

SUNSHINE HOLDINGS LIMITED

(Incorporated in the Cayman Islands)
Company Registration No. CT-140095

ACQUISITION OF SUBSIDIARY TO EXPAND LAND BANK IN ZHENGZHOU

The Board of Directors of Sunshine Holdings Limited (the “Company”) wishes to announce that the Company has, through its wholly-owned subsidiaries, Xinxiang Huilong Real Estate Co., Ltd (“Xinxiang Huilong”) and Henan Huilong Property Management Co., Ltd (“Henan Huilong”), entered into an agreement to acquire 100% equity interest in the capital of Henan Jinjiang Real Estate Co., Ltd (the “New Subsidiary”).

The total consideration for the acquisition is RMB 61.0 million (“Purchase Consideration”), payable in installments. Upon completion of the Acquisition, the New Subsidiary would be 90% owned by Xinxiang Huilong and 10% owned by Henan Huilong. The New Subsidiary, incorporated in the People's Republic of China (“PRC”), is in the business of property development and has two existing projects in Zhengzhou, the capital city of Henan Province. Details of the two property projects are as follows:

- (i) Mixed development project, Zhong Mou New Town (中牟新城项目) (“Zhong Mou Project”)

Zhong Mou Project, located at the eastern side of Jingsan Road and northern side of Weiyi Road, occupies a site area of approximately 76,000 square metres. The land is zoned for mixed development with a tenure of 40 years for the commercial portion and a tenure of 70 years for the residential portion.

The total planned GFA for the Zhong Mou Project is approximately 97,000 square metres, of which about 80% will be allocated for residential development and the rest for commercial purpose. Strategically situated in the vicinity to the Civic District, the land is easily accessible and well served with public amenities such as post office, sports stadium, police station, land bureau office and education institutions. Upon completion, the project will offer quality mid level housing for local residents.

Based on current available information, the estimated average selling price is between RMB 2,500 and 3,500 per square metre for residential space and about RMB 4,000 per square metre for commercial space. The local government has recently embarked on a comprehensive development program that involves joint planning of Zhengzhou and Kaifeng. As Zhong Mou lies between these two cities, its land and properties offer good potential for appreciation.

Construction of the project is scheduled to start in 2008 and revenue contribution can be expected from FY2008.



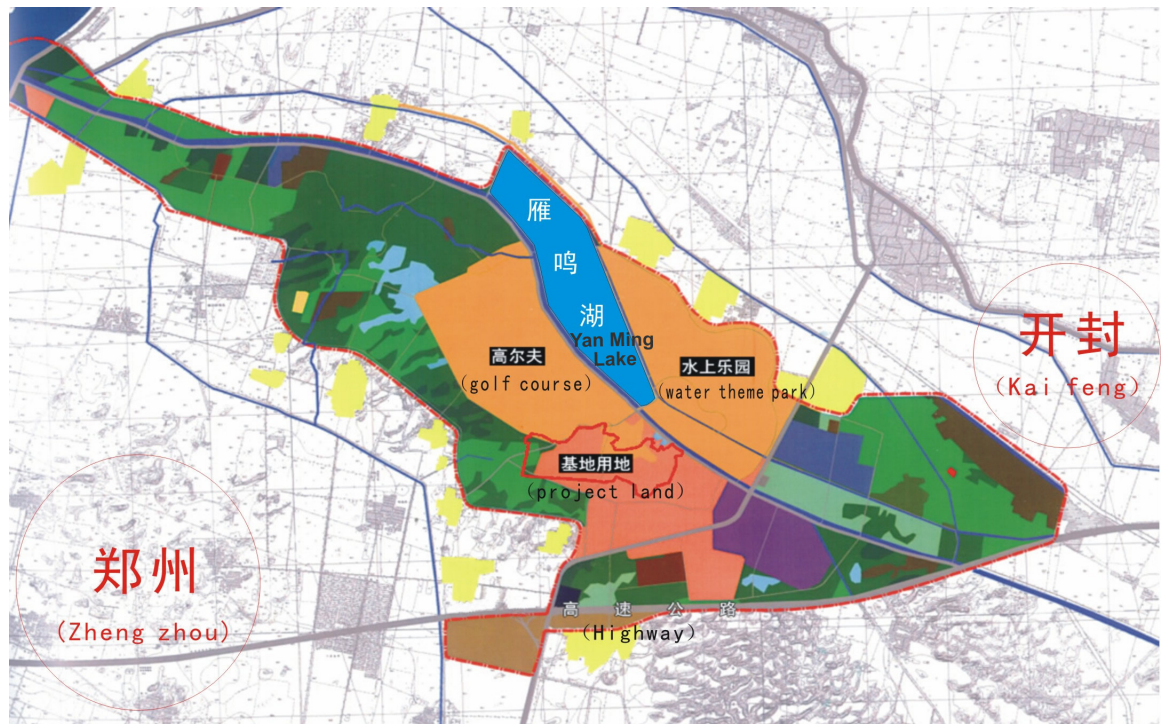
- (ii) Mixed development project, Yan Ming Hu (雁鸣湖项目) (“Yan Ming Hu Project”)

Yan Ming Hu Project, located at the eastern side of Yanminghujingqu Road and the western side of Tianming Group, occupies a total site area of approximately 779,000 square metres, of which 457,000 square metres is zoned for residential development and has a tenure of 70 years.

In close proximity to the famous Yan Ming Lake, the project offers a picturesque waterfront view of the largest natural lake in Zhengzhou. With the absence of industrial development, the serenity of Yan Ming Lake attracts perching geese during the spring and winter seasons, which adds to its unique charm. In addition, there is a golf course and a water sports recreation centre, making it a favourite recreation spot for the residents of both Zhengzhou and Kaifeng. Together with the tranquility offered by the surrounding greenery that creates an idyllic natural environment for homes, the land is much sought after by property developers.

The total planned GFA of the Yan Ming Hu Project is approximately 274,000 square metres and the development will comprise deluxe residential with ancillary facilities for business conferences. Based on current available information, the estimated average selling price for residential space is about RMB 10,000 per square metre.

Construction on the land has started and the entire project is to be developed in phases over a 3-year period. Revenue contribution can be expected from FY2008.



The acquisition is entered into in the ordinary course of business of the Company. The Purchase Consideration is arrived at on a willing-buyer willing-seller basis and will be satisfied in cash from internal resources and borrowings of the Group. The Purchase Consideration took into account the current valuation of the properties owned by the New Subsidiary as determined by an independent and professional valuer appointed by the Company.

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.

Henan Province is located in the central region of PRC and occupies an area of about 167,000 square km, with an estimated population of 97.7 million (representing approximately seven per cent of the entire population of the PRC).

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

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