Guangdong Sunrise Holdings Co., Ltd.

The First Quarterly Report 2009

§1 Important Notice

1.1 The Board of Directors, the Supervisory Committee, as well as directors, supervisors and senior management staffs of Guangdong Sunrise Holdings Co., Ltd. (hereinafter referred to as the Company) warrant that this report does not contain any false or misleading statements or omit any material facts and all information set forth herein are true, accurate and complete.

1.2 None of director, supervisor or senior management staff stated that he (she) could not ensure the correctness, accuracy and completeness of the contents of the Quarterly Report or have objection for this report.

1.3 All directors attended the Board meeting.

1.4 The first quarterly financial report has not been audited.

1.5 Wang Jianyu, Person in charge of the Company, Mr. Wang Jianyu, person in charge of the accounting work, and Mr. Yu Deshan, person in charge of accounting organizations, hereby confirm that the Financial Report enclosed in the Quarterly Report is true and complete.

§ 2 Company Profile

2.1 Main accounting data and financial indicators

Unit: RMB

	As at 31 Mar. 2009	As at 31 Dec. 2008	Increase/decrease (%)
Total assets	17,661,885.36	17,961,177.93	-1.67%
Owner's equity attributable to parent company	-1,730,205,527.45	-1,723,542,317.56	-0.39%
Share capital	288,420,000.00	288,420,000.00	0.00%
Net assets per share attributable to owners of parent company	-6.00	-5.98	-0.33%
	Jan.-Mar. 2009	Jan.-Mar. 2008	Increase/decrease (%)
Gross revenue	463,492.74	308,995.16	50.00%
Net profit attributable to owners of parent company			
Net cash flow arising from operating activities	62.70	69,415.30	-99.91%
Net cash flow per share arising from operating activities	0.0000002	0.0002	-99.90%
Basic earnings per share	-0.0231	-0.0332	
Diluted earnings per share	-0.0231	-0.0332	
Return on equity			
Return on equity after deducting extraordinary gains and losses			

Items of extraordinary gains and losses	Amount from the year-begin to the end of reporting period
Total	0.00

2.2 Total number of shareholders as at the end of reporting period and shares held by the top ten shareholders not subject to trading moratorium

Unit: Share

Total number of shareholders as at the end of reporting period		15,255
Shares held by the top ten shareholders holding shares not subject to trading moratorium		
Name of shareholder (full name)	**Number of shares not subject to trading moratorium**	**Type of share**
LIUZHOU JIALI REAL ESTATE DEVELOPMENT CO., LTD.	2,750,400	RMB common shares
CHINA EVERBRIGHT HOLDINGS CO LTD	1,406,750	Domestically listed foreign shares
XU YONG SHAN	1,076,850	RMB common shares
ZANG LAI SUN	868,900	RMB common shares
CITRINE CAPITAL LIMITED	868,783	Domestically listed foreign shares
CAI HAN CHUAN	800,502	Domestically listed foreign shares
NI MIN	626,400	Domestically listed foreign shares
WANG ZHI FENG	560,000	RMB common shares
LU HUA ZHONG	555,500	Domestically listed foreign shares
GUAN YIN	541,300	RMB common shares

§3 Significant Events

3.1 Particulars about large-margin change in item of the main accounting statement and financial index, as well as the reason

☐Applicable √Inapplicable

3.2 Progress of the significant events and its effects, as well as explanation on solutions analysis

√Applicable ☐Inapplicable

BDO.Guangdon Dahua Delu CPA, LLP produced the auditor's report 2008 that the auditors are unable to express an opinion, the Board of Directors also made the special explanation concerning the said matter and the Supervisory Committee stated their views in the Annual Report 2008 (please refer to the Annual Report 2008 of Guangdong Sunrise Holdings Co., Ltd. published on Securities Times and Hong Kong Ta Kung Pao, as well as http://www.cninfo.com.cn on 8 Apr. 2009 for details).

After many efforts, the share merger reform plan was implemented successfully by the Company as at the end of 2008, thus laying down the foundation for the debts restructuring of the Company. At the same time, joining hands with its controlling shareholder, actual controller and the financial adviser—Beijing Integrity Management Consulting Co., Ltd., the Company continued its efforts with debts restructuring and assets reorganization, but they contacted a few parties which were interested in reorganizing the Company, although no verbal or written agreement was reached, however, relevant parties tried to make a breakthrough on the Company's restructuring for purpose of improving ability to continue as a going concern.

In the reporting period, o substantial progress was achieved in the Company's debts restructuring and assets reorganization.

3.3 The fulfillment of the commitment made by the Company, shareholders and the actual controller

√Applicable ☐Inapplicable

Commitments	Content of commitments	Implementation
Commitments made when share	The controlling shareholder of the Company, Shenzhen	It is not yet the time

merger reform	Lionda Group Co., Ltd made special commitments as follows: (1) As the S*ST Sunrise shares held by non-tradable shareholder, Shenzhen Huashengda Investment Holdings Co., Ltd were frozen, the consideration it should pay in accordance with share merger reform would be paid by Shenzhen Lionda Group Co., Ltd. After the payment, if the shares were listed, it should return the consideration to, or get the permission of Shenzhen Lionda Group Co., Ltd. After the shareholder structure reform, if Shenzhen Huashengda Investment Holdings Co., Ltd listed the non-tradable shares, it should get the permission of Lionda and Guangdong Sunrise Group Co., Ltd should apply for listing and trading of the shares to the Stock Exchange. (2) The related expenses of shareholder structure reform would be paid by the controlling shareholder, Shenzhen Lionda Group Co., Ltd	for unlocking shares subject to trading moratorium.
Commitment of shares subject to trading moratorium	Naught	Naught
Commitments made in Acquisition Report or Report on Changes in Equity	Naught	Naught
Commitments made in restructuring of significant assets	Naught	Naught
Commitments made when issuance of shares	Naught	Naught
Other commitments (including additional commitments)	Naught	Naught

3.4 Warnings of possible losses or major changes of the accumulative net profit achieved during the period from the beginning of the year to the end of the next reporting period compared with the same period of last year according to prediction, as well as the reasons

√ Applicable ☐Inapplicable

Performance estimates	Loss			
	From January 1, 2009 to June 30, 2009	From January 1, 2008 to June 30, 2008	Increase/decrease (%)	
Estimate of accumulative net profit (RMB, Ten Thousand Yuan)	-1,500.00	-1,245.03	Down	-20.48
Basic earnings per share (Yuan/share)	-0.052	-0.0432	Down	-20.37
Remarks on performance estimates	The short-term borrowings continues to run at 462 million, as a result, the financial expense of the Company is still higher. It is expected that the business performance will be loss about 15 million in the middle of 2009.			

3.5 Other significant events

3.5.1 Stock investment

☐Applicable √ Inapplicable

3.5.2 Visits and interviews received in the reporting period

Reception time	Reception place	Reception way	Visitor	Main contents of discussion and information

				provided
17 Feb. 2009	Office of the Secretary to the Board	Telephone Communication	Investor of A-share	Asking about the auction of equity of the controlling shareholder of the Company. The Company failed to receive the auction notice from the Court.
23 Mar. 2009	Office of the Secretary to the Board	Telephone Communication	Investor of A-share	Consulting debts restructuring of the Company. Providing them with company situation, and the debt restructuring did not substantial progress.

3.5.3 Other significant events

□Applicable √Inapplicable

§ 4 Appendix

4.1 Balance Sheet

Prepared by Guangdong Sunrise Holdings Company Limited As at 31 Mar. 2009 Unit: RMB

Items	Closing balance		Opening balance	
	Consolidation	Parent company	Consolidation	Parent company
Current assets:				
Monetary funds	30,126.83	30,126.83	30,064.13	30,064.13
Settlement fund reserve				
Dismantle fund				
Transaction financial asset				
Notes receivable				
Account receivable				
Account paid in advance				
Premium receivables				
Receivables from reinsurers				
Reinsurance contract reserve receivables				
Interest receivable				
Dividend receivable	80,000.00	80,000.00	160,000.00	160,000.00
Other account receivable	1,488,133.64	1,488,133.64	1,564,200.69	1,564,200.69
Financial assets purchased under agreements to resell				
Inventories	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00
Non-current assets due within 1 year				
Other current assets				
Total current assets	3,598,260.47	3,598,260.47	3,754,264.82	3,754,264.82
Non-current assets:				
Loans and advance				
Available for sale financial assets				
Held to maturity investments				
Long-term account receivable				
Long-term equity investment	7,583,110.08	7,583,110.08	7,583,110.08	7,583,110.08
Investing property				
Fixed asset	6,480,514.81	6,480,514.81	6,623,803.03	6,623,803.03

Project in construction				
Engineering material				
Fixed asset disposal				
Bearer biological asset				
Oil assets				
Intangible assets				
Development expense				
Goodwill				
Long-term expense to be apportioned				
Deferred tax assets				
Other non-current assets				
Total of non-current assets	14,063,624.89	14,063,624.89	14,206,913.11	14,206,913.11
Total assets	17,661,885.36	17,661,885.36	17,961,177.93	17,961,177.93
Current liabilities:				
Short-term borrowings	461,573,834.92	461,573,834.92	461,573,834.92	461,573,834.92
Borrowing from Central Bank				
Deposits and due to banks and other financial institutions				
Placements from banks and other financial institutions				
Transaction financial liabilities				
Notes payable				
Account payable				
Account received in advance				
Financial assets sold under agreements to repurchase				
Handling charges and commission payable				
Employee’s compensation payable	554,942.76	554,942.76	530,777.88	530,777.88
Tax payable	65,769.80	65,769.80		
Interest payable	396,023,073.70	396,023,073.70	389,895,681.04	389,895,681.04
dividend payable				
Other account payable	155,154,426.21	155,154,426.21	155,007,836.23	155,007,836.23
Due to reinsurers				
Insurance contract reserve				
Customer deposits				
Amount payables under security underwriting				
Non-current liabilities due within 1 year				
Other current liabilities				
Total current liabilities	1,013,372,047.39	1,013,372,047.39	1,007,008,130.07	1,007,008,130.07
Non-current liabilities:				
Long-term borrowings				
Debentures payable				
Long-term payables				
Specific purpose account payables				

Provisions for contingent liabilities	734,495,365.42	734,495,365.42	734,495,365.42	734,495,365.42
Deferred tax liabilities				
Other non-current liabilities				
Total non-current liabilities	734,495,365.42	734,495,365.42	734,495,365.42	734,495,365.42
Total liabilities	1,747,867,412.81	1,747,867,412.81	1,741,503,495.49	1,741,503,495.49
Owner’s equity (or shareholders’ equity)				
Paid-in capital (or share capital)	288,420,000.00	288,420,000.00	288,420,000.00	288,420,000.00
Capital surplus	381,059,098.78	381,059,098.78	381,059,098.78	381,059,098.78
Less: Treasury Stock				
Reserved fund	138,304,806.89	138,304,806.89	138,304,806.89	138,304,806.89
General risk provision				
Retained earnings	-2,537,989,433.12	-2,537,989,433.12	-2,531,326,223.23	-2,531,326,223.23
Foreign exchange difference				
Total owners' equity attributable to holding company	-1,730,205,527.45	-1,730,205,527.45	-1,723,542,317.56	-1,723,542,317.56
Minority interest				
Total owner’s equity	-1,730,205,527.45	-1,730,205,527.45	-1,723,542,317.56	-1,723,542,317.56
Total liabilities and owner’s equity	17,661,885.36	17,661,885.36	17,961,177.93	17,961,177.93

4.2 Income Statement

Prepared by Guangdong Sunrise Holdings Company Limited Jan.- Mar. 2009 Unit: RMB

Items	Amount at this period		Amount at the last period	
	Consolidation	Parent company	Consolidation	Parent company
I. Total sales	463,492.74	463,492.74	308,995.16	308,995.16
Including: Sales	463,492.74	463,492.74	308,995.16	308,995.16
Interests income				
Premium income				
Handling charges and commission income				
II. Total cost of sales	7,126,702.65	7,126,702.65	9,886,981.77	9,886,981.77
Including: Cost of sales	0.00	0.00	0.00	0.00
Interests expenses				
Handling charges and commission expenses				
Claim expenses-net				
Provision for insurance liability reserve				
Expenses for reinsurance accepted				
Payments on surrenders				
Policyholder dividends				
Taxes and associate charges				
Selling and distribution expenses				
Administrative expenses	1,000,367.62	1,000,367.62	969,360.72	969,360.72
Financial expense	6,126,335.03	6,126,335.03	8,917,621.05	8,917,621.05
Impairment loss				
Add: gain/(loss) from change in fair value (“-” means loss)				

Gain/(loss) from investment (“-” means loss)				
Including: income form investment on affiliated enterprise and jointly enterprise				
Foreign exchange difference (“-” means loss)				
III. Business profit (“-” means loss)	-6,663,209.91	-6,663,209.91	-9,577,986.61	-9,577,986.61
Add: non-business income				
Less: non-business expense				
Including: loss from non-current asset disposal				
IV. Total profit (“-” means loss)	-6,663,209.91	-6,663,209.91	-9,577,986.61	-9,577,986.61
Less: Tax expense				
V. Net profit (“-” means loss)	-6,663,209.91	-6,663,209.91	-9,577,986.61	-9,577,986.61
-Attributable to parent company				
-Minority interest				
VI. Earnings per share				
(I) Basic earnings per share	-0.0231	-0.0231	-0.0332	-0.0332
(II) Diluted earnings per share	-0.0231	-0.0231	-0.0332	-0.0332

4.3 Cash Flow Statement

Prepared by Guangdong Sunrise Holdings Company Limited Jan.- Mar. 2009 Unit: RMB

Items	Amount at this period		Amount at the last period	
	Consolidation	Parent company	Consolidation	Parent company
1. Cash flows for operating activities:				
Cash received from sales of goods or rending of services				
Cash received on deposits and from banks and other financial institutions				
Net increased cash received on borrowings from central bank				
Cash received on placements from other financial institutions				
Premium received				
Cash received from reinsurance				
Net increased amount received on policyholder deposit and investment				
Cash received from disposal of held for trading financial assets				
Interests, handling charges and commission received				
Cash received on placements from bank, net				
Cash received under repurchasing, net				
Refund of tax and fare received				
Other cash received relating to operating activities	920,937.42	920,937.42	512,182.60	512,182.60
Sub-total of cash inflows	920,937.42	920,937.42	512,182.60	512,182.60
Cash paid for goods and services				
Loans and advances drawn				
Cash paid to central bank, banks and other financial institutions, net				
Claims paid				
Interests, handling charges and commission paid				
Dividends paid to policyholders				
Cash paid to and on behalf of employees	105,952.47	105,952.47	107,510.18	107,510.18
Tax and fare paid				

Other cash paid relating to operating activities	814,922.25	814,922.25	335,257.12	335,257.12
Sub-total of cash outflows	920,874.72	920,874.72	442,767.30	442,767.30
Net cash flow from operating activities	62.70	62.70	69,415.30	69,415.30
2. Cash Flows from Investment Activities:				
Cash received from return of investments				
Cash received from investment income				
Net cash received from disposal of fixed assets, intangible assets and other long-term assets				
Proceeds from sale of subsidiaries and other operating units				
Other cash received relating to investment activities				
Sub-total of cash inflows				
Cash paid for acquiring fixed assets, intangible assets and other long-term assets				
Cash paid for acquiring investments				
Net cash used in loans				
Net cash used in acquiring subsidiaries and other operating units				
Other cash paid relating to investment activities				
Sub-total of cash outflows				
Net cash flow from investing activities				
3. Cash Flows from Financing Activities:				
Cash received from absorbing investment				
Including: Cash received from increase in minority interest				
Cash received from borrowings				
Cash received from issuing debentures				
Other proceeds relating to financing activities				
Sub-total of cash inflows				
Cash paid for settling debt				
Cash paid for distribution of dividends or profit or reimbursing interest				
Including: dividends or profit paid to minority interest				
Other cash payments relating to financing activities				
Sub-total of cash outflows				
Net cash flow from financing activities				
4. Effect of foreign exchange rate changes				
5. Increase in cash and cash equivalents	62.70	62.70	69,415.30	69,415.30
Add : Cash and cash equivalents at year-begin	30,064.13	30,064.13	2,188.68	2,188.68
6. Cash and cash equivalents at the end of the year	30,126.83	30,126.83	71,603.98	71,603.98

4.4 Auditor's report

Audit opinion: un-audited

Guangdong Sunrise Holdings Co., Ltd.

Chairman of the Board: Wang Jianyu

29 Apr. 2009