

SUNSHINE HOLDINGS LIMITED

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

ACQUISITION OF SUBSIDIARY

The Board of Directors of Sunshine Holdings Limited (the "Company") wishes to announce that the Company had, through its wholly-owned subsidiary, Anyang Huilong Real Estate Co., Ltd, entered into an agreement to acquire a 80% equity interest in the capital of Zhou Kou Xin Shi Jia Real Estate Co., Ltd (the "New Subsidiary") for a total consideration of RMB 8.0 million (or about S\$1.6 million) ("Purchase Consideration").

The New Subsidiary, incorporated in the People's Republic of China ("PRC"), is mainly in the business of property development and has recently entered into an agreement during December 2006 with the relevant department of Zhou Kou local government to purchase 3 pieces of land located near the city centre in Zhou Kou City, Henan Province, PRC for a total consideration of approximately RMB140 million (about S\$27.5 million), payable in various installments in 2007.

The above acquisition is entered into in the ordinary course of business of the Company and its subsidiaries (the "Group"). The Purchase Consideration and the payment for the land installments will be financed mainly from the proceeds raised in the recent issue of convertible bonds announced on 13 November 2006.

The 3 pieces of contiguous land (the "Land") occupy a total site area of approximately 232,000 square metres and have a tenure of 70 years which expires in 2076. The total planned GFA is approximately between 360,000 and 400,000 square metres, of which about 90% will be allocated for residential development and the rest for commercial purpose. Based on current available information, the estimated average selling price is between RMB1,700 and 2,000 per square metre for residential space and RMB4,000 and 4,500 per square metre for commercial space.

The Group intends to develop the Land in phases into a composite development to increase its market share and with the view of enhancing its position as one of the leading property developers in Henan Province. The Group is currently finalizing the developmental details and plans to commence work on this project in mid 2007.

Zhou Kou City is a prefecture-level city located in the southeast part of Henan Province, PRC, bordering Anhui Province. The city occupies a land area of about 11,959 square km, has an estimated population of 10.7 million.

Henan Province is located in the central region of PRC and occupies an area of about 167,000 square km, with an estimated population of 97.7 million (representing approximately seven per cent of the entire population of the PRC). Based on the Henan Statistical Yearbook, 2006, the GDP of Henan has grown from RMB407.9 billion in 1997 to RMB1,058.74 billion in 2005.

None of the Directors or any of the substantial shareholders of the Company has any interest, direct or indirect, in the above acquisition.

The Initial Public Offering of the Company's shares was sponsored by UOB Asia Limited.