

Sunshine Holdings Limited

News Release: Results Announcement: 3Q ended 30 Sep 2006 (the figures have not been audited)



SUNSHINE HOLDINGS LIMITED
阳光控股有限公司

Company Registration No. CT-140095

Q3 2006 Net Profit +113% to RMB46.7m Growth Driven by Higher Margin Development Projects

**US Real Estate Investment Firm Forum to Provide US\$32m in
Convertible Bonds and US\$18m in Loans For Property Development**

	Q3 2006	Q3 2005	%
	RMB'000	RMB'000	Change
Revenue	142,635	128,918	+ 11%
Gross profit	64,594	36,174	+ 79%
- Gross profit margin	45.3%	28.1%	
Profit before tax	73,057	33,476	+ 118%
Net profit	46,667	21,868	+ 113%
- Net profit margin	32.7%	17.0%	

Highlights

- Revenue grew 11% to RMB 142.6m
Driven by sales of more commercial properties
- Net profit jumped 113% & net profit margin expanded to 32.7%
Sales of commercial units in Changzhi project yielded higher margin
- Group revenue expected to balloon in Q4 2006
Revenue contribution from new projects expected in Q4 2006
- Positive outlook for FY2007
Retail mall development project expected to boost FY2007 profitability

Singapore, 13 November 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 Q3 2006 results for the three months ended 30 September 2006.

In Q3 2006, the Group recorded a revenue growth of 11% to RMB142.6m. With the sale and completion of some residential units in Sunlight City – Yi Yuan project as well as commercial units (which command higher margin than residential properties) in the Changzhi project, gross profit jumped 79% to RMB 64.6m. This boosted net profit attributable to equity holders to RMB 46.7m, an increase of 113% over the previous corresponding period.

Outlook for Q4 2006

The Group's two new projects, namely Cuizu Yuan and Western Modern City, are currently under development, with Cuizu Yuan substantially sold and Western Modern City about 60% sold to date. Revenue contributions from these two projects, as well as from existing projects, can be expected in Q4 2006.

Projects with Q4 2006 contribution	Estimated remaining GFA (sqm)	Type	Projected revenue range to be realised in Q4 2006/ FY2007*	Expected completion date*
Sunlight City – Ming Yuan	8,000	Res / Com	RMB 8-10m	Q4 2006
Sunlight City – Yi Yuan	74,000	Res / Com	RMB 120-150m	Q4 2006/ FY2007
Changzhi project	41,500	Res / Com	RMB 110-130m	Q4 2006
Cuizu Yuan	64,000	Res / Com	RMB 120-150m	Q4 2006
Western Modern City	82,000	Res / Com	RMB 280-320m	Q4 2006/ FY2007

* Barring unforeseen circumstances and changes in the regulatory environment.

“We are progressing well with the sale and construction of our existing projects. With the current pipeline of projects, our Q4 2006 revenue is expected to comfortably exceed the cumulative revenue recorded for the first 9 months”, explained Mr. Guo Yinghui, the Executive Chairman of Sunshine.

Under the completion method of revenue recognition adopted by the Group in accordance with the International Financial Reporting Standards, revenue will only be recognized upon delivery of sold properties and issuance of the completion certificate to the purchasers. As a result, pre-sales will not be recorded as revenue until the properties have been completed. This would explain the lumpiness in the Group's revenue and profits on quarter-to-quarter basis.

Outlook for FY2007

The remaining portions of revenue from Sunlight City – Yi Yuan and Western Modern City are expected to be recognized in FY2007. In addition, four new projects are expected to contribute in FY2007, and their details are tabulated below.

Projects with contribution in 2007 and beyond	Estimated GFA (sqm)	Type	Projected selling price range*	Expected completion date*
Shining Holiday Shopping Center II	40,400	Com	RMB 7,000-10,000/sqm	FY2007
Luoyang Project	148,000***	Res / Com	RMB 2,800-3,200/sqm (Res) RMB 8,000-10,000/sqm (Com)	FY2007/2008
Shangqiu Project	77,000***	Res / Com	RMB 1,800-2,200/sqm (Res) RMB 6,000-8,000/sqm (Com)	FY2007
Western Dist. of Xinxiang	800,736	Comp**	N/A**	FY2007/2008/ 2009

* Barring unforeseen circumstances and changes in the regulatory environment.

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

*** Subject to detailed project planning at a later date, approximately 90% of the project will be allocated for residential and 10% for commercial use

For Shining Holiday Shopping Centre II, the Group's commercial development project which is currently under construction, the Group has decided to sell all the units in this development. The project is scheduled to be completed in 2007 and being a high-margin retail project, it is expected to contribute substantially to FY2007 profitability.

In a separate development today, the Group announced that it has entered into a conditional subscription agreement (the "Subscription Agreement") with Forum Asian Realty Income II, L.P. ("Forum"). Forum is a real estate private equity fund managed by Forum Partners, a global real estate investment management firm headquartered in the US. Under the 5-year Subscription Agreement, Forum will subscribe for up to US\$32 million in convertible bonds with a coupon rate of 7% per annum and a conversion price of S\$0.30 per share. As a condition of the Subscription Agreement, Forum will provide Sunshine with a US\$18 million 2-year credit facility at an annual interest rate of LIBOR plus 250 basis points. The convertible bonds and the credit facility will be secured by a charge of all the Company's outstanding equity interests in wholly-owned subsidiary Elegant Jade Enterprises Limited and against a guarantee to be issued by Elegant Jade. The proceeds from the financing arrangements will be used to fund the Group's acquisitions and property developments in its ordinary course of business.

Please refer to the various announcements released on SGXnet today for more details.

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

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.

About Forum Asian Realty Income II, L.P.

Forum Asian Realty Income II, LP is managed by Forum Partners, a global real estate investment management firm with over USD 1.2 billion of capital under management on behalf of institutional and individual investors worldwide. Forum Partners specializes in investments in leading and emerging listed and private real estate companies. Since its founding in 2002, Forum Partners has managed investments in over 40 companies in 16 countries in Asia, Europe and North America. Forum has over thirty investment professionals based in offices in London, Singapore, Hong Kong, Beijing, Santa Fe, New Mexico and Stamford, Connecticut.

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

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