

# SUNSHINE HOLDINGS LIMITED

Company Registration No. CT-140095

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## ACQUISITION AND DISPOSAL OF SUBSIDIARIES

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### ***ACQUISITION OF SUBSIDIARY TO INCREASE LAND BANK***

The Board of Directors of Sunshine Holdings Limited (the “Company”) wishes to announce that the Company had on 28 June 2006, through its wholly-owned subsidiary, Xinxiang Huilong Zhongxin Xinqu Real Estate Development Co., Ltd (“Zhongxin”), entered into an agreement to acquire a 90% equity interest in the capital of Hetian Jiayuan Real Estate Development Co., Ltd. (长治禾田佳园房地产开发公司) (“Hetian”) for a total consideration of RMB26.4 million (or about S\$5.2 million) (the “Acquisition”).

Hetian, incorporated in the People’s Republic of China on 5 August 2004, has a present registered capital RMB20 million. As a property development company, it currently owns a piece of land in Fuhou West Street, Changzhi City, Shanxi Province (the “Land”), which is under development. The Land, zoned for commercial and residential development and occupies a total site area of 11,333 square metres, has a tenure of 50 years which expires in 2052.

The Company is currently finalizing the developmental details and intends to maximize the potential of the Acquisition. The project is expected to contribute to the Group’s performance in FY2006 and FY2007. The Company will keep shareholders informed of further progress.

Changzhi City is a prefecture-level city in the province of Shanxi of the People’s Republic of China. It lies between the city of Huozhou in Shanxi and the city of Hebi in Henan. Shanxi has a population of about 33.35 million. The nominal GDP of Shanxi in 2004 was RMB304.2 billion (or about US\$37.74 billion), ranked 18th in China.

The purchase price, which took into consideration the valuation of the Land as determined by Xinxiang Rongtong Assets Evaluation Co.,Ltd., an independent valuer appointed by the Company, is arrived at on a willing-buyer willing-seller basis and will be satisfied by cash. The Acquisition, which is 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.

Upon completion of the Acquisition, Hetian would become a 90%-owned subsidiary of Zhongxin.

## **DISPOSAL OF SUBSIDIARY**

The Board of Directors of Sunshine Holdings Limited (the “Company”) also wishes to announce that the Company had on 28 June 2006, through its wholly-owned subsidiary, Xinxiang Huilong Zhongxin Xinqu Real Estate Development Co., Ltd (“Zhongxin”), entered into an agreement to dispose its 90% equity interest in the capital of Jiaozuo Jindeli Real Estate Development Co., Ltd. (焦作金德利房地产开发有限公司) (“Jindeli”) for a total consideration of RMB24.7 million (or about S\$4.8 million) (the “Disposal”). This disposal is the result of the Group’s efforts to streamline its portfolio of development properties in order to focus on larger and more profitable projects.

Jindeli presently owns a piece of land located in Hehuan Road West Side, Mengzhou City, Henan Province (the “Property”). The Property, occupying a total land area of 90,000 square metres with a tenure of 50 years expiring in 2054, is currently being developed as the Company’s Sunlight New City project.

The sale price, which took into consideration the valuation of the Property, as determined by Xinxiang Rongtong Assets Evaluation Co., Ltd., an independent valuer appointed by the Company, is arrived at on a willing-buyer willing-seller basis and will be satisfied by cash.

The Disposal is entered into in the ordinary course of business of the Company and its subsidiaries. Upon completion of the Disposal, Zhongxin will cease to have any interest in Jindeli.

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

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