

Company Registration No. CT-140095

RESPONSE TO THE QUERY FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") IN RESPECT OF THE RESULTS ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010 ("Q1 2010")

Unless otherwise stated, all capitalized terms herein shall have the same meanings as that ascribed in the unaudited results announcement of Sunshine Holdings Limited (the "Company") and its subsidiaries (the "Group") for Q1 2010 as made by the Company on 14 May 2010 (the "Announcement").

We append below our reply to the following query from the SGX-ST dated 19 May 2010 concerning the Announcement.

The SGX-ST's query

We note that there is an amount of RMB4,997k relating to amount "Written back on accrual". Please disclose the underlying items and reasons for the write back as the amount is significant to the net profit of RMB1,909k for the quarter.

The Company's reply

The Company had disposed Henan Jinjiang Real Estate Co, Ltd (河南锦江置业有限公司) ("Henan Jinjiang"), a former wholly-owned subsidiary of the Company held through Henan Sunshine Elegant Jade Real Estate Co., Ltd (河南阳光美基置业有限公司) ("Henan Elegant Jade"), another wholly-owned subsidiary of the Company, to a third party for cash in December 2009 (the "Disposal"). Henan Jinjiang in turn owned the Yan Ming Hu Project (雁鸣湖项目). In accordance with the terms of the sale and purchase agreement governing the Disposal, the construction costs of the Yan Ming Hu Project (雁鸣湖项目) till 30 November 2009 was to be borne by Henan Elegant Jade.

Henan Elegant Jade had accordingly accrued for a total of RMB9.44 million to be payable to a sub-contractor based on the estimate provided by the project manager of the progressive construction costs expected to be incurred till 30 November 2009. A full settlement report was subsequently received from the sub-contractor in Q1 2010 which billed the actual payable amount at RMB4.45 million. The difference of RMB4.99 million was written off by Henan Elegant Jade after the amount due to the sub-contractor had been fully paid in Q1 2010.

BY ORDER OF THE BOARD
Mr Guo Yinghui
Chairman and CEO

21 May 2010