SUNSHINE HOLDINGS LIMITED
阳 光 控 股 有 限 公 司

Company Registration No. CT-140095

REPLIES TO THE QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") WITH REGARD TO THE ANNOUNCEMENT MADE BY SUNSHINE HOLDINGS LIMITED (THE "COMPANY") ON 1 JUNE 2011 CONCERNING THE DISPOSAL OF TWO BEIJING SUBSIDIAIRES (THE "ANNOUNCEMENT")

Unless otherwise stated, all capitalized terms herein shall have the same meanings as that ascribed in the Announcement.

We append below our replies to the following queries from the SGX-ST concerning the Announcement.

The SGX-ST's query 1

We note from the Announcement that the disposal constitutes a discloseable transaction under Rule 1010 of the Listing Manual. Please disclose the following information required under Rule 1010:

i) Rule 1010(2) – Description of trade carried on by the subsidiaries to be disposed;

The Company's reply

The Beijing Sunshine Elegant Jade Real Estate Co., Ltd (北京阳光美基置业有限公司) ("Beijing Elegant Jade") is an investment holding company owning an equity interest of 63% in Beijing Feng Bao Heng Investments Co., Ltd (北京丰宝恒投资有限公司) ("Beijing FBH"), which principally engages in the sub-leasing of two hotels in Beijing.

ii) Rule 1010(3) – Factors taken into account in arriving at the consideration amount, how it will be satisfied and the terms of payment.

The Company's reply

The Disposal Consideration was arrived at based on a willing-buyer willing-seller basis, after taking into account of the following:

1. that Beijing Elegant Jade and Beijing FBH (collectively, the "Beijing Elegant Jade Group") is expected to continue to be loss making in the foreseeable future as the fixed sub-leasing income is not expected to be able to cover the increase in leasing cost and expenses of the Beijing Elegant Jade Group due to inflation; and
2. that the Disposal Consideration will be made in cash and be settled expeditiously as detailed below.

The payment terms for the Disposal Consideration, as stipulated in the sales and purchase agreement (the "S&P"), are as follows:

1. RMB4 million within five days of the date of the S&P (the "First Payment"); and
2. the remaining RMB4 million within five days upon receipt of the First Payment.

The Disposal Consideration had been fully received by the Group as at the date of this announcement.

iii) Rule 1010(4) – Whether there are any material conditions attached to the transaction;

The Company's reply

No material conditions were attached to the Disposal transaction.

iv) Rule 1010(5) – Value of assets to be disposed, any whether any valuation was done; and

The Company's reply

The value of the disposed Beijing Elegant Jade Group was approximately RMB18.5 million, comprising:

1. the net equity investment value of approximately RMB4.7 million of the Group in the Beijing Elegant Jade Group; and
2. the debt of approximately RMB13.8 million forgone by the Group to the Beijing Elegant Jade Group.

As the Beijing Elegant Jade Group does not own any property, plant or equipment, no valuation was carried out on the Disposal.

v) Rule 1010(6) – Use of proceed from the disposal

The Company's reply

The proceeds from the Disposal Consideration will principally be utilized for working capital purposes.

The SGX-ST's query 2

Please provide the relevant details under Rule 1011 which requires the Sales and Purchase Agreement to be made available for inspection. Please also provide details on the identity and background of the two buyers as this is material information.

The Company's reply

The two unrelated third-party buyers in connection with the Disposal are Beijing Boguang Zhongda Investment Management Co., Ltd (北京博广众达投资管理有限公司) and Beijing Chengguo Hotel Management Co., Ltd (北京成果酒店管理有限公司).

A copy of the S&P is available for inspection at the registered office of the Company's Share Transfer Agent, KCK CorpServe Pte Ltd, at 333 North Bridge Road #08-00 KH KEA Building Singapore 188721 during normal business hours for three months from the date of this announcement.

BY ORDER OF THE BOARD

Mr Guo Yinghui
Chairman and CEO

8 June 2011