

Sunshine Holdings Limited News Release: Embargoed until 14 August 2006, 6.06 pm.

Results Announcement: 2Q ended 30 June 2006 (the figures have not been audited)

The Initial Public Offering of the Company's share was sponsored by UOB Asia Ltd.



SUNSHINE HOLDINGS LIMITED
阳光控股有限公司

Company Registration No. CT-140095

Sunshine Q2 FY2006 Net Profit Up 35%

- **“Sold & Completed” Income Recognition Will Boost Performance in 2nd half 2006**
- **Income Contribution Expected From 4 Development Projects in 2nd half 2006**
- **Total Land Bank Exceeding 1 million sq m in GFA to benefit FY2007 and FY2008**

Singapore, 14 August 2006 – Singapore Exchange Mainboard-listed Sunshine Holdings Limited (“Sunshine” or the “Group”), an award-winning Henan-based developer of residential and commercial properties today announced its Q2 FY2006 results for the three months ended 30 June 2006.

In Q2 FY2006, the Group completed and sold five residential blocks in one of its signature cluster development projects, Sunlight City - Ming Yuan. Revenues of RMB30.8 million were recorded during the period under consideration and net profit attributable to equity holders of Sunshine grew 35% to RMB 15.6 million for the quarter.

“In our completion method of revenue recognition, we only recognise revenue when the property is sold and the completion certificate issued. Income is not booked even when we have pre-sold our development properties. Because of this, our quarterly results tend to be lumpy,” explained Sunshine’s Chairman, Mr. Guo Yinghui, when commenting on the Group’s revenue.

When addressing the recent government measures to curb property speculation in China, Mr. Guo believes that Henan is not a policy target of the new measures and hence the Group’s developments are not affected. “Property speculation is not evident in Henan and some of the new measures have already been implemented here. Henan’s property market is supported by economic and income growth with genuine local end-user demand. We provide quality affordable housing for the masses in support of Henan province’s urbanization initiative”, Mr Guo explained.

Prospects

The Group is now working on 4 projects, namely Sunlight City – Ming Yuan and Yi Yuan, Shining Holiday Shopping Center II as well as a project in Changzhi City. These projects are expected to contribute to the income for 2nd half 2006.

Summary of the Group's Projects Under Development As At 30 June 2006

Name of projects	Est. GFA (sq. m.)	Zoning for Land Usage	Expected Completion*	% Sold and Completed
Sunlight City – Ming Yuan	202,192	Residential	FY2006	96%
Sunlight City – Yi Yuan	265,500	Residential	FY2006	63%
Shining Holiday Shopping Center II	40,400	Commercial	FY2006/2007	-
Changzhi Project (new)	63,177	Residential/Commercial	FY2006/2007	-

* Barring unforeseen circumstances and changes in regulatory environment.

With all but one remaining block in Ming Yuan and more than 60% of the total gross floor area (GFA) in Yi Yuan sold, the whole Sunlight City project is expected to be fully completed by the end of 2006.

In respect of Shining Holiday Shopping Center II, our commercial development project, the Group has recently been approached by an established and renowned company to let a substantial portion of this development. Depending on prevailing market conditions and the sustainability of the uptrend in property prices in the medium term, the Group may consider holding some or all of the units in the development for investment purpose to enhance shareholders' value. Following from the aforesaid, the development may be substantially completed, instead of fully completed, by end 2006 as possible modifications may be made to the design of the development to better improve human traffic flow.

The project in Changzhi City was newly acquired in June 2006 when the Group bought a 90% equity interest in Hetian Jiayuan Real Estate Development Co., Ltd, which is building two residential cum commercial blocks, of 24 and 29 floors, on a piece of land in Changzhi City, Shanxi Province. Based on current plan, approximately 35% of the project will be allocated for commercial purpose and 65% for residential use. Construction has started and one of the two blocks is expected to be completed by end 2006. More than 40% of the GFA in this project has been pre-sold at selling prices ranging from RMB 6,000 to RMB 10,000 per square metre for commercial spaces and from RMB 2,000 to RMB 3,000 per square metre for residential spaces.

Summary of the Group's Projects For Future Development As At 30 June 2006

Name of projects	Est. GFA (sq. m.)	Zoning for Land Usage	Expected Completion*
Shangqiu Project (new)	78,000	Residential/Commercial	FY2007/2008
Luoyang Project (new)	137,500	Residential/Commercial	FY2007/2008
Western District of Xinxiang	800,736	Composite**	FY2007/2008

* Barring unforeseen circumstances and changes in regulatory environment.

** Conversion of zoning for land usage from industrial to composite use in progress.

In June 2006, Sunshine has also secured in government tenders two pieces of land in Shangqiu City and Luoyang City, both in Henan Province. Both projects are scheduled for completion in FY2007 and FY2008. Together with the project in Western District of Xinxiang, the Group now has a land bank of more than 1 million square metres in GFA.

The Group is currently appraising a few new parcels of land strategically located in certain major cities in the Henan Province. To achieve its vision of being one of the leading property developers in Henan, the Group will continue to seek good opportunities to expand its land bank, maintain an active pipeline of new projects and strengthen its position as a reliable property developer for quality affordable housing for the masses.

About Sunshine Holdings Limited

Listed on the SGX Mainboard in March 2006, Sunshine Holdings Limited is an award winning Henan-based developer of residential and commercial properties.

The Group strategically focuses on selected tier-two cities with strong urbanization of population and a property market at the budding stage of development. This focused approach since its establishment in 1999 has enabled the Group to build a strong and reputable property development brand name "Huilong". Over a span of 6 years, the Group developed an impressive aggregate GFA of more than 400,000 square metres of properties.

Various awards and accolades attest to the Group's performance. In 2004, the Group clinched the coveted "PRC Leading Property Developer" award by the Construction Cultural Centre of the PRC Building Department. It has also been awarded Certificate of Credit Rating Grade AAA by the Xinxiang City Capital Credit Rating Committee for five consecutive years since 2001. In 2003, the Group was awarded the Certificate of Honour for the top 50 developers in Henan for 2002 by the Henan Building Authority and Henan Statistical Bureau.

For more information, please visit our website: <http://www.sunshine-holdings.com> or contact:

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