

Company Registration No. CT-140095

**UPDATE ON DEBT RESTRUCTURING:
HEARING FOR APPLICATION FOR APPOINTMENT OF LIQUIDATORS**

The Board of Directors of Sunshine Holdings Limited (the “Company”) refers to the announcement made by the Company on 15 July 2009 and wishes to announce as follows in connection with the captioned subject:

The hearing for the application for the appointment of a liquidator of Elegant Jade Enterprises Limited (“Elegant Jade”) by Centar Investment (Asia) Limited, Stark Master Fund Limited and Stark Asia Master Fund Limited (collectively, “Stark”) is scheduled to be held on 21 September 2009 in the courts of the British Virgin Islands (the “BVI Proceedings”). Stark is one of the members of the syndicate of lenders under the facility agreement dated 2 November 2007 (the “Facility Agreement”). It holds US\$25 million or some 21% of the outstanding principal amount of US\$120 million under the Facility Agreement. Elegant Jade and the Company are the joint and several borrowers under the Facility Agreement.

Elegant Jade is being advised by legal counsels as to the appropriate legal course of action it would take with regard to the BVI Proceedings.

Notwithstanding the BVI Proceedings, the Company continues to be in active discussions with the syndicate of lenders (including Stark) as well as the bondholder in respect of its US\$32 million convertible bond due 2011, with a view to agree on a plan for the restructuring of the financial indebtedness of the Company and Elegant Jade. The outcome of the discussions is expected to have an impact on the BVI Proceedings.

The Board advises shareholders and the investing public to exercise caution in dealing in the shares of the Company in the meantime.

By Order of the Board

Mr. Guo Yinghui
Chairman
2 September 2009