

SUNSHINE HOLDINGS LIMITED

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

SUNSHINE SECURES US\$120 MILLION TERM LOAN FOR EXPANSION OF LAND BANK

The Board of Directors of Sunshine Holdings Limited (the “Company” or “Sunshine”) wishes to announce that the Company has entered into an agreement (the “Agreement”) with Deutsche Bank AG, London Branch (“DB”) and United Overseas Bank Limited Labuan Branch (“UOB”) (collectively known as the “Lenders”) whereby the Lenders shall provide the Company and its direct subsidiary, Elegant Jade Enterprises Limited (“Elegant Jade”) with a 3-year term loan amounting to US\$120 million (the “Loan”).

Use of Proceeds

The net proceeds of the Loan will mainly be used to fund acquisitions of new land undertaken by the Company and its subsidiaries in Henan Province, China. In line with the Company’s strategy of providing homes for the masses, the new land will be used to develop mid-level and some luxurious housing. With robust demand for residential properties in the 2nd and 3rd tier cities, the new projects are expected to yield high profit margin.

“We have been actively expanding our land bank since we became a public-listed company in early 2006. Our current target is to accumulate land reserves of at least 8 million square metres in gross floor area over the next 2 years. The Loan will help us to accomplish this target in a timely manner. With our good profit margin for property development, we are confident of generating a strong return for the US Dollar denominated Loan, not to say that our revenue is based in the appreciating Renminbi,” said Mr. Guo Yinghui, Chairman of the Company.

“To capitalize on the benefits of a sizable land bank, we will increase our operational efficiency to accelerate our rate of property development. We hope to achieve an average annual sale of properties totaling over 800,000 square metres in gross floor area starting from FY2008” Mr. Guo added.

Salient Terms of the Agreement

Pursuant to the Agreement, DB and UOB shall provide the Company and Elegant Jade with a term loan of US\$75 million and US\$45 million respectively. The Loan, repayable 3 years from the date of drawdown, bears a fixed interest rate of 15% in the first year, 16% in the second year and 17% in the third year. Interest payments shall be made by the Company and Elegant Jade to the respective Lenders on a quarterly basis over the term of the Loan.

In addition, the Loan will be secured by, inter alia, a pledge over Elegant Jade's equity interests in all its direct subsidiaries in the People's Republic of China ("PRC"), a charge over the assets of Elegant Jade and an assignment over certain shareholder loans from Elegant Jade to its direct subsidiaries in the PRC. In order to secure the Loan amidst uncertain global market conditions, Mr. Guo has agreed to the drawdown of the loan being conditional upon inter alia, a transfer of 36,400,000 and 21,840,000 ordinary shares of the Company to DB and UOB respectively from his personal holding.

"Securing the Loan is an important strategic move for Sunshine. It will enable us to increase the scale of our projects and expand our market share at a faster rate in the rapidly developing 2nd and 3rd tier property market, thus, laying a solid foundation for Sunshine to position itself as a leading property developer in central China." said Mr. Guo.

By Order of the Board

Guo Yinghui
Chairman

6 November 2007