

**UNAUDITED THIRD QUARTER (“Q3 2009”) FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDING 30 DECEMBER 2009 (“FY2009”)**

**PART1 INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS**

**1.(a)(i) An income statement (for the Group), for the period ended 30 September 2009 together with a comparative statement for the corresponding period of the immediate preceding financial year**

**Unaudited income statements of the Group for the third quarter periods ended 30 September 2008 and 30 September 2009 and the 9-month periods ended 30 September 2008 and 30 September 2009**

	The Group					
	Q3 2009 RMB'000	Q3 2008 RMB'000	% Change	9M 2009 RMB'000	9M 2008 RMB'000	% Change
Revenue	210,431	5,954	3,434	280,741	200,731	40
Cost of sales	(173,912)	(5,199)	3,245	(233,746)	(149,036)	57
Gross profit	36,519	755	4,737	46,995	51,695	(9)
Other operating (expense)/income, net	(6,710)	468	N/M	(1,523)	150,109	N/M
Changes in fair value of investment properties	-	-	N/M	(1,816)	424	N/M
General and administrative expenses	(12,583)	(11,193)	12	(40,056)	(33,004)	21
Selling and distribution expenses	(8,903)	(3,015)	195	(24,419)	(11,055)	121
Finance costs	(41,475)	(24,653)	68	(124,607)	(66,168)	88
(Loss)/Profit before tax	(33,152)	(37,638)	(12)	(145,426)	92,001	N/M
Income tax expense	(4,972)	(65)	7,549	(5,159)	(19,260)	(73)
(Loss)/profit for the period	(38,124)	(37,703)	1	(150,585)	72,741	N/M

“Q3 2008” and “Q3 2009” denotes the third financial quarter of the financial year ended 31 December 2008 (“FY2008”) and 31 December 2009 (“FY2009”) respectively

“9M 2008” and “9M 2009” denotes the nine financial months of FY2008 and FY2009 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					
	Q3 2009	Q3 2008	%	9M 2009	9M 2008	%
	RMB'000	RMB'000	Change	RMB'000	RMB'000	Change
(Loss)/Profit before tax has been arrived at after charging/(crediting):						
Amortization of land use rights	460	4	N/M	2,556	12	N/M
Depreciation of property, plant and equipment	2,601	519	401	7,752	1,526	408
Foreign currency exchange (gain)/loss	(318)	4,637	N/M	643	(60,774)	N/M
Interest income	(54)	(703)	(92)	(249)	(3,215)	(92)
Interest expenses	41,471	20,016	107	124,603	61,531	103
Share-based payment	884	1,386	(36)	2,652	4,159	(36)
Loss on disposal of property, plant and equipment	126	-	N/M	366	-	N/M
Loss on disposal of investment properties	2,597	-	N/M	2,597	-	N/M
Gain on disposal of subsidiaries	-	(34)	N/M	(5,249)	(35,763)	(85)

"Q3 2008" and "Q3 2009" denotes the third financial quarter of the financial year ended 31 December 2008 ("FY2008") and 31 December 2009 ("FY2009") respectively

"9M 2008" and "9M 2009" denotes the nine financial months of FY2008 and FY2009 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 30 September 2008 and 31 December 2009**

	The Group		The Company	
	As at 30 Sept 2009 RMB'000 (Unaudited)	As at 31 Dec 2008 RMB'000 (Audited)	As at 30 Sept 2009 RMB'000 (Unaudited)	As at 31 Dec 2008 RMB'000 (Audited)
<b>Non-current assets</b>				
Property, plant and equipment	95,455	98,753	8	11
Land use rights	67	530	-	-
Investment properties	208,364	301,517	-	-
Prepayments and other receivables	-	7,840	-	-
Investments in subsidiaries	-	-	197,835	210,330
Available-for-sale investments	8,855	32,775	-	-
	<u>312,741</u>	<u>441,415</u>	<u>197,843</u>	<u>210,341</u>
<b>Current assets</b>				
Land use rights	-	170,905	-	-
Completed properties for sale	259,314	85,250	-	-
Properties under development for sale	1,089,813	1,102,253	-	-
Inventories	22	118	-	-
Trade receivables	9,355	9,127	-	-
Prepayments and other receivables	332,182	315,561	800	630
Amounts due from subsidiaries	-	-	571,094	574,627
Amounts due from related parties <sup>^</sup>	99,036	99,036	-	-
Pledged bank deposits	8,369	43,909	-	-
Bank balances and cash	19,701	106,867	934	624
	<u>1,817,792</u>	<u>1,933,026</u>	<u>572,828</u>	<u>575,881</u>
<b>Current liabilities</b>				
Trade payables	124,921	114,869	-	-
Sales deposits	164,919	231,729	-	-
Accruals and other payables	216,773	124,953	1,532	1,346
Amount due to subsidiaries	-	-	6,604	6,152
Amounts due to related party <sup>^</sup>	23,668	29,158	10,888	10,888
Income tax payable	47,271	36,787	-	-
Convertible bond	225,869	218,938	225,869	218,938
Bank and other borrowings	712,426	824,040	-	-
	<u>1,515,847</u>	<u>1,580,474</u>	<u>244,893</u>	<u>237,324</u>
<b>Net current assets</b>	<u>301,945</u>	<u>352,552</u>	<u>327,935</u>	<u>338,557</u>
	<u>614,686</u>	<u>793,967</u>	<u>525,778</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	39,485	39,485
Share option reserve	16,935	14,283	16,935	14,283
Accumulated losses	(160,402)	(13,835)	(60,624)	(34,852)
Equity attributable to equity holders of the Company	475,031	619,830	525,778	548,898
Non-controlling interests	87,317	83,935	-	-
Total equity	<u>562,348</u>	<u>703,765</u>	<u>525,778</u>	<u>548,898</u>
<b>Non-current liabilities</b>				
Bank and other borrowings	4,000	42,500	-	-
Deferred tax liabilities	48,338	47,702	-	-
	<u>52,338</u>	<u>90,202</u>	<u>-</u>	<u>-</u>
	<u>614,686</u>	<u>793,967</u>	<u>525,778</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 30 Sept 2009 RMB '000 (Unaudited)	As at 31 Dec 2008 RMB '000 (Audited)
Borrowings, secured	<u>942,295</u>	<u>1,085,478</u>
The borrowings are repayable:		
On demand or within one year	938,295	1,042,978
More than one year	<u>4,000</u>	<u>42,500</u>
	<u>942,295</u>	<u>1,085,478</u>

**Details of any collateral**

The above borrowings are 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.

**1.(c) A statements of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. Unaudited consolidated statements of cash flows of the Group for the third quarter periods ended 30 September 2008 and 30 September 2009 and the 9-month periods ended 30 September 2008 and 30 September 2009**

	<b>The Group</b>			
	<b>Q3 2009</b>	<b>Q3 2008</b>	<b>9M 2009</b>	<b>9M 2008</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>OPERATING ACTIVITIES</b>				
(Loss)/Profit before tax	(33,152)	(37,638)	(145,426)	92,001
Adjustments for:				
Depreciation of property, plant and equipment	2,601	519	7,752	1,526
Investment income from available-for-sale investment	-	-	-	(49,600)
Invest in fair value of investment properties	-	-	-	(424)
Foreign currency exchange (gain)/loss	(318)	4,637	643	(60,774)
Share-based payment	884	1,386	2,652	4,159
Amortization of land use rights	460	4	2,556	12
Changes in fair value of investment properties	-	-	1,816	-
Loss on disposal of property, plant and equipment	126	-	366	-
Loss on disposal of investment properties	2,597	-	2,597	-
Gain on disposal of subsidiaries	-	(34)	(5,249)	(35,763)
Interest income	(54)	(703)	(249)	(3,215)
Interest expenses	41,471	20,016	124,603	61,531
Operating cash flows before movements in working capital	<u>14,615</u>	<u>(11,813)</u>	<u>(7,939)</u>	<u>9,453</u>
Completed properties for sale	101,142	-	(6,863)	(23,056)
Properties under development for sale	(5,754)	(295,481)	14,797	(289,066)
Increase in Inventories	63	-	96	-
Trade receivables	(1,763)	(3,456)	(793)	8,130
Prepayments and other receivables	28,305	147,608	(27,610)	(36,671)
Prepayment for land use rights	-	-	-	(220,186)
Trade payables	(8,214)	19,991	33,746	26,222
Sales deposits	(121,607)	68,741	(58,087)	79,619
Accruals and other payables	<u>19,730</u>	<u>(131,732)</u>	<u>76,070</u>	<u>10,721</u>
Cash generated/(used in) from operations	26,517	(206,142)	23,417	(434,834)
Income tax paid	<u>(4,214)</u>	<u>(5,767)</u>	<u>(7,536)</u>	<u>(28,138)</u>
<b>NET CASH GENERATED/(USED IN)</b>				
<b>FROM OPERATING ACTIVITIES</b>	<u>22,303</u>	<u>(211,909)</u>	<u>15,881</u>	<u>(462,972)</u>
<b>INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	(16)	(2,472)	(2,163)	(5,532)
Sales proceed from disposal of property, plant and equipment	16	-	313	-
Disposal of subsidiary	-	19,791	(457)	72,626
Increase in amounts due from related parties	-	-	-	-
Acquisition of underlying assets and liabilities of entities	-	16,538	-	16,538
Acquisition from minority interests	-	-	-	(3,000)
Amount paid from related parties	-	33,719	(22,652)	19,632
Receipt of investment income from available-for-sale-investment	-	-	-	48,600
Receipt on refund of capital contribution on available-for-sales				
Investment	23,920	-	23,920	-
Interest received	54	703	249	3,215
<b>NET CASH GENERATED/(USED IN)</b>				
<b>FROM INVESTING ACTIVITIES</b>	<u>23,974</u>	<u>68,279</u>	<u>(790)</u>	<u>152,079</u>
<b>FINANCING ACTIVITIES</b>				
Increase in bank and other borrowings	-	-	-	88,000
Repayment of bank borrowings	(112,136)	(9,630)	(139,396)	(30,000)
Receipt of new loans	107,300	-	107,300	-
Capital contribution from minority shareholders	7,400	-	7,400	-
Decrease/(increase) in pledged bank deposits	554	(489)	35,154	(96)
Interest paid	(77,794)	(34,240)	(112,456)	(113,213)
Decrease in amounts due to related parties	<u>(3,529)</u>	<u>(14,475)</u>	<u>(259)</u>	<u>(1,170)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(78,205)</u>	<u>(58,834)</u>	<u>(102,257)</u>	<u>(56,479)</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(31,928)</u>	<u>(202,464)</u>	<u>(87,166)</u>	<u>(367,372)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>51,629</u>	<u>344,651</u>	<u>106,867</u>	<u>509,559</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>19,701</u>	<u>142,187</u>	<u>19,701</u>	<u>142,187</u>

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

Unaudited consolidated statements of comprehensive income of the Group and the Company for the third quarter periods ended 30 September 2008 and 30 September 2009 and the 9-month period ended 30 September 2008 and 30 September 2009

	<b>The Group</b>			
	<b>Q3 2009</b> <b>RMB'000</b>	<b>Q3 2008</b> <b>RMB'000</b>	<b>9M 2009</b> <b>RMB'000</b>	<b>9M 2008</b> <b>RMB'000</b>
(Loss)/profit for the period	<b>(38,124)</b>	(37,703)	<b>(150,585)</b>	72,741
Other comprehensive income for the period	-	-	-	-
Total comprehensive (expense)/income for the period	<b>(38,124)</b>	(37,703)	<b>(150,585)</b>	72,741
Total comprehensive (expense)/income attributable to:				
Equity holders of the Company	<b>(37,547)</b>	(36,515)	<b>(146,567)</b>	75,416
Non-controlling interests	<b>(577)</b>	(1,188)	<b>(4,018)</b>	(2,675)
	<b>(38,124)</b>	(37,703)	<b>(150,585)</b>	72,741

	<b>The Company</b>			
	<b>Q3 2009</b> <b>RMB'000</b>	<b>Q3 2008</b> <b>RMB'000</b>	<b>9M 2009</b> <b>RMB'000</b>	<b>9M 2008</b> <b>RMB'000</b>
Loss for the period	<b>(9,716)</b>	(6,382)	<b>(25,772)</b>	(13,082)
Other comprehensive income for the period	-	-	-	-
Total comprehensive expense for the period	<b>(9,716)</b>	(6,382)	<b>(25,772)</b>	(13,082)
Total comprehensive expense attributable to:				
Equity holders of the Company	<b>(9,716)</b>	(6,382)	<b>(25,772)</b>	(13,082)
Non-controlling interests	-	-	-	-
	<b>(9,716)</b>	(6,382)	<b>(25,772)</b>	(13,082)

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 period of the immediately preceding financial year.

**Unaudited consolidated statements of changes in equity of the Group for the 9-month periods ended 30 September 2008 and 30 September 2009**

	<b>The Group</b>									
	Share capital	Share premium	Capital reserve	Share option reserve	Revalua- tion reserve	Bond reserve	Accumulated losses	Attributable to equity holders of the Company	Non- controlling 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 2009</b>	305,888	224,094	49,031	14,283	884	39,485	(13,835)	619,830	83,935	703,765
Recognition of share-based payment	-	-	-	884	-	-	-	884	-	884
Comprehensive expense for the period	-	-	-	-	-	-	(51,184)	(51,184)	(2,060)	(53,244)
<b>Balance at 31 March 2009</b>	305,888	224,094	49,031	15,167	884	39,485	(65,019)	569,530	81,875	651,405
Recognition of share-based payment	-	-	-	884	-	-	-	884	-	884
Comprehensive expense for the period	-	-	-	-	-	-	(57,836)	(57,836)	(1,381)	(59,217)
<b>Balance at 30 June 2009</b>	305,888	224,094	49,031	16,051	884	39,485	(122,855)	512,578	80,494	593,072
Recognition of share-based payment	-	-	-	884	-	-	-	884	-	884
Reserve written off	-	-	-	-	(884)	-	-	(884)	-	(884)
Additional capital contribution	-	-	-	-	-	-	-	-	7,400	7,400
Comprehensive expense for the period	-	-	-	-	-	-	(37,547)	(37,547)	(577)	(38,124)
<b>Balance at 30 September 2009</b>	<b>305,888</b>	<b>224,094</b>	<b>49,031</b>	<b>16,935</b>	<b>-</b>	<b>39,485</b>	<b>(160,402)</b>	<b>475,031</b>	<b>87,317</b>	<b>562,348</b>

**The Group**

	Share capital	Share premium	Capital reserve	Share option reserve	Bond reserve	Retained earnings	Attributable to equity holders of the Company	Non-controlling interests	Total
	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
Dividend paid	-	-	-	-	-	-	-	(25,479)	(25,479)
Incorporation of a subsidiary	-	-	-	-	-	-	-	3,000	3,000
Recognition of share-based payment	-	-	-	1,387	-	-	1,387	-	1,387
Comprehensive income for the period	-	-	-	-	-	69,550	69,550	(308)	69,242
<b>Balance at 31 March 2008</b>	261,404	204,521	49,031	1,849	39,485	348,859	905,149	24,666	929,815
Dividend paid	-	-	-	-	-	-	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	-	(4,104)	(4,104)
Acquisition of Non-controlling interest	-	-	-	-	-	-	-	(3,000)	(3,000)
Recognition of share-based payment	-	-	-	1,387	-	-	1,387	-	1,387
Comprehensive income for the period	-	-	-	-	-	42,381	42,381	(1,179)	41,202
<b>Balance at 30 June 2008</b>	261,404	204,521	49,031	3,236	39,485	391,240	948,917	16,383	965,300
Acquisition of underlying assets and Liabilities of entities	-	-	-	-	-	-	-	80,044	80,044
Recognition of share-based payment	-	-	-	1,386	-	-	1,386	-	1,386
Comprehensive income for the period	-	-	-	-	-	(36,515)	(36,515)	(1,188)	(37,703)
<b>Balance at 30 September 2008</b>	<b>261,404</b>	<b>204,521</b>	<b>49,031</b>	<b>4,622</b>	<b>39,485</b>	<b>354,725</b>	<b>913,788</b>	<b>95,239</b>	<b>1,009,027</b>



**Unaudited statements of changes in equity of the Company for the 9-month periods ended 30 September 2008 and 30 September 2009**

	<b>The Company</b>					
	Share capital	Share premium	Share option reserve	Bond Reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2009</b>	305,888	224,094	14,283	39,485	(34,852)	548,898
Recognition of share-based payment	-	-	884	-	-	884
Comprehensive expense for the period	-	-	-	-	(8,005)	(8,005)
<b>Balance at 31 March 2009</b>	305,888	224,094	15,167	39,485	(42,857)	541,777
Recognition of share-based payment	-	-	884	-	-	884
Comprehensive expense for the period	-	-	-	-	(8,051)	(8,051)
<b>Balance at 30 June 2009</b>	305,888	224,094	16,051	39,485	(50,908)	534,610
Recognition of share-based payment	-	-	884	-	-	884
Comprehensive expense for the period	-	-	-	-	(9,716)	(9,716)
<b>Balance at 30 September 2009</b>	<b>305,888</b>	<b>224,094</b>	<b>16,935</b>	<b>39,485</b>	<b>(60,624)</b>	<b>525,778</b>

	<b>The Company</b>					
	Share capital	Share premium	Share option reserve	Bond reserve	Accumulated losses	Total
	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
Recognition of share-based payment	-	-	1,387	-	-	1,387
Comprehensive expense for the period	-	-	-	-	(3,375)	(3,375)
<b>Balance at 31 March 2008</b>	261,404	204,521	1,849	39,485	(16,145)	491,114
Recognition of share-based payment	-	-	1,387	-	-	1,387
Comprehensive expense for the period	-	-	-	-	(3,325)	(3,325)
<b>Balance at 30 June 2008</b>	261,404	204,521	3,236	39,485	(19,470)	489,176
Recognition of share-based payment	-	-	1,386	-	-	1,386
Comprehensive expense for the period	-	-	-	-	(6,382)	(6,382)
<b>Balance at 30 September 2008</b>	<b>261,404</b>	<b>204,521</b>	<b>4,622</b>	<b>39,485</b>	<b>(25,852)</b>	<b>484,180</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 period 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 period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no movements in the Company's share capital during the nine-month period ended 30 September 2009.

Convertible Bond

On 6 December 2006, the Company issued a 7% secured subordinated US\$32 million convertible bond due 2011 ("Convertible Bond"). The Convertible Bond may be convertible into fully paid-up ordinary shares in the capital of the Company at the option of the holder, at any time on or after 6 December 2007 up to the close of business on 6 December 2011.

Following the issuance of new ordinary shares during the financial year ended 31 December 2008, the conversion price for the Convertible Bond was adjusted from S\$0.30 per share to S\$0.27226 per share pursuant to the terms of the Convertible Bond. Based on the adjusted conversion price of S\$0.27226 per ordinary share, the Convertible Bond may be converted into 183,354,146 ordinary shares in the share capital of the Company.

Unless previously converted, purchased or cancelled, the Convertible Bond shall be redeemed by the Company at 100% of the principal amount on 6 December 2011.

On 21 September 2009, the Company, among others, entered into a settlement agreement with the holder of the Convertible Bond to purchase all rights, title and interest that the holder may have in respect of the Convertible Bond for US\$17.68 million, of which an initial payment of US\$1,600,000 had been paid on 30 September 2009 and a final payment of US\$16,080,000 will be made by 31 December 2009.

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.

8,850,000 share options under the SESOS were cancelled due to staff resignation during the financial year ended 31 December 2008, and the number of ordinary shares that may be issued upon exercise of all share options outstanding as at 30 September 2009 was 51,150,000 (30 September 2008: 60,000,000).

**1.(e)(iii) 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.**

	<u>As at 30 Sep 2009</u>	<u>As at 31 Dec 2008</u>
Total number of issued ordinary shares (excluding treasury shares)	978,000,000	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 period reported on.**

The Company had no treasury shares as at 30 September 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 periods 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.**

There are no changes in the accounting policies and methods of computation, including any required by an accounting standard.

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

	The Group			
	Q3 2009 RMB'000 (Unaudited)	Q3 2008 RMB'000 (Unaudited)	9M 2009 RMB'000 (Unaudited)	9M 2008 RMB'000 (Unaudited)
<b>(Loss)/profit attributable to equity holders of the Company</b>	<b><u>(37,547)</u></b>	<b><u>(36,515)</u></b>	<b><u>(146,567)</u></b>	<b><u>75,416</u></b>
<b>(Loss)/Earnings per share</b>				
Basic (Singapore cents)	<b><u>(0.80) cents***</u></b>	<b><u>(0.92) cents*</u></b>	<b><u>(3.11) cents***</u></b>	<b><u>1.90 cents*</u></b>
Diluted (Singapore cents)	<b><u>(0.80) cents****</u></b>	<b><u>(0.92) cents****</u></b>	<b><u>(3.11) cents****</u></b>	<b><u>1.59 cents**</u></b>

\* Based on the issued share capital of 832,000,000 ordinary shares (the "Issued Shares")

\*\* Based on 998,399,999 ordinary shares, being the sum of the Issued Shares and the Conversion Shares.

\*\*\* Based on the issue share capital of 978,000,000 ordinary shares

\*\*\*\* 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

**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 period reported on and (b) immediately preceding financial year**

	The Group		The Company	
	As at 30 Sep 2009 RMB'000 (Unaudited)	As at 31 Dec 2008 RMB'000 (Audited)	As at 30 Sep 2009 RMB'000 (Unaudited)	As at 31 Dec 2008 RMB'000 (Audited)
Net asset value (net of non-controlling interests) as at end of financial period/ year	<b><u>475,031</u></b>	<b><u>619,830</u></b>	<b><u>525,778</u></b>	<b><u>548,898</u></b>
Net asset value per ordinary share as at the end of financial period/ year (Singapore cents)	<b><u>10.1 cents</u></b>	<b><u>12.9 cents</u></b>	<b><u>11.1 cents</u></b>	<b><u>11.4 cents</u></b>

**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 period 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 period report on.**

**(a) Review of income statement of the Group for Q3 2009 and 9M 2009 (relative to that for Q3 2008 and 9M 2008 respectively)**

**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-2 cities mainly located in the Henan Province, PRC.

**Revenue**

The Group's revenues (net of sales tax) generated in Q3 2009 and Q3 2008 and for 9M 2009 and 9M 2008 were as follow:

	Q3 2009		Q3 2008		9M 2009		9M 2008	
	RMB	%	RMB	%	RMB	%	RMB	%
	million		million		million		million	
(1) Sales of developed properties	198.6	94	2.8	47	251.2	90	184.5	92
(2) Rental income	10.6	5	1.2	20	25.8	9	8.8	4
(3) Property management income	1.2	1	2.0	33	3.7	1	7.4	4
	<b>210.4</b>	<b>100</b>	<b>6.0</b>	<b>100</b>	<b>280.7</b>	<b>100</b>	<b>200.7</b>	<b>100</b>

Our overall revenue increased by more than 35-fold from RMB 6.0 million in Q3 2008 to RMB 210.4 million in Q3 2009 and by 39.9% from RMB 200.8 million for 9M 2008 to RMB 280.7 million for 9M 2009.

The revenue increased in Q3 2009 was mainly attributed to the completion and delivery of units at the Xinxiang Sunshine New Town Phase 1 Project (新乡阳光新城第一期), Luoyang Sunshine Shuangxi Buluo Phase 1 and 2 Project (洛阳阳光双溪布洛第一及第二期) and Shangqiu Sunshine Shiuxie Huadu Project (商丘阳光水榭花都).

Our rental income increased by more than 8-fold from RMB 1.2 million in Q3 2008 to RMB 10.6 million in Q3 2009. The improved performance was mainly contributed by our subsidiary, Beijing Feng Bao Heng Investments 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 RMB1.2 million in Q3 2009 compared to RMB 2.0 million in Q3 2008 following the disposal of two property management subsidiaries in Q2 2008 and Q1 2009.

**Gross profit**

Our gross profit increased by more than 48-fold from RMB 0.76 million in Q3 2008 to RMB 36.5 million in Q3 2009 due to the comparatively lower sales registered in Q3 2008 as many of the development projects were yet to be completed then. Accordingly, our gross profit margin improved from 12.7% in Q3 2008 to 17.4% in Q3 2009.

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

We registered an other operating expense of RMB 6.7 million in Q3 2009 compared to that of an operating income of RMB 0.47 million in Q3 2008. The reduction was mainly attributed to (i) a disposal loss of RMB 2.6 million in connection with the disposal of all office units in Huilong Building (辉龙大厦) during Q3 2009; and (ii) an amortisation on construction cost of RMB 2.9 million in respect of Beijing Feng Bao Heng Investments Co. Ltd (北京丰宝恒投资有限公司), a subsidiary which we acquired in Q4 2008.

**General and administrative expenses**

Our general and administrative expenses increased by 12.4% from RMB 11.2 million in Q3 2008 to RMB 12.6 million in Q3 2009. As many of the development projects of the Group were either not due for completion or had their completion delayed following the Group's decision to suspend/halt their development in response to the extreme adverse macro and micro conditions faced by the Group in late 2008 and with a view to dispose some of them in meeting the Group's obligations agreed with the US\$120 million syndicate bank lenders (the "Syndicate Lenders") and the holder of the Convertible Bond pursuant to the respective settlement agreements reached with them on 21 September 2009 (the "Suspension/Halt"), land amortization expenses aggregating RMB 455,461 in respect of the Zhongmu County Project (中牟新县城项目) and Yan Ming Hu Project (雁鸣湖项目), which were not amortised in Q3 2008 before the Suspension/Halt, were needed to be amortised in Q3 2009, and land use taxes of RMB 727,982 in respect of the Zhongmu County Project (中牟新县城项目) and Yan Ming Hu Project (雁鸣湖项目), which were previously allowed to be capitalised under Properties

Under Development prior to the Suspension/Halt, were ceased to be allowed to be capitalised following the Suspension/Halt.

The Suspension/Halt will result in the Group having to refund the sales deposit should the buyers concerned decide to withdraw their purchases or the Group incurring certain additional costs for not having delivered the relevant purchased units on time. However, the maximum refund and the quantum of the additional costs that need to be incurred are not expected to be significant relative to the sales deposits collected or to be collected and the operating costs incurred or to be incurred in respect of each of the relevant projects respectively. Save for the projects which the Group intends to dispose in meeting the Settlement Considerations (as define below), the Group is gradually resuming the development activities for some of the suspended/halted projects.

#### **Selling and distribution expenses**

Our selling and distribution expenses increased by nearly 3-fold from RMB 3.0 million in Q3 2008 to RMB 8.9 million in Q3 2009. The increase was partly in line with the increased sales and partly attributed to the one-off renovation expenses aggregating RMB 3.6 million for improvements made to the various sales centres.

#### **Finance costs**

Our finance costs increased by 68.2% from RMB 24.7 million in Q3 2008 to RMB 41.5 million in Q3 2009 as a substantial amount of the interest incurred ceased to be capitalized following the Suspension/Halt.

#### **Loss before tax**

In line with the lower gross profit and higher financial expenses, we incurred a net loss before tax of RMB 33.2 million in Q3 2009 *vis-à-vis* a net loss of RMB 37.6 million in Q3 2008.

#### **Income tax (credit)/expense**

With the more than 76-fold increase in revenue, our income tax expenses correspondingly increased significantly from RMB 0.065 million in Q3 2008 to RMB 5.0 million in Q3 2009.

#### **Net loss attributable to equity holders of the company**

Following the operating losses incurred, the amount attributable to equity holders of the Company was a loss of RMB 37.5 million in Q3 2009 *vis-à-vis* a loss of RMB 36.5 million in Q3 2008.

#### **Non-controlling interests**

Following the disposal of four non-fully owned subsidiaries in 2008, the minority interests of the Group bore a lower share of loss of RMB 0.6 million in Q3 2009 compared to that of RMB 1.2 million in Q3 2008.

#### **(b) Review of statement of financial position of the Group as at 30 September 2009 (relative to that as at 31 December 2008)**

##### **Non-current assets**

Our non-current assets decreased by RMB 128.7 million or 29.2% from RMB 441.4 million as at 31 December 2008 to RMB 312.7 million as at 30 September 2009. This was mainly attributed to a decrease in investment properties following the disposal of a subsidiary in Q1 2009 which held an investment property and a refund of capital of RMB 23.9 million in connection with a reduction in profit sharing entitlement in respect of an available-for-sale joint venture investment.

##### **Current assets**

Our current assets decreased by RMB 115.2 million or 6.0% from RMB 1,933 million as at 31 December 2008 to RMB 1,818 million as at 30 September 2009. This was mainly due to (i) a significant decrease in pledged bank deposits of RMB 35.5 million following the repayment of interest and principal in respect of an offshore loan in Q2 2009; and (ii) a decrease in cash and bank balance of RMB 87.2 million following the payment of US\$24 million to the Syndicate Lenders on 21 September 2009 and the payment of US\$1.6 million to the holder of the Convertible Bond on 30 September 2009 (collectively, the "Initial Payments"), being the initial payments for the respective Settlement Considerations (as defined below), in accordance with the settlement terms stipulated under the respective settlement agreements reached with each of the Syndicate Lenders and the holder of Convertible Bond on 21 September 2009 (collectively, the "Settlement Agreements"), which collectively were offsetted by an increase in prepayments and other receivables aggregating RMB 25.3 million pursuant to the reclassification of an amount due from a former subsidiary to a loan due from a third party following the disposal of the former subsidiary subsequent to 31 December 2008.

Pursuant to the Settlement Agreements, the Company shall purchase all rights, titles and interests that the Syndicate Lenders and the holder of the Convertible Bond may respectively have in respect of the US\$120 million syndicate loan and the US\$32 million Convertible Bond for US\$75.6 million and US\$17.68 million respectively (collectively, the "Settlement

Considerations"). The balance outstanding of the Settlement Considerations (net of the Initial Payments) are expected to be made by 31 December 2009.

As at 30 September 2009, the Land Use Rights of RMB 170.9 million in respect of the land for the Hainan Project had been reclassified as Properties Under Development as the Hainan Project is currently in the pre-development planning and design phase (the "Reclassification"). Notwithstanding the Reclassification, the Properties Under Development decreased by RMB 12.5 million following the transfer to the Completed Properties For Sale upon the completion of certain developments.

#### **Current liabilities**

Our current liabilities decreased by RMB 64.6 million or 4.1% from RMB 1,580.5 million as at 31 December 2008 to RMB 1,515.8 million as at 30 September 2009. The decrease was attributed mainly to (i) a decrease in sales deposits of RMB 66.8 million due primarily to the transfer of sales deposits to sales upon the completion and delivery of properties to owners; (ii) a decrease in bank borrowings of RMB 111.6 million following the disposal of a subsidiary with bank borrowings in Q1 2009 and the Initial Payments; and (iii) a net liabilities of RMB 23.5 million being netted off following the disposal of three subsidiaries in Q1 2009, which collectively were offsetted by (i) an increase in other payables (unsecured) of RMB107.3 million due to third parties; (ii) an increase in trade payables of RMB 10.1 million as in line with increased business activities; and (iii) an increase in tax payable of RMB 10.5 million brought about by the increase in Completed Projects .

Accordingly, the working capital of the Group decreased by RMB 50.6 million or 14.4% from RMB 352.6 million as at 31 December 2008 to RMB 301.9 million as at 30 September 2009.

#### **Non-current liabilities**

Non-current liabilities decreased by RMB 37.9 million or 42.0% from RMB 90.2 million as at 31 December 2008 to RMB 52.3 million as at 30 September 2009. The decrease was attributed mainly to the retired domestic bank borrowings in Q2 2009 and Q3 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**

For the nine-month period ended 30 September 2009, Henan Province achieved a GDP growth of 9.3% relative to the country's 7.7%. Over the same period, sale of commercial properties in the Henan Province also staged a commendable year-on-year growth of 28.6%. The improved macro environment in the Henan Province had augmented the sales of the Group considerably, which increase by 39.9% from RMB 200.7 million for 9M 2008 to RMB 280.7 million for 9M 2009.

Pursuant to the Settlement Agreements and subject to the procurement of the necessary approval from the shareholders of the Company in the coming Extraordinary General Meeting to be convened on 20 November 2009 concerning the disposal of some of the properties of the Group in meeting the Settlement Considerations, we expect to fully settle the Settlement Considerations by 31 December 2009 (the "Settlement"). Based on the assumptions stated in our Circular dated 4 November 2009 and the audited consolidated accounts of the Group for the financial year ended 31 December 2008, following the Settlement, we expect to reduce the gearing of the Group from 2.70 prior to the Settlement to 1.19 subsequent to the Settlement and improve the NTA of the Group from RMB 619.8 million prior to the Settlement to RMB 673.5 million subsequent to the Settlement.

We are currently mapping out our future business plans under various scenarios, and will keep the shareholders informed of the crystallized plan once the Settlement is fully satisfied with many of the uncertain factors removed,

*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 Period Reported On**

#### **Any dividend declared for the current financial period reported on?**

No

**(b) Corresponding Period 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 period under review.

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

11 November 2009



**Company Registration No. CT-140095**

**CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

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 statements of the Group and the Company for the period ended 30 September 2009 to be false or misleading in any material aspect.

Signed for and on behalf of the Board of Directors

**Zhao Zhanmei**  
**Deputy Chairman**

**Li Bin**  
**Director**

11 November 2009