



Incorporated in the Cayman Islands
Company Registration No. CT-140095

ARBITRATION PROCEEDINGS IN RELATION TO THE ZHENGZHOU EASTERN DISTRICT PROJECT (郑州东区项目)

QUERIES RAISED BY THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST")

With reference to the announcement of the Company released on dated 20 October 09 (the "Announcement"), the Board of Directors of Sunshine Holdings Limited (the "Company", and, together with its subsidiaries, the "Group") has received certain queries from the SGX-ST, and sets out its responses to the same, below. Capitalised terms not defined herein shall have the same meanings as set out in the Announcement, unless the context otherwise requires.

Query 1 - What are the total estimated administrative penalties, liabilities and costs arising from the Settlement Agreement that the Group will incur?

Response: As disclosed in the Announcement, the total cost incurred by the Group pursuant to the Settlement Agreement was RMB21.5 million, comprising RMB20 million payable to the Keshu Chamber of Commerce in exchange for the surrender of all of Keshu Chamber of Commerce's rights and interest in the Project and RMB0.904 million, being the Group's portion of costs incurred in the Arbitration Proceedings.

Currently, the Group does not expect to incur any other material administrative penalties, liabilities and costs in connection with the Settlement Agreement which are material for disclosure.

Query 2 - What is the expected cost of construction with the resumption of the project?

Response: The Group has no present intention to resume construction of the project on its own, but is presently exploring options to realise the value of the project through, among others, a disposal on normal commercial terms. Where appropriate, the Company will make the necessary announcements to update shareholders.

Query 3 - Please elaborate on how the Group will finance the expenses arising from the Settlement Agreement and the construction costs.

Response: As disclosed in the Announcement, the fees referred to in the response to Query 1 have been paid in full.

By Order of the Board

Guo Yinghui
Chairman

26 October 2009