

SUNSHINE HOLDINGS LIMITED

Company Registration No. CT-140095

ACQUISITION OF SUBSIDIARIES

The Board of Directors of Sunshine Holdings Limited (the “Company”) wishes to announce that the Company through its wholly-owned subsidiary, Anyang Huilong Real Estate Co., Ltd (“Anyang Huilong”), has entered into an agreement to acquire a 80% equity interest in the capital of the following three companies (collectively, the “New Subsidiaries”) (the “Acquisitions”) for a total consideration of RMB59.9 million (or about S\$11.9 million) (the “Purchase Consideration”).

	<u>Name of New Subsidiaries</u>	<u>Country of incorporation/ Place of Business</u>	<u>Registered Capital</u>	<u>Principal activities</u>	<u>Major Properties Owned</u>
(1)	Henan Xin Shi Jia Real Estate Co., Ltd (河南省新世家置业有限公司) (“Xin Shi Jia”)	People’s Republic of China	RMB8 million	Property development for sales and rental	- Development projects at Modern City and Cuizu Yuan (see item (i) and (ii) below) - 616 square metres of Block A of Retail Mall for rental (see item (iii)(a) below)
(2)	Henan Ding Sheng Real Estate Co., Ltd (河南鼎盛实业有限公司) (“Ding Sheng”)	People’s Republic of China	RMB8 million	Property rental	- 2,666 square metres of Block B of Retail Mall for rental (see item (iii)(b) below)
(3)	Henan Zhong Cheng Jia Sheng Property Management Co., Ltd (河南中诚嘉盛物业管理有限公司) (“Zhong Cheng Jia Sheng”)	People’s Republic of China	RMB1 million	Property management (manage the property at Retail Mall)	- N/A

- (i) Mixed development project, Western Modern City (西现代城) (“Modern City”)

Modern City, located between Feng Yang Street and Jin Jun Road at the western part of Zhengzhou City, Henan Province, occupies a site area of 29,657.7 square metres. The site, which is zoned for commercial and residential development, has a tenure of 70 years (expiring in 2075) for both its commercial and residential portion.

The Modern City project is currently being developed to house an estimated total gross floor area of 90,339.5 square metres, of which 10% is planned for commercial development and 90% for residential development. Construction has started and is expected to be completed in 2006/2007. More than 15% of the gross floor area for the project has been pre-sold at selling prices ranging between RMB3,500 and RMB4,500 per square metre for commercial areas and between RMB2,500 and RMB3,200 per square metre for residential areas.

(ii) Mixed development project, Cuizu Yuan (翠竹苑) (“Cuizu Yuan”)

Cuizu Yuan, located between Xue Song Road and Cui Zu Street at the western part of Zhengzhou City, Henan Province, occupies a site area of 31,192.2 square metres. The site, which is zoned for commercial and residential development, has a tenure of 70 years (expiring in 2076) for both its commercial and residential portion.

The Cuizu Yuan project is currently being developed to house an estimated total gross floor area of 63,623.1 square metres, of which 10% is planned for commercial development and 90% for residential development. Construction has started and is expected to be completed in 2006/2007. More than 50% of the gross floor area for the project has been pre-sold at selling prices ranging between RMB3,000 and RMB4,000 per square metre for commercial areas and between RMB1,750 and RMB2,000 per square metre for residential areas.

(iii) International Commercial City Retail Mall (国际小商品城) (“Retail Mall”)

The Retail Mall, a fully operational commercial property, comprises a six-storey retail Block A and a four-storey retail Block B. Completed in mid of 2005, the Retail Mall is located between Fu Shou Street and Xing Long Street, at the heart of Zhengzhou City, the capital of Henan Province, and strategically sited adjacent to the railway station which provides convenient access to different parts of China. With its excellent location, the Retail Mall is accessed by approximately 700,000 daily commuters passing through the railway station, apart from patronage by residents and the working population in the vicinity.

(a) Occupying a total site area of 2,944 square metres, Block A of the Retail Mall has a gross floor area of 12,330 square metres with a tenure of 40 years expiring in 2043. More than 90% of Block A of the Retail Mall were sold at prices ranging between RMB15,000 and RMB20,000 per square metre.

(b) Occupying a total site area of 13,545 square metres, Block B of the Retail Mall has a gross floor area of 19,638 square metres and has a tenure of 40 years expiring in 2044. More than 80% of Block B of the Retail Mall were sold at prices ranging between RMB20,000 and RMB30,000 per square metre.

The remaining commercial spaces in Block A and B of the Retail Mall available for rental are currently leased out to tenants at rates ranging between RMB50 and RMB180 per square metre per month. The leases have tenures ranging between 1 to 3 years.

Zhengzhou is the capital city of Henan Province, People's Republic of China, and the city which occupies a land area of about 7,446.2 square km, has an estimated population of 3.5 million. The GDP of Zhengzhou has grown from RMB96 billion in 2002 to RMB165 billion in 2005.

The Acquisitions are entered into in the ordinary course of business of the Company and its subsidiaries (the "Group"). The Purchase Consideration, to be satisfied in cash and financed through the internal resources of the Group, took into account of the valuation of the 3 abovementioned properties owned by the New Subsidiaries as determined by Henan Jiu Ding Assets Evaluation Co., Ltd, an independent valuer appointed by the Company, and is arrived at on a willing-buyer willing-seller basis.

Upon completion of the Acquisitions, the New Subsidiaries would be 80% owned by Anyang Huilong, a wholly owned subsidiary of the Company.

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.