

SUNSHINE HOLDINGS LIMITED

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

LAND AT WESTERN DISTRICT OF XINXIANG – AN UPDATE ON LAND USE

The Board of Directors of Sunshine Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) is pleased to announce the Company’s recent success in obtaining the land use conversion for part of the land that it owns at the Western District of Xinxiang.

The land at the Western District of Xinxiang occupies a total site area of approximately 499,746 square metres (sqm) and has a total planned gross floor area (GFA) of approximately 800,736 sqm. According to the General Plan of Xinxiang country, New Country Seat (2003 - 2020), the aforesaid land is planned for a composite development although its land use right states the land usage as industrial use.

The Group has successfully obtained, in accordance to its development schedule, the relevant approval for change of land use issued by the municipal government and the new land use right certificate for approximately 234,000 sqm, or 47% of the total site area. Following the conversion, the value of the land has appreciated substantially. The land has been fully paid for and the conversion of land use will not result in additional costs for the Company.

The portion of land with land use conversion has a planned GFA of approximately 300,000 sqm and development is expected to take place in two phases. Phase I and Phase II of the project have approximately 100,000 sqm and 200,000 sqm in GFA respectively, with approximately 90% of the space to be allocated for residential development and the rest for commercial purposes. Some of the residential units in this project will cater specifically to members of the civil service. Based on currently available information, the estimated average selling prices are about RMB 1,300 – 1,500 per sqm for residential space and about RMB 3,000 – 3,300 per sqm for commercial space. The average selling prices can be expected to rise as the development of the project progresses.

The construction of Phase I is scheduled to begin immediately after the successful land use conversion and is targeted to be completed in FY2008. Revenue contributions from Phase I can be expected in FY2008 and FY2009. Construction of Phase II is expected to be started no later than early 2008 and is scheduled to be fully completed in FY2010.

The Group is currently evaluating the available options for the remaining portion of the land so as to maximise the benefits to the Group. The development of the land will be carefully planned based on the Group’s growth strategy as well as local property market conditions.

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