

SUNSHINE HOLDINGS LIMITED

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

AN UPDATE ON PROJECTS UNDER DEVELOPMENT

The Board of Directors of Sunshine Holdings Limited ("Sunshine" or the "Group") wishes to provide an update in relation to the Group's various projects under development in Henan Province, China.

Shining Holiday Shopping Centre II

With increasing affluence and rising domestic consumption, commercial properties in China are enjoying strong demand. According to the latest report in "2007 Commercial Property Development in China", there are some noteworthy trends developing in the property market:

- (1) The 2nd and 3rd tier cities are increasing attractive for property investment activities;
- (2) A growing number of commercial properties are being held for investment purposes;
- (3) Close collaborations between major retailers and property developers are becoming more prevalent.

Sunshine is pleased to be invited by a major domestic retailer, a market leader in China's retail business and a company listed in China's A-share market, to collaborate on the operations of Shining Holiday Shopping Centre II - Block B [gross floor area of 24,000 square metres (sqm)]. Both parties are in the midst of negotiation and are exploring various collaborative options, including rental of part, or whole, of Shining Holiday Shopping Centre II - Block B.

In view of the above development, the Group has, after careful consideration, decided to suspend further sales of Shining Holiday Shopping Centre II. As a result, the project will not contribute to group revenue in 4Q 2007. Nevertheless, the Group expects to remain profitable in FY2007.

The Group would also like to update shareholders that there has not been any major change in the market condition or regulatory environment that Sunshine operates in. The Group remains focused on property development in China's 2nd and 3rd tier cities and will continue to actively expand its land bank as well as strengthen its project management expertise.

Further update will be provided at a later date upon the finalisation of discussion with the major domestic retailer.

Other Projects Under Development

In order to increase the overall revenue from the development projects at a faster rate, the Group has undertaken some adjustments to its existing projects. The adjustments include accelerating the construction of multi-storey residential blocks and developing projects as a whole instead of in phases. As Luoyang Project and Shangqiu Project are included in the adjustment exercise, there will be no income recognition from the two projects in 4Q 2007.

As of 23 December 2007, the Group has pre-sold approximately 39,600 sqm of gross floor area (GFA) in the Shangqiu Project and approximately 42,500sqm of GFA in the Luoyang Project. Some income from these pre-sales will be recognized in 1Q 2008.

Additional information will be available when the Group announces its financial results for the full year ending 31 December 2007 in February 2008.