

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009 (“FY2009”)**

**PART1 INFORMATION REQUIRED FOR ANNOUNCEMENT OF FULL YEAR RESULTS**

**1.(a)(i) An income statement (for the Group), for the year ended 31 December 2009 together with a comparative statement for the corresponding year of the immediate preceding financial year**

**Unaudited income statements of the Group for the year ended 31 December 2008 and 31 December 2009**

	The Group		
	FY 2009 RMB'000	FY 2008 RMB'000	% Change
Revenue	324,403	205,794	57.6
Cost of sales	<b>(284,488)</b>	(175,309)	62.3
Gross (loss)/profit	<b>39,915</b>	30,485	30.9
Other operating (expense)/income, net	<b>(12,105)</b>	156,160	N/M
Impairment loss on:			
Properties under development	<b>(39,163)</b>	(116,951)	(66.5)
Available-for-sale Investments	<b>(6,655)</b>	(56,640)	(88.3)
Completed properties for sale	<b>(11,760)</b>	-	N/M
Change in fair value of investment properties	<b>(29,358)</b>	(132,534)	(77.8)
Gain on final settlement of bank borrowings	<b>295,268</b>	-	N/M
Gain on final settlement of convertible bond	<b>99,657</b>	-	N/M
General and administrative expenses	<b>(75,548)</b>	(89,994)	(16.1)
Selling and distribution expenses	<b>(23,004)</b>	(16,846)	36.6
Finance income/(costs)	<b>(44,897)</b>	(98,284)	(54.3)
Profit/(loss) before tax	<b>192,350</b>	(324,604)	N/M
Income tax credit	<b>4,500</b>	13,380	(66.4)
Profit/(loss) for the year	<b>196,850</b>	<b>(311,224)</b>	N/M

“FY 2008” and “FY 2009” denotes the 12 financial months of financial year ended 31 December 2008 and 31 December 2009 respectively

“% Change” denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure

“N/M” denotes “Not meaningful”

**1. (a)(ii) The accompanying notes to the unaudited financial statements form an integral part of the financial statements**

	The Group		
	FY 2009 RMB'000	FY 2008 RMB'000	% Change
Profit/(loss) before tax has been arrived at after charging/(crediting):			
Amortization of land use rights	3,904	2,130	83.3
Depreciation of property, plant and equipment	10,317	5,142	100.6
Foreign currency exchange (gain)/loss	1,748	(52,229)	N/M
Interest income	(514)	(3,438)	(85.0)
Interest expenses	44,897	98,284	(54.3)
Investment income from available-for-sale investments	-	(49,600)	N/M
Allowance for doubtful trade receivables, net	163	3,184	(94.9)
Allowance for doubtful other receivables	3,002	2,373	26.5
Bad debts written off	3,256	-	N/M
Share-based payments	3,794	13,821	(72.5)
Loss on disposal of property, plant and equipment	560	-	N/M
Loss on disposal of land use rights	3,953	-	N/M
Loss on termination of a jointly controlled operation	-	6,879	N/M
Loss on termination of an asset transfer agreement	35,993	-	N/M
Renovation expenditures for showrooms included in selling and distribution expenses	11,478	668	1,618.3
Legal and professional fee	12,403	4,532	173.7
Late development charges for projects	5,945	-	N/M
Gain on disposal of subsidiaries	(27,080)	(37,391)	(27.6)
Gain on dilution of interests in subsidiaries	-	(19,459)	N/M

*"FY 2008" and "FY 2009" denotes the 12 financial months of financial year ended 31 December 2008 and 31 December 2009 respectively*

*"% Change" denotes increase/(decrease) in the relevant profit or loss item as compared with the comparative figure*

*"N/M" denotes "Not meaningful"*

**1.(b)(i) A statement of financial position (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year. Statements of financial positions of the Group and the Company as at 31 December 2008 and 31 December 2009**

	The Group		The Company	
	As at 31 Dec 2009 RMB'000 (Unaudited)	As at 31 Dec 2008 RMB'000 (Audited)	As at 31 Dec 2009 RMB'000 (Unaudited)	As at 31 Dec 2008 RMB'000 (Audited)
<b>Non-current assets</b>				
Property, plant and equipment	88,255	98,753	8	11
Land use rights	66	530	-	-
Investment properties	183,500	301,517	-	-
Prepayments and other receivables	7,720	7,840	-	-
Investments in subsidiaries	-	-	213,738	210,330
Available-for-sale investments	1,400	32,775	-	-
	<u>280,941</u>	<u>441,415</u>	<u>213,746</u>	<u>210,341</u>
<b>Current assets</b>				
Land use rights	-	170,905	-	-
Completed properties for sale	367,088	85,250	-	-
Properties under development for sale	789,632	1,102,253	-	-
Inventories	-	118	-	-
Trade receivables	8,959	9,127	-	-
Prepayments and other receivables	92,445	315,561	34	630
Amounts due from subsidiaries	-	-	585,100	574,627
Amounts due from related parties <sup>^</sup>	89,036	99,036	-	-
Income tax recoverable	13,178	11,597	-	-
Pledged bank deposits	9,261	43,909	-	-
Bank balances and cash	64,562	106,867	738	624
	<u>1,434,161</u>	<u>1,944,623</u>	<u>585,872</u>	<u>575,881</u>
<b>Current liabilities</b>				
Trade payables	149,120	114,869	-	-
Sales and rental deposits	199,713	231,729	-	-
Accruals and other payables	303,985	124,953	3,021	1,346
Amount due to subsidiaries	-	-	148,836	6,152
Amounts due to related parties <sup>^</sup>	22,745	29,158	10,888	10,888
Income tax payables	46,706	48,384	-	-
Convertible bond	-	218,938	-	218,938
Bank and other borrowings	66,800	824,040	-	-
	<u>789,069</u>	<u>1,592,071</u>	<u>162,745</u>	<u>237,324</u>
<b>Net current assets</b>	<u>645,092</u>	<u>352,552</u>	<u>423,127</u>	<u>338,557</u>
	<u>926,033</u>	<u>793,967</u>	<u>636,873</u>	<u>548,898</u>
<b>Capital and reserves</b>				
Issued capital	305,888	305,888	305,888	305,888
Share premium	224,094	224,094	224,094	224,094
Capital reserve	49,031	49,031	-	-
Revaluation reserve	-	884	-	-
Bond reserve	-	39,485	-	39,485
Share option reserve	18,077	14,283	18,077	14,283
Retained earnings/(losses)	230,783	(13,835)	88,814	(34,852)
	<u>827,873</u>	<u>619,830</u>	<u>636,873</u>	<u>548,898</u>
Equity attributable to owners of the Company	827,873	619,830	636,873	548,898
Minority interests	84,200	83,935	-	-
	<u>912,073</u>	<u>703,765</u>	<u>636,873</u>	<u>548,898</u>
<b>Non-current liabilities</b>				
Bank and other borrowings	-	42,500	-	-
Deferred tax liabilities	13,960	47,702	-	-
	<u>13,960</u>	<u>90,202</u>	<u>-</u>	<u>-</u>
	<u>926,033</u>	<u>793,967</u>	<u>636,873</u>	<u>548,898</u>

<sup>^</sup> Amounts due from/to related parties are unsecured, interest-free and repayable on demand.

## 1.(b)(ii) Aggregate amount of borrowings and debt securities for the Group.

	As at 31 Dec 2009 RMB '000 (Unaudited)	As at 31 Dec 2008 RMB '000 (Audited)
Borrowings, secured <sup>(1)</sup>	-	1,085,478
Borrowings, secured <sup>(2)</sup>	<b>60,000</b>	-
Borrowings, unsecured	<b>6,800</b>	-
	<b>66,800</b>	<b>1,085,478</b>
The borrowings are repayable:		
On demand or within one year	<b>66,800</b>	1,042,978
More than one year	-	42,500
	<b>66,800</b>	<b>1,085,478</b>

### Details of any collateral

(1) The borrowings as at 31 December 2008 were secured against:

- (a) a first fixed charge in respect of the Company's investment in its wholly-owned subsidiary, Elegant Jade Enterprises Limited ("Elegant Jade"), and a corporate guarantee by Elegant Jade;
- (b) certain investment properties and certain properties under development for sales of the Group;
- (c) a pledge over Elegant Jade's equity interest in certain subsidiaries;
- (d) a charge over the assets of Elegant Jade; an assignment over certain shareholders loans from Elegant Jade to its subsidiaries; and
- (e) certain pledged bank deposits.

Pursuant to the respective settlement agreements entered into with the syndicate lenders (the "Syndicate Lenders") in respect of the US\$120 million year term loan (the "Syndicated Loan") and with the convertible bond holder (the "CB Holder") in respect of the US\$32 million convertible bond (the "Convertible Bond") in 2009 (collectively, the "Off-Shore Debts Settlement"), the Group had fully settled its obligations due under the Syndicated Loan and the Convertible Bond on 21 September 2009, with the above stated securities to be subsequently discharged.

(2) The borrowings as at 31 December 2009 are secured against certain investment properties and certain completed properties for sale of the Group.

**1.(c) A statements of cash flow (for the group), together with a comparative statement for the corresponding year of the immediately preceding financial year. Unaudited consolidated statements of cash flows of the Group for the year ended 31 December 2008 and 31 December 2009**

	The Group	
	2009 RMB'000	2008 RMB'000
<b>OPERATING ACTIVITIES</b>		
Profit/(loss) before tax	192,350	(324,604)
Adjustments for:		
Gain on final settlement of convertible bond	(99,657)	-
Gain on final settlement of bank borrowings	(295,268)	-
Allowance for doubtful trade receivables	163	3,428
Allowance for doubtful other receivables	3,002	2,373
Recovery of doubtful trade receivables	-	(244)
Depreciation of property, plant and equipment	10,317	5,142
Investment income from available-for-sale investment	-	(49,600)
Change in fair value of investment properties	29,358	132,534
Foreign currency exchange (gain)/loss	1,228	(48,693)
Share-based payment	3,794	13,821
Amortization of land use rights	3,904	2,130
Loss on disposal of property, plant and equipment	560	-
Loss on disposal of land use rights	3,953	-
Loss on termination of asset transfer agreement	35,993	-
Loss on termination of a jointly controlled operation	-	6,879
Impairment loss on available for sale investments	6,655	56,640
Impairment loss on properties under development for sale	39,163	116,951
Impairment loss on completed properties for sale	11,760	-
Gain on disposal of subsidiaries	(27,080)	(37,391)
Gain on dilution of interest in a subsidiary	-	(19,459)
Interest income	(514)	(3,438)
Finance costs	44,897	98,284
Operating cash flows before movements in working capital	<u>(35,422)</u>	<u>(45,247)</u>
Increase in completed properties for sale	(294,164)	(33,693)
Decrease/(increase) in properties under development for sale	271,194	(211,636)
Decrease/(increase) in Inventories	118	(118)
(Increase)/decrease in trade receivables	(65)	13,731
Decrease in prepayments and other receivables	84,102	4,169
Increase in land use rights	-	(171,748)
Increase in trade payables	54,447	86,919
(Decrease)/increase in sales and rental deposits	(23,324)	120,452
Increase in amount due to related parties	-	2,739
Increase/(decrease) in accruals and other payables	<u>232,159</u>	<u>(78,271)</u>
Cash generated/(used in) from operations	289,045	(312,703)
Income tax paid	<u>(10,272)</u>	<u>(24,866)</u>
<b>NET CASH GENERATED/(USED IN) FROM OPERATING ACTIVITIES</b>	<u>278,773</u>	<u>(337,569)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2,571)	(35,702)
Refund of investment cost of available-for-sale investments	24,720	-
Proceeds from disposal of property, plant and equipment	558	-
Proceeds from disposal of investment properties	5,282	-
Proceeds from termination of asset transfer agreement	65,650	-
(Increase)/decrease in pledged bank deposits	34,166	27,603
Disposal of subsidiaries (note 1)	187,898	62,830
Acquisition of underlying assets and liabilities of entities	-	7,234
Dilution of interest in a subsidiary	-	20,000
Amount repaid from (advanced to) related parties	10,000	(80,027)
Receipt of investment income from an available-for-sale-investment	-	49,600
Interest received	514	3,438
<b>NET CASH GENERATED/(USED IN) FROM INVESTING ACTIVITIES</b>	<u>326,217</u>	<u>54,976</u>

	<b>The Group</b>	
	<b>2009</b>	<b>2008</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>FINANCING ACTIVITIES</b>		
New bank and other borrowing raised	167,300	88,000
Repayment of bank loans and other borrowings	(663,116)	(37,500)
Repayment of convertible bond	(120,760)	-
Interest paid	(35,302)	(153,873)
Dividend paid	-	(25,479)
Capital injection from minority shareholder	7,400	-
Amounts (repaid to)/due to related parties	(2,817)	8,753
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(647,295)</b>	<b>(120,099)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(42,305)</b>	<b>(402,692)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>106,867</b>	<b>509,559</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>64,562</b>	<b>106,867</b>

**Note 1: Summary of cash flows arising from disposal of subsidiaries:**

	<b>The Group</b>	
	<b>2009</b>	<b>2008</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Book value of net assets disposed		
Cash and bank balances	544	530
Other current assets	220,131	146,738
Non-current assets	85,119	24,100
Current liabilities	(103,611)	(132,247)
Non-current liabilities	(22,184)	(7,486)
Minority interests	(31)	(5,666)
Net identifiable assets and liabilities disposed	179,968	25,969
Gain on disposal	27,080	37,391
Proceeds from disposal	207,048	63,360
Less: receivable on proceeds from disposal	(18,606)	-
Less: cash and bank balances disposed	(544)	(530)
Net cash inflows from disposal of subsidiaries	187,898	62,830

1.(d) A statements of comprehensive income (for the issuer and group), together with a comparative statement for the corresponding year of the immediately preceding financial year.

**Unaudited consolidated statements of comprehensive income of the Group and the Company for the year ended 31 December 2008 and 31 December 2009**

	<b>The Group</b>	
	<b>2009</b>	<b>2008</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Profit/(loss) for the year	196,850	(311,224)
Other comprehensive income for the year	<u>295</u>	<u>884</u>
Total comprehensive income for the year	<u><b>197,145</b></u>	<u><b>(310,340)</b></u>
<b>Profit/(loss) for the year attributable to:</b>		
Owners of the Company	203,954	(293,144)
Minority interests	<u>(7,104)</u>	<u>(18,080)</u>
	<u><b>196,850</b></u>	<u><b>(311,224)</b></u>
<b>Total comprehensive income for the year attributable to:</b>		
Owners of the Company	<b>204,249</b>	(292,260)
Minority interests*	<u><b>(7,104)</b></u>	<u>(18,080)</u>
	<u><b>197,145</b></u>	<u><b>(310,340)</b></u>
	<b>The Company</b>	
	<b>2009</b>	<b>2008</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Income/(loss) for the year	<b>84,181</b>	(22,082)
Other comprehensive income for the year	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u><b>84,181</b></u>	<u><b>(22,082)</b></u>
<b>Total comprehensive income for the year attributable to:</b>		
Owners of the Company	<b>84,181</b>	(22,082)
Minority interests	<u>-</u>	<u>-</u>
	<u><b>84,181</b></u>	<u><b>(22,082)</b></u>

\*Following the disposal of three non-fully owned subsidiaries in FY 2009, the remaining minority interests of the Group bore a lower share of loss of RMB7.1 million in FY 2009 compared to that of RMB18.1 million in FY 2008.

**1.(e)(i) A statement (for the issuer and 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 year of the immediately preceding financial year.**

**Unaudited consolidated statements of changes in equity of the Group for the year ended 31 December 2008 and 31 December 2009**

	<b>The Group</b>									
	Share capital	Share premium	Capital reserve	Share option reserve	Revaluation reserve	Bond reserve	Retained (losses)/ earnings	Attributable to equity holders of the Company	Minority interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2008</b>	261,404	204,521	49,031	462	-	39,485	279,309	834,212	47,453	881,665
Loss for the year	-	-	-	-	-	-	(293,144)	(293,144)	(18,080)	(311,224)
Other comprehensive income for the year (net of tax)	-	-	-	-	884	-	-	884	-	884
Total comprehensive income for the year	-	-	-	-	884	-	(293,144)	(292,260)	(18,080)	(310,340)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(5,666)	(5,666)
Dilution of interest in subsidiaries	-	-	-	-	-	-	-	-	9,305	9,305
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	76,402	76,402
Recognition of share-based payments	-	-	-	13,821	-	-	-	13,821	-	13,821
Issue of shares	44,484	19,573	-	-	-	-	-	64,057	-	64,057
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	(25,479)	(25,479)
<b>Balance at 31 December 2008</b>	<b>305,888</b>	<b>224,094</b>	<b>49,031</b>	<b>14,283</b>	<b>884</b>	<b>39,485</b>	<b>(13,835)</b>	<b>619,830</b>	<b>83,935</b>	<b>703,765</b>
Profit for the year	-	-	-	-	-	-	203,954	203,954	(7,104)	196,850
Other comprehensive income for the year	-	-	-	-	295	-	-	295	-	295
Total comprehensive income for the year	-	-	-	-	295	-	203,954	204,249	(7,104)	197,145
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(31)	(31)
Released upon final settlement of convertible bond	-	-	-	-	-	(39,485)	39,485	-	-	-
Released upon disposal of investment properties	-	-	-	-	(1,179)	-	1,179	-	-	-
Recognition of share-based payments	-	-	-	3,794	-	-	-	3,794	-	3,794
Additional capital contribution	-	-	-	-	-	-	-	-	7,400	7,400
<b>Balance at 31 December 2009</b>	<b>305,888</b>	<b>224,094</b>	<b>49,031</b>	<b>18,077</b>	<b>-</b>	<b>-</b>	<b>230,783</b>	<b>827,873</b>	<b>84,200</b>	<b>912,073</b>



**Unaudited statements of changes in equity of the Company for the year ended 31 December 2008 and 31 December 2009**

	<b>The Company</b>					<b>Total</b>
	<b>Share capital</b>	<b>Share premium</b>	<b>Share option reserve</b>	<b>Bond Reserve</b>	<b>Retained earnings/ (losses)</b>	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2008</b>	261,404	204,521	462	39,485	(12,770)	493,102
Loss of the year and total comprehensive income for the year	-	-	-	-	(22,082)	(22,082)
Recognition of share-based payments	-	-	13,821	-	-	13,821
Issue of shares	44,484	19,573	-	-	-	64,057
<b>Balance at 31 December 2008</b>	<b>305,888</b>	<b>224,094</b>	<b>14,283</b>	<b>39,485</b>	<b>(34,852)</b>	<b>548,898</b>
Loss of the year and total comprehensive income for the year	-	-	-	-	84,181	84,181
Released upon final settlement of convertible bond	-	-	-	(39,485)	39,485	-
Recognition of share-based payments	-	-	3,794	-	-	3,794
<b>Balance at 31 December 2009</b>	<b>305,888</b>	<b>224,094</b>	<b>18,077</b>	<b>-</b>	<b>88,814</b>	<b>636,873</b>

**1.(e)(ii) Details of any changes in 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 previous year reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial year reported on and as at the end of the corresponding year of the immediately preceding financial year.**

There were no movements in the Company's share capital during the year ended 31 December 2009.

#### Convertible Bond

Pursuant to the Off-Shore Debts Settlement, the Group fully repaid its obligations due under the Convertible Bond, thereby relinquished the CB Holder the right to convert the Convertible Bond into the equity of the Company.

#### Sunshine Employee Share Option Scheme

Pursuant to the Sunshine Employee Share Option Scheme ("SESOS"), which was approved by the Company's shareholders at the Extraordinary General Meeting held on 30 April 2007, a total of 60,000,000 share options were granted to the eligible employees on 29 November 2007.

The number of ordinary shares that may be issued upon the exercise of all share options outstanding as at 31 December 2009 was 51,150,000 (31 December 2008: 51,150,000).

**1.(e)(iii) The total number of issued shares excluding treasury shares as at the end of the current financial year and as at the end of the immediately preceding year.**

	<u>As at 31 Dec 2009</u>	<u>As at 31 Dec 2008</u>
Total number of issued ordinary shares (excluding treasury shares)	<b>978,000,000</b>	978,000,000

**1.(e)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial year reported on.**

The Company had no treasury shares as at 31 December 2009.

**2. Whether the figures have been audited, or reviewed in accordance with which standard (eg. The Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard.**

The figures have not been audited or reviewed by the auditors.

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

The figures have not been audited or reviewed by the auditors.

**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 same accounting policies and methods of computation adopted by the Group in the audited financial statements for the financial year ended 31 December 2008 have been consistently applied by the Group for the year presented.

**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.**

In the current year, the Group adopted all the new and revised International Financial Reporting Standards ("IFRS") and Interpretations of IFRS ("INT IFRS") that are effective for annual periods beginning on or after 1 January 2009. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS and INT IFRS.

The following are the new or amended FRS that are relevant to the Group:

- IFRS 1 (Revised) Presentation of Financial Statements
- IFRS 7 (Amendment) Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments

The following are the revised or amendment IFRS and INT that are relevant to the Group and the Company which are newly issued but yet to be effective:

- Amendment to IFRS 5 as part of Improvements to IFRS 2008
- Improvements to Financial Reporting Standards (issued in June 2009)
- Amendments to IAS 24 Related Party Disclosures
- IAS 27 (as revised in 2008) Consolidated and Separate Financial Statements
- Amendment to IAS 32 Financial Instruments: Presentation regarding classification of rights issues
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items
- Amendments to IFRS 1 Additional Exemptions for First-time adopters
- Amendments to IFRS 2 Share-based payment
- IFRS 27 (revised) Consolidated and Separate Financial Statements
- IFRS 3 (revised) Business Combination
- IFRS 9 Financial Instruments
- Amendments to IFRIC 14 Prepayments of a Minimum Funding Requirement
- IFRIC 17 Distributions of Non-cash Assets to Owners
- IFRIC 19 Extinguishing Financial Liabilities

The adoption of the above IFRS and INT did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements, except for the followings:

- IFRS 27 (Revised) Consolidated and Separated Financial Statements
- IFRS 3 (Revised) Business Combinations

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

	<b>The Group</b>	
	<b>FY 2009</b>	<b>FY 2008</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Profit/(loss) attributable to equity holders of the Company</b>	<b>203,954</b>	<b>(293,144)</b>
<b>Profit/(loss) for the purpose of diluted earnings per share</b>	<b>103,382<sup>(5)</sup></b>	<b>(293,144)<sup>(4)</sup></b>
Basic (Singapore cents) <sup>(1)</sup>	<b>4.43 cents<sup>(3)</sup></b>	<b>(6.92) cents<sup>(2)</sup></b>
Diluted (Singapore cents) <sup>(1)</sup>	<b>1.95 cents<sup>(6)</sup></b>	<b>(6.92) cents<sup>(4)</sup></b>

**Notes:**

- (1) Calculated based on the average exchange rate of S\$1: RMB4.71 (2008: S\$1: RMB4.91)
- (2) Based on the weighted average number of 863,200,000 ordinary shares (taking into account the issued share capital of 832,000,000 ordinary shares as at 31 December 2007 and the 146,000,000 additional new ordinary shares issued on 14 October 2008)
- (3) Based on the issue share capital of 978,000,000 ordinary shares as at 31 December 2009
- (4) As the conversion of the Convertible Bond and exercise of all outstanding options pursuant to the SESOS will have an anti-dilutive effect on the loss per share, they are not taking into account in calculating the diluted loss per share for the year ended 31 December 2008
- (5) Assumed that the Convertible Bond was fully converted as at 1 January 2009.
- (6) Based on 1,155,828,405 ordinary shares, being the sum of the number of ordinary shares issued as at 31 December 2009 and the weighted average number of conversion shares pursuant to the conversion of the Convertible Bond (assuming that the Convertible Bond was fully converted on 21 December 2009). The computation of the diluted earnings per share for the year ended 31 December 2009 does not take into account of the exercise of the Company's share options because the exercise price of these options was higher than the average market share price of the Company for 2009.

**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) immediately preceding financial year**

	The Group		The Company	
	As at 31 Dec 2009 RMB'000 (Unaudited)	As at 31 Dec 2008 RMB'000 (Audited)	As at 31 Dec 2009 RMB'000 (Unaudited)	As at 31 Dec 2008 RMB'000 (Audited)
Net asset value (net of minority interests) as at end of the reporting year	<u>827,873</u>	<u>619,830</u>	<u>636,873</u>	<u>548,898</u>
Net asset value per ordinary share as at end of the reporting year (Singapore cents) <sup>(1)</sup>	<u>17.5 cents</u>	<u>13.4 cents</u>	<u>13.4 cents</u>	<u>11.8 cents</u>

**Note:**

(1) Calculated based on the exchange rate of S\$1: RMB4.85 (2008: S\$1: RMB4.74) and the issue share capital of 978,000,000 ordinary shares.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the group for the current financial year reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial year report on.**

**(a) Review of income statement of the Group for FY 2009 (relative to that for FY 2008)**

**Overview**

Sunshine Holdings Limited is an award-winning Henan-based developer of residential and commercial properties. We strategically focus on building affordable medium end quality housing in tier-two cities mainly located in the Henan Province, PRC.

**Revenue**

The Group's revenues (net of sales tax) generated for FY 2009 and FY 2008 were as follow:

	FY 2009		FY 2008	
	RMB million	%	RMB million	%
(1) Sales of developed properties	284.4	88	174.1	85
(2) Hotel management income	-	-	4.2	2
(3) Rental income	34.6	11	20.5	10
(4) Property management income	5.4	1	7.0	3
	<u>324.4</u>	<u>100</u>	<u>205.8</u>	<u>100</u>

Our overall revenue increased by RMB118.6 million or 57.6% from RMB205.8 million in FY 2008 to RMB324.4 million in FY 2009.

The increased revenue was attributed mainly to the sales and delivery of completed units in respect of three developed properties, comprising the Xinxiang Sunny Town Phase 1 Project (新乡阳光新城第一期), Luoyang Sunshine Sungei Buluo Phase 1 and Phase 2 Project (洛阳阳光双溪布洛第一及第二期) and Shangqiu Sunshine Shuixie Huadu Project (商丘阳光水榭花都).

We ceased to earn hotel management income following the disposal of Chengguo Co., Ltd (北京成果酒店管理有限公司), a former subsidiary which engaged in hotel management, in Q1 2009.

Our rental income increased by RMB14.1 million or 68.8% from RMB20.5 million in FY 2008 to RMB34.6 million in FY 2009. The improved performance was mainly contributed by our subsidiary, Beijing Feng Bao Heng Investment Co. Ltd (北京丰宝恒投资有限公司), which we acquired in Q4 2008.

We registered a lower property management income of RMB5.4 million in FY 2009 compared to RMB7.0 million in FY 2008 following the disposal of two property management subsidiaries in Q2 2008 and Q1 2009.

## **Gross profit**

Our gross profit increased by RMB9.4 million or 30.9% from RMB30.5 million in FY 2008 to RMB39.9 million in FY 2009 following the completion and delivery of more units in 2009, albeit at decreased gross profit margin from 14.8% in FY 2008 to 12.3% in FY 2009 due principally to us easing the sale prices of certain of our properties with a view to meet the Off-Shore Debts Settlement.

## **Other operating (expense)/income, net**

We registered an other operating expense of RMB12.1 million in FY 2009 *vis-à-vis* an other operating income of RMB156.2 million in FY 2008. The other operating expense incurred in FY 2009 was attributed principally to a net loss on disposal of certain properties and subsidiaries of the Group in partially meeting the obligations due under the Off-Shore Debts Settlement. The other operating income attained in FY 2008 was attributed mainly to the investment income of RMB49.6 million from our available-for-sale investments, gain on disposal of subsidiaries of RMB56.9 million and favourable exchange rate movements between RMB and US\$ at a gain of RMB52.2 million.

## **Impairment loss on properties under development, available-for-sale investments, completed properties for sales and decrease in fair value of investment properties**

With a view to expedite cash realisation in meeting the obligations due under the Off-Shore Debts Settlement:

1. in respect of some of our properties under development and completed properties for sale, we eased the selling prices of these properties, which consequently resulted in impairment losses of RMB39.2 million and RMB11.8 million respectively in FY 2009; and
2. in respect of an available-for-sale investment which we previously entered with a third party to participate in a property development project, we decided to terminate the investment contract in return for a refund of the investment cost which consequently resulted in an impairment loss of RMB6.7 million in FY 2009.

As regards the decrease in the fair value of our investment properties which comprised mainly commercial units, this was attributed principally to the slower pick-up in market demand for commercial properties relative to residential properties following the recovery of the property market scene in Henan in 2009, which witnessed a reversal in trend with the selling prices of many residential properties outstripping that of the commercial properties for many of the completed properties.

## **Gain on final settlement of bank borrowings and final settlement of Convertible Bond**

Pursuant to the Off-Shore Debts Settlement, the Group had fully settled its obligations of US\$120.0 million due to the Syndicated Lenders under the Syndicated Loan at a discounted consideration of US\$75.6 million and US\$32.0 million due to the CB Holder under the Convertible Bond at a discounted consideration of US\$17.68 million. Accordingly, gains (net of accrued interest) of RMB295.3 million on the final settlement of the Syndicated Loan and RMB99.7 million on the final settlement of the Convertible Bond were recognised in FY2009.

## **General and administrative expenses**

Our general and administrative expenses decreased by RMB14.5 million or 16.1% from RMB90.0 million in FY 2008 to RMB75.5 million in FY 2009, attributed mainly to the disposal of various subsidiaries in 2009 and hence the lower sharing of general and administration expenses of these disposed subsidiaries.

## **Selling and distribution expenses**

Our selling and distribution expenses increased by RMB6.2 million or 36.6% from RMB16.8 million in FY 2008 to RMB23.0 million in FY 2009. The increase was partly in line with the increased sales and partly attributed to the one-off renovation expenses aggregating RMB11.5 million for improvements made to the various showrooms and sales centres.

## **Finance costs**

Our finance costs decreased by RMB53.4 million or 54.3% from RMB98.3 million in FY 2008 to RMB44.9 million in FY 2009, chiefly as a result of interest saving accorded by the Off-Shore Debts Settlement.

## **Profit before tax**

As a result of the above, we attained a net profit before tax of RMB192.3 million in FY 2009 *vis-à-vis* a net loss of RMB324.6 million in FY 2008.

## **Income tax credit**

Due to the disposal of certain properties in FY 2009, deferred taxes previously provided for the increase in the fair value of these properties were no longer required but were taken into the income statements for FY 2009 as tax credits, which more than offsets the income tax expense provided for FY 2009.

## Net profit attributable to owners of the Company

Following from the above, the amount attributable to owners of the Company reversed from a loss of RMB311.2 million in FY 2008 to a profit of RMB196.9 million in FY2009.

## **(b) Review of statement of financial position of the Group as at 31 December 2009 (relative to that as at 31 December 2008)**

### Non-current assets

Our non-current assets decreased by RMB160.5 million or 36.4% from RMB 441.4 million as at 31 December 2008 to RMB280.9 million as at 31 December 2009. This was mainly attributed to:

- (i) a decrease in investment properties following the disposal of a subsidiary in Q1 2009 which held an investment property;
- (ii) decrease in the fair value of the remaining investment properties; and
- (iii) impairment in the carrying value of an available-for-sale investment following a refund of capital of RMB24.72 million in connection with the withdrawal of the investment cost of the investment concerned.

### Current assets

Our current assets decreased by RMB510.4 million or 26.2% from RMB1,944.6 million as at 31 December 2008 to RMB1,434.2 million as at 31 December 2009. This was mainly due to:

- (i) a significant decrease in pledged bank deposits of RMB34.6 million following the Off-Shore Debts Settlement in respect of the Syndicated Loan in Q4 2009;
- (ii) a decrease in cash and bank balance of RMB42.3 million following principally the payment of the settlement consideration in connection with the Off-Shore Debts Settlement, albeit cash received in lieu of assets receivable in connection with an exchange of asset transaction following the termination of a project (and hence the resulting decrease in prepayments and other receivables);
- (iii) a decrease in the properties under development of RMB312.6 million following the disposal of three such properties in 2009 with a view to meet the Off-Shore Debts Settlement, albeit the reclassification from land use rights to properties under development in respect of the Hainan Project, which is currently in the planning and design phase (and hence nullifying the land use rights as at 31 December 2009), and the partial transfer from properties under development to completed properties for sale following the completion of certain properties (and hence partially explained for the increase in the completed properties for sale); and
- (iv) a decrease in amounts due from related parties of RMB10.0 million when a payment was received from a minority shareholder.

### Current liabilities

Our current liabilities decreased by RMB803.0 million or 50.4% from RMB1,592.1 million as at 31 December 2008 to RMB789.1 million as at 31 December 2009. The decrease was attributed mainly to:

- (i) a decreased in bank borrowings of RMB757.2 million following the disposal of a subsidiary with bank borrowings in Q1 2009 and the payment of US\$75.6 million (equivalent to RMB516.5 million) under the Off-Shore Debts Settlement to the Syndicated Lenders in full settlement of the Syndicated Loan (i.e. with the remaining unpaid bank borrowings of RMB295.3 million waived and recognised in the income statements as gain on early settlement of the Syndicated Loan);
- (ii) a decreased in convertible bond of RMB218.9 million following the payment of US\$17.68 million (equivalent to RMB120.76 million) in full settlement of the Convertible Bond (i.e. with the remaining unpaid balance of RMB99.657 million waived and recognised in the income statements as gain on early redemption of the Convertible Bond);
- (iii) a decrease in sales deposits of RMB32.0 million due primarily to the transfer of sales deposits to sales upon the completion and delivery of properties to owners;
- (iv) a decrease in amounts due to related parties aggregating RMB6.4 million in connection with written-off debts due from minority shareholders in respect of three non-fully owned subsidiaries, which were disposed in 2009,

which collectively more than offset (i) an increase in trade payables of RMB34.3 million due to increased construction activities for the Yangguang Peninsula City Phase 2 Project (半岛城邦2号地) and the near completion of the Sunshine Sungei Buluo Project (洛阳双溪部落); and (ii) an increase in accruals and other payables aggregating RMB179 million due mainly to a deposit of RMB187 million received prior to 31 December 2009 in connection with the disposal of the Zhengzhou Eastern District Project (郑州客属合作项目).

## **Working Capital and Gearing**

Following from the above, we significantly improved our working capital position by RMB292.6 million or 83.0% from RMB352.5 million as at 31 December 2008 to RMB645.1 million as at 31 December 2009 and our net gearing (defined as the ratio of the interest bearing borrowings to equity) from 175.1% as at 31 December 2008 to 8.1% as at 31 December 2009. We also reversed our operating cash flow position from a negative RMB337.6 million for FY 2008 to a positive RMB278.8 for FY 2009.

## **Non-current liabilities**

Our non-current liabilities decreased by RMB76.2 million or 84.5% from RMB 90.2 million as at 31 December 2008 to RMB13.96 million as at 31 December 2009, following principally the retirement of the entire domestic bank borrowings of RMB42.5 million in 2009.

## **Net Tangible Asset**

Principally as a result of the Off-Shore Debts Settlement, we significantly improved our net tangible asset value by RMB208.0 million or 33.6% from RMB619.8 million as at 31 December 2008 to RMB827.9 million as at 31 December 2009 and the net tangible per share by S\$0.041 or 30.6% from S\$0.134 as at 31 December 2008 to S\$0.175 as at 31 December 2009.

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

Nil.

## **10. A commentary at the date of the announcement of the 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**

Having recently emerged from the painstaking task of concluding the Off-Shore Debts Settlement, we now have more rooms to decide on our future plans. We are currently conserving our resources while awaiting for the opportunities to re-position ourselves. We will keep shareholders informed of our future plans once they have been firmed up.

*Some of the statements in this release constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect our current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from our intentions, plans, expectations, assumptions and beliefs about the future, undue reliance must not be placed on these statements.*

## **11. Dividend**

### **(a) Current Financial Year Reported On**

**Any dividend declared for the current financial year reported on?**

No

### **(b) Corresponding Year of the Immediately Preceding Financial Year**

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

No

### **(c) Date payable**

Not applicable.

### **(d) Books closure date**

Not applicable.

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

No dividend has been declared or recommended for the year under review.

**PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1 ,Q2, Q3 or Half Year Results)**

**13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Geographical segments

The Group's operations and its identifiable assets are solely located in China and accordingly, no geographical segmental analysis is presented.

Business segments

	<b>Commercial and residential property development</b>	<b>Others</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>FY 2009</b>			
REVENUE	<u>284,403</u>	<u>40,000</u>	<u>324,403</u>
RESULT			
Segment result	<u>(126,144)</u>	<u>(29,173)</u>	(155,317)
Central administrative costs and directors' salaries			(24,060)
Impairment loss on available-for-sale investments			(6,655)
Other income			3,069
Other gain and losses			25,285
Gain on final settlement of convertible bond			99,657
Gain on final settlement of bank borrowings			295,268
Finance costs			<u>(44,897)</u>
Profit before tax			192,350
Income tax credit			<u>4,500</u>
Profit for the year			<u>196,850</u>
Attributable to:			
Owners of the Company			203,954
Minority interests			<u>(7,104)</u>
			<u>196,850</u>
	<b>Commercial and residential property development</b>	<b>Others</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>FY 2008</b>			
REVENUE	<u>175,690</u>	<u>30,104</u>	<u>205,794</u>
RESULT			
Segment result	<u>(153,677)</u>	<u>(138,675)</u>	(292,352)
Central administrative costs and directors' salaries			(39,491)
Impairment loss on available-for-sale investments			(56,640)
Other income			53,084
Other gain and losses			109,079
Finance costs			<u>(98,284)</u>
Loss before tax			(324,604)
Income tax credit			<u>13,380</u>
Loss for the year			<u>(311,224)</u>
Attributable to:			
Owners of the Company			(293,144)
Minority interests			<u>(18,080)</u>
			<u>(311,224)</u>



**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earning by the business or geographical segments.**

Please refer to note 8 above for a review of our performance by business segments.

**15. Breakdown of sales**

	<b>The Group</b>	
	<b>2009</b>	<b>2008</b>
	<b>RMB'000</b>	<b>RMB'000</b>
(i) Turnover reported for:		
First half year ended 30 June	<b>70,310</b>	194,777
Second half year ended 31 December	<b>254,093</b>	11,017
	<b>324,403</b>	<b>205,794</b>
(ii) Net (loss)/profit for the year reported for:		
First half year ended 30 June	<b>(112,461)</b>	110,444
Second half year ended 31 December	<b>309,311</b>	(421,668)
	<b>196,850</b>	<b>(311,224)</b>

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	<b>Latest</b>	<b>Previous</b>
	<b>Full Year</b>	<b>Full Year</b>
	<b>2008</b>	<b>2007</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Ordinary Share:		
Final dividend	<b>Nil</b>	<b>Nil</b>
Special dividend	<b>Nil</b>	<b>Nil</b>

**BY ORDER OF THE BOARD**  
**Mr Guo Yinghui**  
**Chairman**

1 March 2010