-executive Directors namely Mr. Shen Guoquan and Ms. Chan Ling. Mr. Cai Shuiyong has been appointed as the chairman of the nomination committee.

AUDIT COMMITTEE

The Company established an audit committee in September 2009 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the audit committee are, among other things, to review and supervise the financial reporting process and internal control system of our Group.

Currently, the audit committee has three members comprising our three independent non-executive Directors, namely Mr. Liu Jianlin, Mr. Shen Guoquan and Ms. Chan Ling. Mr. Liu Jianlin has been appointed as the chairman of the audit committee. The Group's unaudited consolidated statement of comprehensive income for the three months ended 31 March 2011 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

COMPLIANCE ADVISOR'S INTEREST

Pursuant to the compliance advisor's agreement dated 3 September 2010 entered into between the Company and TC Capital Asia Limited ("TC Capital"), TC Capital has been appointed as the compliance advisor of the Company for the period commencing from 3 September 2010 and ending on the date on which the Company complies with Rules 18.03 of the GEM Listing Rules in respect of the Company's financial results for the second full financial year commencing after the Company's listing date on GEM in accordance with the GEM Listing Rules subject to the terms and conditions of the compliance advisor's agreement.

As notified by TC Capital, save for an employee who beneficially held 8,672,000 shares of the Company, none of TC Capital, its directors, employees or associates had any interests in the securities of the Company or any member of the Group or any right to subscribe for or to nominate persons to subscribe for the securities of the Company or any member of the Group as at 31 March 2011.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Director's securities transactions in shares of the Company. Having made specific enquiry of all Directors, each of the Directors confirm that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by the Directors for the three months ended 31 March 2011.

By order of the Board
Jiangchen International Holdings Limited
Cai Shuiyong
Chairman and Executive Director

Jiangxi Province, The PRC, 29 April 2011

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Cai Shuiyong and Mr. Cai Shuiping; and three independent non-executive Directors, namely Mr. Shen Guoquan, Ms. Chan Ling and Mr. Liu Jianlin.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at <http://www.hkgem.com> for 7 days from the date of its posting. This announcement will also be posted on the Company's website at <http://www.jcholding.hk>.