

ACQUISITION OF TWO PIECES OF LAND FOR PROPERTY DEVELOPMENT

The Board of Directors of Sunshine Holdings Limited (the “Company”) wishes to announce that the Company has recently won government tenders to purchase two pieces of land (the “Acquisitions”) in separate locations in Henan Province. The details are as follows:

- (1) The Company, through its wholly-owned subsidiary, Xinxiang Huilong Real Estate Co., Ltd (“Xinxiang”), has won an open tender from the relevant department of Shangqiu local government to purchase a piece of land in Shangqiu City, Henan Province (“Land A”) for a total consideration of RMB31 million (about S\$6.3 million). Land A is made up of 2 portions situated next to each other: the first portion is located between Guide Road and Xiangjun Road, and occupies a site area of 47,327 square metres, while the second portion is located at Yinghe Road and occupies a site area of 8,572 square metres, making a total land area of 55,899 square metres. Both sites are zoned for commercial and residential development and have a tenure of 70 years which expires in 2076.
- (2) The Company, through its wholly-owned subsidiary, Elegant Jade Enterprises Limited (“Elegant Jade”), has won an open tender from the relevant department of Luoyang local government to purchase a piece of land in Luoyang City, Henan Province (“Land B”) for a total consideration of RMB49.6 million (about S\$10.1 million), payable in various instalments. Land B is located between Binhe Road and Nanyi Road, occupies a site area of 55,104 square metres, and is zoned for commercial and residential development. The commercial portion has a tenure of 40 years which expires in 2046, while the residential portion has a tenure of 70 years which expires in 2076.

The Acquisitions, which are entered into in the ordinary course of business of the Company and its subsidiaries (the “Group”), will be financed through internal resources of the Group. Both pieces of land are well located near the town centre of the two respective cities, Shangqiu and Luoyang. The Group intends to develop both Land A and Land B under composite type of development projects to increase its market share and with the view of strengthening its position as one of the leading property developers in Henan Province.

The Company is currently finalizing the developmental details and intends to maximize the potential of the Acquisitions. The Company will continue to keep shareholders informed of further progress and investment in Land A and Land B.

Shangqiu City is a prefecture-level city in eastern Henan Province, People's Republic of China, and lies at the juncture of Henan, Jiangsu and Anhui Provinces. Luoyang City is a prefecture-level city in western Henan province, People's Republic of China, and it borders the provincial capital of Zhengzhou to the east and Sanmenxia to the west.

The Henan Province is located in the central region of China and occupies an area of about 167,000 square km, with an estimated population of 97.2 million (representing approximately seven per cent. of the entire population of the PRC). Based on the Henan Statistical Yearbook, 2005, the GDP of Henan has grown from RMB407.9 billion in 1997 to RMB881.5 billion in 2004.

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

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

Submitted by Ms Foo Soon Soo, Company Secretary on 28 June 2006 to the SGX-ST