

1. CLARIFICATION OF DIFFERENCES IN THE FULL YEAR 2005 FINANCIAL STATEMENT ANNOUNCEMENT AS COMPARED WITH THE ANNUAL REPORT 2005

Reference is made to the announcement of Sunshine Holdings Limited (the "Company") dated 28 April 2006 (the "Results Announcement") in respect of the 2005 Full Year Financial Statements of the Company and its subsidiaries (the "Group") released through the SGXNET announcement and posted on the website of the Singapore Exchange Securities Trading Limited ("SGX-ST").

(1) Treatment as to the IPO expenses

The Group's profit attributable to the equity holders of the parent for the year ended 31 December 2005 according to the Results Announcement was RMB151.5 million. The Company wishes to clarify that as stated in paragraphs 4 and 9 of the Results Announcement, should the auditors take a different opinion in the calculation of certain expenses relating to the Initial Public Offering ("IPO"), this may result in an increase in not more than RMB 6.4 million of expenses in the profit and loss accounts instead of the amount being charged to the share premium account. As a result of further technical consultation and discussion with the auditors, additional IPO expenses of approximately RMB 6.0 million was charged to the profit and loss statement. Consequently, the Group's profit attributable to the equity holders of the parent as per the audited financial statements enclosed in our 2005 Annual Report was RMB145.5 million.

Due to the non-recurring nature of the IPO expenses, these expenses were shown as a separate line in the profit and loss statement. The Company believes that this change in presentation could assist the account readers in enhancing their understanding of the financial statements.

(2) Treatment of inter-company dividend of subsidiary

On 31 December 2005, a dividend income of RMB 42 million was declared by one of the Company's subsidiaries, Elegant Jade Enterprises Limited. This dividend income and receivable declared by the subsidiary was not accounted for in the Company's 2005 Result Announcement. Subsequently in our 2005 Annual Report, this dividend income and receivable was accounted for by the Company as dividend income for FY2005 and dividend receivable as at 31 December 2005.

2. TIME EXTENSION FOR THE HOLDING OF ANNUAL GENERAL MEETING ('AGM') TO TABLE THE AUDITED ACCOUNTS OF THE COMPANY AND THE GROUP FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2005

The Company wishes to announce that it has applied for and been granted an extension of time of up to 15 June 2006 by the SGX-ST to hold its AGM to table the audited accounts of the Company and the Group for the financial period ended 31 December 2005.

The Company was admitted to the Official List of SGX-ST on 31 March 2006.

The IPO of the Company's shares was sponsored by UOB Asia Limited.

Submitted by Foo Soon Soo, the Company Secretary, on 25 May 2006 to the SGX-ST.