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## DISPOSAL OF A SUBSIDIARY

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### 1. The Disposal

The Board of Directors of Sunshine Holdings Limited (the “Company”) hereby announces that the Company, via its two wholly-owned subsidiaries, Henan Sunshine Elegant Jade Real Estate Co., Ltd (河南阳光美基置业有限公司) (“Henan Sunshine”) and Henan Huilong Property Management Co., Ltd (河南辉龙物业管理有限公司) (“Henan Huilong”), had disposed its entire equity interest (with 80% held through Henan Sunshine and 20% through Henan Huilong) in Zhoukou Xin Shi Jia Real Estate Co., Ltd (周口新世家置业有限公司) (the “Zhoukou Company”) to two unrelated third parties (collectively, the “Buyers”) for a cash consideration of RMB21.6 million (the “Disposal”) (the “Disposal Consideration”).

In addition to the Disposal Consideration, the Buyers are also required to fully settle an outstanding amount of approximately RMB153.4 million due from Zhoukou Company to the Group (the “Sum Due”).

Subsequent to the Disposal, carried out in the ordinary course of business of the Group, Zhoukou Company shall cease to be a subsidiary of the Company.

### 2. Rationale for the Disposal

The Disposal is aimed to raise the Disposal Consideration and the Sum Due, aggregating RMB175.0 million (collectively, the “Settlement Consideration”), with a view to fund prospective investment opportunities which the Group may undertake, including but not limited to resource-related business, commercial and tourism properties.

The Company will keep shareholders informed once the investment opportunities have been firmed up.

### 3. The Disposal Consideration

The Disposal Consideration, derived at on an arm’s length basis and on normal commercial terms, was based on a discount of approximately 9.1% to the appraised net tangible asset of Zhoukou Company of approximately RMB23.8 million as appraised by Henan Hua Tong Asset Valuation Co., Ltd (河南华通资产评估有限公司) (the “Valuer”), an independent professional asset valuation company, pursuant to a valuation report issued by the Valuer (the “Valuation Report”).

### 4. The Settlement Consideration

As at the date of this announcement, the Group has fully received the Settlement Consideration.

## 5. Financial Effects of the Disposal

### Gain on Disposal

Based on the latest announced management accounts of the Group for the three-month period ended 30 June 2011 and assuming that the Disposal was completed as at 30 June 2011, the Disposal will result in a gain on Disposal of approximately RMB39.6 million.

### Proforma Financial Effects

The proforma financial effects of the Disposal set out below, computed based on the audited financial statements of the Group for the financial year ended 31 December 2010 and the following assumptions, are intended for illustration purposes only; they are neither indicative of the actual financial effects of the Disposal on the consolidated net tangible asset ("NTA") and consolidated earnings per share ("EPS") of the Group nor reflective of the future financial position and performance of the Group:

- (a) For the purpose of the consolidated profit and loss account, the Disposal had been completed on 1 January 2010; and
- (b) For the purpose of the consolidated balance sheet, the Disposal had been completed on 31 December 2010.

### Share Capital

The Disposal has no effect on the issued share capital of the Company.

### NTA

The Disposal would have increased the NTA per share of the Company from 17.1 Singapore cents each to 17.9 Singapore cents each, an increase of approximately 0.8 Singapore cents for each share of the Company as illustrated below:

	<b>Before the Disposal RMB'000</b>	<b>After the Disposal RMB'000</b>
NTA of the Group (net of non-controlling interests) as at 31 December 2010	<u>853,851</u>	<u>893,451</u>
NTA per share of the Company as at 31 December 2010 (Singapore cents) <sup>(1)</sup>	<u>17.1 cents</u>	<u>17.9 cents</u>

**Note:**

- (1) Calculated based on the exchange rate of S\$1:RMB5.09 and issued share capital of 978,000,000 ordinary shares of the Company as at 31 December 2010.

### EPS

The Disposal would have increased the EPS of the Company from 0.5 Singapore cents each to 1.3 Singapore cents each, an increase of approximately 0.8 Singapore cents for each share of the Company as illustrated below:

	<b>Before the Disposal RMB'000</b>	<b>After the Disposal RMB'000</b>
Profit of the Group (after tax and minority interests) attributable to equity holders of the Company	<u>25,978</u>	<u>65,578</u>
EPS (Singapore cents) <sup>(1)</sup>	<u>0.5 cents</u>	<u>1.3 cents</u>

**Note:**

- (1) Calculated based on the average exchange rate of S\$1: RMB4.97 for the financial year ended 31 December 2010 and based on the issue share capital of 978,000,000 ordinary shares of the Company as at 31 December 2010.

**6. Interest of Directors and Substantial Shareholders of the Company**

None of the Directors or substantial shareholders of the Company has any interest, directly or indirectly, in the Disposal (other than their interests held, directly or indirectly, through shares in the Company).

**BY ORDER OF THE BOARD**

Mr Guo Yinghui

Chairman and CEO

13 September 2011