Sunshine 100 China Holdings Ltd

陽光100中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2608)

PRELIMINARY ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

SUMMARY OF 2023 ANNUAL RESULTS

- Revenue amounted to RMB2,101.9 million, and the gross profit amounted to RMB395.1 million, representing a decrease of 10.8% and 13.3%, respectively, as compared to 2022. The gross profit margin was 18.8%, representing a decrease of 0.5 percentage point as compared to 2022.

- Loss for the year amounted to RMB3,185.8 million. Loss for the year decreased by 4.0% as compared to 2022, which was mainly due to the Company's continuous strengthening of cost control, the continuous decrease in selling expenses and administrative expenses as compared to last year, as well as the decrease in write-down of properties under development and completed properties held for sale and impairment losses on trade and other receivables and loans provided to third parties as compared to last year.

- Basic and diluted loss per share was RMB1.17 and RMB1.17, respectively.

- Total assets amounted to RMB50,831.8 million. The total deficit attributable to equity shareholders of the Company amounted to RMB419.9 million.

- Contracted sales amounted to RMB580.8 million, representing a decrease of 51.8% as compared to 2022.

- Total GFA of the land reserves were approximately 6.4 million square meters as of 31 December 2023.

The board (the "**Board**") of directors (the "**Directors**") of Sunshine 100 China Holdings Ltd (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2023 (the "**Reporting Period**"), together with the comparative figures for the corresponding period of 2022. The annual results of the Group for the Reporting Period have been reviewed by the audit committee of the Company (the "**Audit Committee**") and approved by the Board on 27 March 2024.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023
(Expressed in Renminbi)

	Notes	**2023** *RMB'000* **(Unaudited)**	2022 *RMB'000* (Audited)
Revenue	4	**2,101,938**	2,357,610
Cost of sales/services		**(1,706,827)**	(1,901,687)
Gross profit		**395,111**	455,923
Valuation losses on investment properties		**(371,632)**	(580,529)
Other income	5(a)	**24,807**	50,541
Selling expenses		**(108,732)**	(133,941)
Administrative expenses		**(254,192)**	(282,738)
Other operating expenses	5(b)	**(450,686)**	(566,839)
Impairment losses on trade receivables	5(c)	**(64,283)**	(75,299)
Impairment losses on other receivables	5(c)	**(74,003)**	(364,820)
Impairment losses on loans provided to third parties	5(c)	**(84,952)**	(327,605)
Loss from operations		**(988,562)**	(1,825,307)
Finance income	6	**349,251**	397,889
Finance costs	6	**(1,833,368)**	(1,925,815)
Share of results of associates		**(82,434)**	67,366
Loss before taxation		**(2,555,113)**	(3,285,867)
Income tax expenses	7	**(630,730)**	(31,162)
Loss for the year		**(3,185,843)**	(3,317,029)

	Note	2023 RMB'000 (Unaudited)	2022 RMB'000 (Audited)
Other comprehensive (loss) income for the year (after tax and reclassification adjustments)			
Item that will not be reclassified to profit or loss:			
Fair value change of other financial assets classified as fair value through other comprehensive income		**(1,272)**	(1,388)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		**9,436**	(31,484)
Other comprehensive income (loss) for the year		**8,164**	(32,872)
Total comprehensive loss for the year		**(3,177,679)**	(3,349,901)
Loss for the year attributable to:			
Equity shareholders of the Company		**(2,985,800)**	(3,163,571)
Non-controlling interests		**(200,043)**	(153,458)
Loss for the year		**(3,185,843)**	(3,317,029)
Total comprehensive loss for the year attributable to:			
Equity shareholders of the Company		**(2,977,636)**	(3,196,443)
Non-controlling interests		**(200,043)**	(153,458)
Total comprehensive loss for the year		**(3,177,679)**	(3,349,901)
Loss per share (RMB)	8		
Basic		**(1.17)**	(1.24)
Diluted		**(1.17)**	(1.24)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023
(Expressed in Renminbi)

	Notes	**2023** ***RMB'000*** **(Unaudited)**	2022 *RMB'000* (Audited)
Non-current assets			
Property and equipment		**458,886**	525,587
Investment properties		**11,187,568**	11,551,558
Intangible assets		**–**	–
Restricted deposits		**26,466**	42,708
Investments in associates		**1,225,893**	1,307,842
Trade and other receivables	9	**44,038**	47,716
Deferred tax assets		**1,196,483**	1,195,584
Other financial assets		**72,548**	73,903
Total non-current assets		**14,211,882**	14,744,898
Current assets			
Properties under development and completed properties held for sale		**25,039,108**	25,305,928
Land development for sale		**3,265,292**	3,137,903
Contract costs		**247,074**	253,522
Trade and other receivables	9	**6,989,014**	7,584,665
Trading securities		**42,083**	86,304
Other financial assets		**354,129**	348,230
Restricted deposits		**54,174**	280,359
Cash and cash equivalents		**629,012**	641,300
Total current assets		**36,619,886**	37,638,211

	Notes	2023 *RMB'000* (Unaudited)	2022 *RMB'000* (Audited)
Current liabilities			
Loans and borrowings		**22,934,905**	25,221,676
Trade and other payables	10	**13,720,066**	10,633,672
Contract liabilities		**4,196,757**	5,106,238
Lease liabilities		**14,568**	18,945
Contract retention payables		**37,139**	127,934
Current tax liabilities		**2,083,456**	2,089,732
Total current liabilities		**42,986,891**	43,198,197
Net current liabilities		**(6,367,005)**	(5,559,986)
Total assets less current liabilities		**7,844,877**	9,184,912
Non-current liabilities			
Loans and borrowings		**4,082,782**	1,594,983
Contract retention payables		**28,868**	87,183
Lease liabilities		**26,520**	41,088
Trade and other payables	10	**466,860**	1,427,246
Deferred tax liabilities		**2,432,140**	2,048,355
Total non-current liabilities		**7,037,170**	5,198,855
NET ASSETS		**807,707**	3,986,057

	Note	2023 RMB'000 (Unaudited)	2022 RMB'000 (Audited)
CAPITAL AND RESERVES	11		
Share capital		**20,174**	20,174
Reserves		**(440,109)**	2,537,609
Total (deficit) equity attributable to equity shareholders of the Company		**(419,935)**	2,557,783
Non-controlling interests		**1,227,642**	1,428,274
TOTAL EQUITY		**807,707**	3,986,057

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with all IFRS Accounting Standards, which collective term includes all applicable individual IFRS Accounting Standards, IAS Standards and IFRIC Interpretations issued by the International Accounting Standards Board ("**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The IASB has issued certain amendments to IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in the consolidated financial statements.

2 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2023 comprise the Company and its subsidiaries, and the Group's interests in associates.

The consolidated financial statements are presented in Renminbi ("**RMB**"), rounded to the nearest thousand, which is the functional currency of the Company and the entities carrying out the principal activities of the Group in the People's Republic of China (the "**PRC**").

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

– investment properties, including interests in leasehold land and buildings held as investment properties where the Group is the beneficial owner of the property interest;

– investments in equity securities and investment funds; and

– derivative financial instruments.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Going concern

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group incurred a net loss of approximately RMB3,185,843,000 for the year ended 31 December 2023 and as at 31 December 2023, the Group's current liabilities exceeded its current assets by approximately RMB6,367,005,000 and the Group reported capital deficits of approximately RMB419,935,000. In addition, as at 31 December 2023, the Group had total loans and borrowings of approximately RMB27,017,687,000 of which the current loans and borrowings amounted to approximately RMB22,934,905,000. However, the Group only had cash and cash equivalents of approximately RMB629,012,000.

As at 31 December 2023, the Group's loans and borrowings of approximately RMB14,215,696,000, convertible bonds with outstanding principal of United States Dollars ("**USD**") 45,400,000 (equivalent to approximately RMB321,554,000) and interest of USD5,466,000 (equivalent to approximately RMB38,715,000), senior notes of USD258,100,000 (equivalent to approximately RMB1,828,046,000), senior green notes with principal of USD219,600,000 (equivalent to approximately RMB1,555,361,000) and corporate bonds of approximately RMB2,202,000,000 were overdue pursuant to the relevant borrowing agreements which constituted events of default.

As at 31 December 2023, the Group had not finalised the land appreciation tax returns with the tax authorities for certain property development projects which had already met the requirement of finalisation of the PRC land appreciation tax ("**Land Appreciation Tax**"). The potential Land Appreciation Tax payment obligations arising from the clearance may have a significant impact on the liquidity position of the Group.

As at and subsequent to 31 December 2023, the Group is subjected to a number of legal proceedings which mainly in relation to disputes under construction contracts in respect of its various property development projects and defaults of repayment of several loans and borrowings, which arose during the normal course of business. Based on the best estimation on the possible outcomes of the disputes by the management in consideration of the development of negotiations with the creditors and advice sought from the independent legal advisors and internal legal counsel, the possible further obligations (other than those liabilities/provisions that have been recognised in the consolidated financial statements) arose from litigations are expected to be immaterial to the consolidated financial statements of the Group. However, it is uncertain for the timing of crystallisation of the relevant legal proceedings.

The above events or conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken or will be taken by the directors of the Company to mitigate the liquidity pressure and to improve its financial position which include, but are not limited to, the following:

(i) the Group has been actively negotiating with a number of creditors and lenders for renewal and extension of interest-bearing borrowings which would be due within 12 months, in which the Group has already successfully renewed interest-bearing borrowings of approximately RMB43,290,000 and extended interest-bearing borrowings of approximately RMB4,230,310,000 for 1 to 3 years during the year ended 31 December 2023;

(ii) the Group has been actively negotiating with a number of creditors and lenders for debt restructuring of interest-bearing borrowings;

(iii) the Group has been actively negotiating with existing lenders for persuading them not to take action to demand for immediate repayment of the borrowings with interest payments in default including the prevention from the auction of the Group's pledged properties;

(iv) the Group has been actively negotiating with various financial institutions and potential lenders/investors to identify various options for financing the Group's working capital and commitments in the foreseeable future, in which the Group has already successfully obtained new loans and borrowings from bank and third parties of approximately RMB454,445,000 during the year ended 31 December 2023;

(v) the Group has implemented plans to dispose several investment properties instead of generating rental income to improve the cash flow in future;

(vi) the Group has accelerated or will accelerate the pre-sale and sale of its properties under development and completed properties held for sale;

(vii) the Group has implemented measures to speed up the collection of outstanding sale proceeds and loans to third parties;

(viii) the Group will continue to improve the operating efficiency by implementing measures to tighten cost controls over various operating expenses in order to enhance its profitability and to improve the cash flow from its operation in future;

(ix) the Group has been actively looking for larger property development enterprises and cooperating with investors to develop properties under development of the Group through joint effort;

(x) the Group has been actively procuring and negotiating the preliminary terms with larger property development enterprises for the sale of property development projects at a price deemed appropriate; and

(xi) the Group has been actively negotiating with the local tax authorities to postpone the finalisation and payment of Land Appreciation Tax of the property development projects which had already met the requirement of finalisation of Land Appreciation Tax.

Based on the latest information available, the directors of the Company are of the opinion that it is appropriate to prepare the consolidation financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the management of the Company will be able to implement the abovementioned plans and measures. Whether the Group will be able to continue as a going concern will depend upon the Group's ability to generate adequate financial and operating cash flows through the following:

(i) successfully negotiating with the lenders on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principal and interests;

(ii) successfully negotiating with the creditors and lenders on debt restructuring of interest-bearing borrowings;

(iii) successfully persuading the Group's existing lenders not to take action to demand for immediate repayment of the borrowings with interest payments in default including the prevention from the auction of the Group's pledged properties;

(iv) successfully negotiating with various financial institutions and potential lenders/investors and identifying various options for financing the Group's working capital and commitments in the foreseeable future;

(v) successfully implemented plans to dispose several investment properties instead of generating rental income to improve the cash flow in future;

(vi) successfully accelerating the pre-sales and sales of properties under development and completed properties and speeding up the collection of outstanding sales proceeds and loans to third parties, and controlling costs and capital expenditure so as to generate adequate net cash inflows;

(vii) successfully looking for larger property development enterprises and cooperating with investors to develop properties under development of the Group through joint effort;

(viii) successfully procuring and negotiating the preliminary terms with larger property development enterprises for the sale of property development projects at a price deemed appropriate; and

(ix) successfully negotiating with the local tax authorities to postpone the finalisation and payment of Land Appreciation Tax of the property development projects which had already met the requirements of finalisation of Land Appreciation Tax.

The directors of the Company believe that the aforementioned plans and measures will be successful, based on the continuous efforts by the management of the Company. However, should the Group fail to achieve the abovementioned plans and measures, it may not have sufficient funds to operate as a going concern, in which case adjustments might have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to reclassify the non-current assets and non-current liabilities as current assets and current liabilities, respectively, and to provide for any further liabilities which might arise. The effects of these adjustments have not been reflected in the consolidated financial statements.

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendment to IFRS Accounting Standards issued by the IASB to the consolidated financial statements for the current accounting period:

Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules

Impacts of the adoption of the amended IFRS Accounting Standards are discussed below:

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies.

The amendments have no effect on the measurement, recognition or presentation of any items in the consolidated financial statements. Management has reviewed the disclosure of accounting policy information and considered it is consistent with the amendments.

Amendments to IAS 8: Definition of Accounting Estimates

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to IAS 12: Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on recognition, give rise to equal taxable and deductible temporary differences.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to IAS 12: International Tax Reform – Pillar Two Model Rules

The amendments provide entities with temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's Pillar Two model rules. The Amendments also introduce targeted disclosure requirements to help investors understand an entity's exposure to income taxes arising from the rules.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

(i) Disaggregation of revenue

The principal activities of the Group are property and land development, property investment, property management and hotel operation, and light-asset operation. Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2023 ***RMB'000*** **(Unaudited)**	2022 *RMB'000* (Audited)
Revenue from contracts with customers within the scope of IFRS 15		
Sale of properties	**1,385,485**	1,682,540
Property management and hotel operation income	**533,329**	499,604
Light-asset operation income	**12,303**	13,199
	1,931,117	2,195,343
Revenue from other sources		
Rental income from investment properties	**170,821**	162,267
	2,101,938	2,357,610
Disaggregated by timing of revenue recognition		
At a point in time	**1,301,166**	1,523,390
Over time	**629,951**	671,953
	1,931,117	2,195,343

The Group's customer base is diversified and there are no customers with whom transactions have exceeded 10% of the Group's revenue.

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 31 December 2023, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is approximately RMB5,594,427,000 (2022: approximately RMB6,017,082,000). This amount represents revenue expected to be recognised in the future from sale of properties. The Group will recognise the expected revenue within three years. This amount do not includes variable consideration which is constrained.

(b) Segment reporting

The Group manages its businesses based on its products and services, which are divided into property development that comprises mixed-use business complexes and multi-functional residential communities, investment properties, property management and hotel operation, and light asset operation. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management, being identified as the chief operating decision makers ("**CODM**"), for the purposes of resources allocation and performance assessment focuses on types of goods delivered or services rendered. Specifically, the Group has presented the following five reportable segments:

(a) the mixed-use business complexes segment that develops and sells business complex products;

(b) the multi-functional residential communities segment that develops and sells residential properties and develops land;

(c) investment properties segment that leases offices and commercial premises;

(d) the property management and hotel operation segment that provides property management services, and hotel accommodation services; and

(e) the light-asset operation segment that provides property selling agency and brand-use services.

No operating segments identified by the CODM have been aggregated to form the above reportable segments.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets and liabilities include all non-current assets and liabilities and current assets and liabilities other than unallocated head office and corporate assets and liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments. Head office and corporate expenses are not allocated to individual segments.

Segment profit (loss) represents the profit (loss) after taxation generated by individual segments.

Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Management is provided with segment information concerning revenue, cost of sales/services, valuation losses on investment properties, other income, net operating expenses, impairment losses on trade and other receivables and loans provided to third parties, net finance costs, income tax, additions on investment properties and property and equipment, write-down of properties under development and completed properties held for sale and loans and borrowings.

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the CODM for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2023 and 2022 is set out below:

	Year ended 31 December 2023 (Unaudited)					
	Mixed-use business complexes *RMB'000*	**Multi-functional residential communities** *RMB'000*	**Investment properties** *RMB'000*	**Property management and hotel operation** *RMB'000*	**Light-asset operation** *RMB'000*	**Total** *RMB'000*
Disaggregated by timing of revenue recognition						
At a point in time	**711,147**	**577,716**	**–**	**–**	**12,303**	**1,301,166**
Over time	**95,732**	**890**	**–**	**533,329**	**–**	**629,951**
Revenue from external customers	**806,879**	**578,606**	**–**	**533,329**	**12,303**	**1,931,117**
Revenue from other sources	**–**	**–**	**170,821**	**–**	**–**	**170,821**
	806,879	**578,606**	**170,821**	**533,329**	**12,303**	**2,101,938**
Inter-segment revenue	**–**	**–**	**8,558**	**5,845**	**20,736**	**35,139**
Reportable segment revenue	**806,879**	**578,606**	**179,379**	**539,174**	**33,039**	**2,137,077**
Cost of sales/services	**(715,646)**	**(517,471)**	**–**	**(484,992)**	**(1,171)**	**(1,719,280)**
Reportable segment gross profit	**91,233**	**61,135**	**179,379**	**54,182**	**31,868**	**417,797**
Valuation losses on investment properties	**–**	**–**	**(371,632)**	**–**	**–**	**(371,632)**
Other income	**1,605**	**2,651**	**2,094**	**6,717**	**489**	**13,556**
Net operating expenses	**(174,167)**	**(394,460)**	**(28,557)**	**(101,507)**	**(21,516)**	**(720,207)**
Impairment losses on trade receivables	**(10,758)**	**(52,355)**	**–**	**(1,122)**	**–**	**(64,235)**
Impairment losses on other receivables	**4,688**	**(29,091)**	**(1,501)**	**–**	**–**	**(25,904)**
Net finance costs	**(220,148)**	**(405,763)**	**(4,042)**	**(4,536)**	**(9)**	**(634,498)**

	Year ended 31 December 2023 (Unaudited)					
	Mixed-use business complexes *RMB'000*	Multi-functional residential communities *RMB'000*	Investment properties *RMB'000*	Property management and hotel operation *RMB'000*	Light-asset operation *RMB'000*	Total *RMB'000*
Reportable segment (loss) profit before taxation	**(307,547)**	**(817,883)**	**(224,259)**	**(46,266)**	**10,832**	**(1,385,123)**
Income tax (expenses) credit	**(266,786)**	**(367,907)**	**5,058**	**456**	**(7)**	**(629,186)**
Reportable segment (loss) profit	**(574,333)**	**(1,185,790)**	**(219,201)**	**(45,810)**	**10,825**	**(2,014,309)**
Additions on investment properties and property and equipment	**267**	**42**	**16,269**	**930**	**739**	**18,247**
Write-down of properties under development and completed properties held for sale	**68,332**	**105,016**	**–**	**–**	**–**	**173,348**

	At 31 December 2023 (Unaudited)					
	Mixed-use business complexes *RMB'000*	Multi-functional residential communities *RMB'000*	Investment properties *RMB'000*	Property management and hotel operation *RMB'000*	Light-asset operation *RMB'000*	Total *RMB'000*
Loans and borrowings	**9,048,628**	**12,526,269**	**–**	**588,966**	**–**	**22,163,863**
Reportable segment assets	**18,524,150**	**17,882,220**	**11,632,650**	**205,180**	**106,964**	**48,351,164**
Reportable segment liabilities	**17,980,359**	**24,636,671**	**242,033**	**920,931**	**49,892**	**43,829,886**

	Year ended 31 December 2022 (Audited)					
	Mixed-use business complexes *RMB'000*	Multi-functional residential communities *RMB'000*	Investment properties *RMB'000*	Property management and hotel operation *RMB'000*	Light-asset operation *RMB'000*	Total *RMB'000*
Disaggregated by timing of revenue recognition						
At a point in time	977,126	533,065	–	–	13,199	1,523,390
Over time	95,989	76,360	–	499,604	–	671,953
Revenue from external customers	1,073,115	609,425	–	499,604	13,199	2,195,343
Revenue from other sources	–	–	162,267	–	–	162,267
	1,073,115	609,425	162,267	499,604	13,199	2,357,610
Inter-segment revenue	–	–	8,649	8,923	37,027	54,599
Reportable segment revenue	1,073,115	609,425	170,916	508,527	50,226	2,412,209
Cost of sales/services	(916,197)	(564,212)	–	(440,496)	(6,743)	(1,927,648)
Reportable segment gross profit	156,918	45,213	170,916	68,031	43,483	484,561
Valuation losses on investment properties	–	–	(580,529)	–	–	(580,529)
Other income	2,367	3,086	2,490	4,335	481	12,759
Net operating expenses	(291,168)	(468,512)	(34,052)	(89,817)	(28,180)	(911,729)
Impairment losses on trade receivables	1,399	(77,200)	–	502	–	(75,299)
Impairment losses on other receivables	(10,141)	(8,688)	(50)	–	–	(18,879)
Net finance costs	(60,486)	(380,820)	(16,866)	(4,974)	(19)	(463,165)

	Year ended 31 December 2022 (Audited)					
	Mixed-use business complexes *RMB'000*	Multi-functional residential communities *RMB'000*	Investment properties *RMB'000*	Property management and hotel operation *RMB'000*	Light-asset operation *RMB'000*	Total *RMB'000*
Reportable segment (loss) profit before taxation	(201,111)	(886,921)	(458,091)	(21,923)	15,765	(1,552,281)
Income tax (expenses) credit	(252,561)	60,096	8,081	(1,024)	(300)	(185,708)
Reportable segment (loss) profit	(453,672)	(826,825)	(450,010)	(22,947)	15,465	(1,737,989)
Additions on investment properties and property and equipment	81,416	30,285	8,483	6,228	5	126,417
Write-down of properties under development and completed properties held for sale	189,272	199,018	–	–	–	388,290

	At 31 December 2022 (Audited)					
	Mixed-use business complexes *RMB'000*	Multi-functional residential communities *RMB'000*	Investment properties *RMB'000*	Property management and hotel operation *RMB'000*	Light-asset operation *RMB'000*	Total *RMB'000*
Loans and borrowings	6,997,171	12,560,736	–	724,966	–	20,282,873
Reportable segment assets	16,527,708	19,034,044	11,871,557	175,001	118,950	47,727,260
Reportable segment liabilities	15,303,171	22,941,998	219,785	972,602	43,169	39,480,725

(ii) Reconciliations of reportable segment revenue, loss, loans and borrowings, assets and liabilities

	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Revenue		
Reportable segment revenue	**2,137,077**	2,412,209
Elimination of intra-group revenue	**(35,139)**	(54,599)
Consolidated revenue *(Note 4(a) (i))*	**2,101,938**	2,357,610
Loss		
Reportable segment loss	**(2,014,309)**	(1,737,989)
Elimination of intra-group results	**22,686**	28,638
Unallocated head office and corporate loss	**(1,194,220)**	(1,607,678)
Consolidated loss	**(3,185,843)**	(3,317,029)
Loans and borrowings		
Reportable segment loans and borrowings	**22,163,863**	20,282,873
Unallocated head office and corporate loans and borrowings	**4,853,824**	6,533,786
Consolidated loans and borrowings	**27,017,687**	26,816,659

	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Assets		
Reportable segment assets	**48,351,164**	47,727,260
Elimination of intra-group balances	**(8,625,040)**	(6,254,994)
Unallocated head office and corporate assets	**11,105,644**	10,910,843
Consolidated total assets	**50,831,768**	52,383,109
Liabilities		
Reportable segment liabilities	**43,829,886**	39,480,725
Elimination of intra-group balances	**(8,625,040)**	(8,509,260)
Unallocated head office and corporate liabilities	**14,819,215**	17,425,587
Consolidated total liabilities	**50,024,061**	48,397,052

(iii) Geographical information

The Group's operations are substantially located in the PRC, therefore no geographical segment reporting is presented.

5(a) OTHER INCOME

	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Gain on deregistration/deconsolidation of subsidiaries	**2,967**	2,797
Gain on disposal of property and equipment	**–**	219
Others	**21,840**	47,525
	24,807	50,541

5(b) OTHER OPERATING EXPENSES

	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Write-down of properties under development and completed properties held for sale *(Note 5(c))*	**173,348**	388,290
Penalty	**47,444**	160,898
Loss on disposal of an associate	**104,654**	–
Loss on debt set-off by properties under development	**103,026**	–
Loss on disposal of property and equipment	**24**	–
Others	**22,190**	17,651
	450,686	566,839

5(c) IMPAIRMENT LOSSES

As a result of the continuous COVID-19 pandemic control policies and the unexpected significant deterioration in the real estate market due to the tightened monetary and credit policies, as appropriate, in the PRC since 2021, and occasionally outbreak of COVID-19 pandemic in different cities in the PRC throughout the year ended 31 December 2022, the Group and some of its counterparties experienced significant liquidity difficulties, and therefore, certain property development projects have been suspended/delayed and the recoverability of certain assets and receivables, that were advanced to the Group's business partners for certain property development projects in the Group's ordinary course of business, was deteriorated. After due and careful consideration of the potential recoverable amounts, the Group recognised significant impairments on various assets as follows:

a) partial provision on trade receivables, other receivables and loans provided to third parties was made to reflect the expected credit losses ("**ECL**") exposure estimated by the management of the Company with reference to credit risk assessment made by the Group and/or a professional valuer; and

b) partial provision on properties under development and completed properties held for sale to reflect the decline in the net realisable value of relevant properties development projects.

In determination of the required provision that should be made, the Group had considered the following factors, among others:

a) the existing and expected future real estate market conditions in the PRC;

b) the expected further costs to be incurred by the Group on the incompleted property development projects; and

c) the credit rating and/or other credit assessment results of the business partners, including aging analysis, settlement record, risk and time to realise the value of collaterals, etc.

6 FINANCE INCOME AND FINANCE COSTS

	2023 *RMB'000* (Unaudited)	2022 *RMB'000* (Audited)
Finance income		
Interest income on financial assets measured at amortised cost	**(349,251)**	(393,444)
Dividend income from the trading securities	**–**	(3,076)
Net change in fair value of financial assets measured at fair value through profit or loss ("**FVPL**")	**–**	(1,369)
	(349,251)	(397,889)
Finance costs		
Total interest expense on loans and borrowings	**3,161,648**	3,361,301
Less: Interest expense capitalised into land development for sale, properties under development and investment properties under construction*	**(1,480,862)**	(2,074,187)
	1,680,786	1,287,114
Net change in fair value of the trading securities	**44,221**	11,623
Net change in fair value of financial assets measured at FVPL	**83**	–
Interest element of lease rentals paid	**3,726**	8,641
Other finance expenses#	**–**	462,679
Bank charges and others	**14,688**	23,918
Net foreign exchange loss	**89,864**	131,840
	1,833,368	1,925,815

* The borrowing costs have been capitalised at a rate of 6.00% – 16.52% per annum (2022: 3.63% – 16.52%).

During the year ended 31 December 2023, the Group had instructed the financial advisors to suspend their financial advising services in respect of certain loans and borrowings of the Group. Therefore, the Group did not recognise any further other finance expenses.

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	2023	2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Provision for the year		
– PRC Corporate Income Tax	**30,434**	98,701
– Land Appreciation Tax	**217,410**	539,289
Deferred tax	**382,886**	(606,828)
Income tax expenses	**630,730**	31,162

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Island (the "**BVI**"), the group entities incorporated in the Cayman Islands and the BVI, are not subject to any income tax.

In accordance with the Corporate Income Tax Law of the PRC, the income tax rate applicable to the Company's subsidiaries in the PRC is 25%.

In accordance with the Land Appreciation Tax Law of the PRC, Land Appreciation Tax is levied at the properties developed by the Group for sale in the PRC. Land Appreciation Tax is charged on the appreciated amount at progressive rates ranged from 30% to 60%, except for certain projects which are charged on the contract revenue of properties sold or pre-sold at different rates ranged from 5% to 7% based on types of properties.

8 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of approximately RMB2,985,800,000 (2022: RMB3,163,571,000) and the weighted average of 2,550,811,477 ordinary shares (2022: 2,550,811,477 ordinary shares) in issue during the year.

(b) Diluted loss per share

For the years ended 31 December 2023 and 2022, diluted loss per share is the same as basic loss per share as the effect of potential ordinary share is anti-dilutive.

9 TRADE AND OTHER RECEIVABLES

	Notes	**31 December 2023** *RMB'000* **(Unaudited)**	31 December 2022 *RMB'000* (Audited)
Trade receivables, net of loss allowance	(a)	**398,170**	464,371
Loans provided to third parties, net of loss allowance	(b)	**3,076,903**	2,886,998
Loans provided to non-controlling interests of subsidiaries, net of loss allowance		**306,286**	300,502
Loans provided to associates, net of loss allowance		**38,480**	295,072
Consideration receivables, net of loss allowance		**295,565**	294,190
Other receivables, net of loss allowance		**1,153,153**	1,564,635
Financial assets measured at amortised cost, net of loss allowance		**5,268,557**	5,805,768
Deposits and prepayments		**1,764,495**	1,826,613
		7,033,052	7,632,381
Less: non-current portion of other receivables		**(44,038)**	(47,716)
		6,989,014	7,584,665

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables (net of loss allowance), based on the revenue recognition date, is as follows:

	31 December 2023	31 December 2022
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 6 months	**5,982**	21,049
6 months to 1 year	**9,278**	8,336
Over 1 year	**382,910**	434,986
	398,170	464,371

(b) Loans provided to third parties

The balance mainly represented loans provided to third parties which were interest bearing at a weighted interest rate of 12% (2022: 12%) per annum. The management of the Company measures loss allowance for loans provided to third parties on an individual basis at an amount equal to 12-month ECL unless there has been a significant increase in credit risk of the loan balance since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECL.

During the year ended 31 December 2023, a total loss allowance of approximately RMB85 million (2022: approximately RMB328 million) was recognised on the loans provided to third parties, which was related to loans provided to a number of companies with credit risk increased. Therefore, a loss allowance based on lifetime ECL of approximately RMB85 million (2022: approximately RMB328 million) have been recognised thereon. No reversal of impairment loss was recognised in profit or loss during the years ended 31 December 2023 and 2022.

During the year ended 31 December 2023, loans provided to third parties of approximately RMB1,173,000 (2022: approximately RMB11,413,000) were made to certain payees, which are independent third parties, by the payment instructions received from the relevant contracting parties.

10 TRADE AND OTHER PAYABLES

	Note	**31 December 2023 RMB'000 (Unaudited)**	31 December 2022 RMB'000 (Audited)
Trade payables	(a)	**3,675,074**	3,739,395
Advances received from third parties		**359,079**	407,789
Consideration payables in respect of acquisition of subsidiaries		**843,184**	843,184
Amounts due to related parties		**281,196**	262,952
Other payables		**7,896,406**	5,709,165
Financial liabilities measured at amortised cost		**13,054,939**	10,962,485
Other taxes payables		**1,131,987**	1,098,433
		14,186,926	12,060,918
Less: non-current portion of trade payables		**(466,860)**	(1,427,246)
		13,720,066	10,633,672

(a) As of the end of reporting period, the ageing analysis of trade payables (which are included in trade and other payables) based on invoice date, is as follows:

	31 December 2023 RMB'000 (Unaudited)	31 December 2022 RMB'000 (Audited)
Within 1 year	**1,724,015**	2,312,149
1 to 2 years	**824,516**	624,496
Over 2 years but within 5 years	**1,126,543**	802,750
	3,675,074	3,739,395

11 CAPITAL AND RESERVES

(a) Dividend

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 December 2023 and 2022, nor has any dividend been proposed since 31 December 2023 (2022: Nil).

(b) Share capital

	2023		2022	
	No. of shares **(Unaudited)**	***HKD'000*** **(Unaudited)**	*No. of shares* (Audited)	*HKD'000* (Audited)
Authorised:				
Ordinary shares of HK$0.01 each	**4,000,000,000**	**40,000**	4,000,000,000	40,000

	2023		2022	
	No. of shares **(Unaudited)**	***RMB'000*** **(Unaudited)**	*No. of shares* (Audited)	*RMB'000* (Audited)
Ordinary shares, issued and fully paid:				
At 1 January and 31 December	**2,550,811,477**	**20,174**	2,550,811,477	20,174

12 LITIGATION

As at 31 December 2023 and up to the date of this announcement, the Group is subjected to a number of legal proceedings which mainly in relation to disputes under construction contracts in respect of its various property development projects and defaults of repayment of several bank and other borrowings, which arose during the normal course of business.

In the opinion of the directors of the Company, based on the best estimation on the possible outcomes of the disputes by the management in consideration of the development of negotiations with the creditors and advice sought from the independent legal advisors and internal legal counsel, the possible further obligations (other than those liabilities/provisions have been recognised in the consolidated financial statements) arose from litigations is immaterial to the consolidated financial statements of the Group.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Director(s)**") of Sunshine 100 China Holdings Ltd (the "**Company**", together with its subsidiaries, the "**Group**"), I present the business review and outlook of the Group for the year ended 31 December 2023 (the "**Reporting Period**").

MARKET REVIEW

In 2023, with the end of the pandemic, there was widespread anticipation for a strong economic recovery. However, after experiencing a brief market rebound in the first quarter, there was a decline in both quantity and price, with the market sentiment remaining low. Residents' willingness to purchase homes was weak, and although there were policy incentives, housing prices and sales continued to decline, leading to a sustained decrease in new projects and development investments. Overall, the market still faced tremendous pressure.

BUSINESS REVIEW

The past year was undoubtedly an extremely difficult one for Sunshine 100. While debt defaults were still being resolved, coupled with a sluggish sales market and difficulties in retrieving funds, the contract sales amount decreased by 51.8% compared to 2022, and the Group's cash flow situation remained tight. However, in the face of challenges and difficulties, we did not choose to lay down and do nothing. We are well aware that only by actively facing and taking initiative can we find solutions to problems.

1. **Ensuring Delivery:**

   Continuing to respond to the government's policy of ensuring delivery, the Company received a total of RMB48 million in relief funds in 2023, ensuring the smooth delivery of projects and protecting the rights and interests of customers. With the support of local governments and construction partners, the completed construction area was 511,565 square meters, an increase of 72% compared to 2022.

2. **Enhancing Operations:**

In response to the market environment and intensified competition, the Company gradually transformed itself into a comprehensive operator. In the relatively tight funding situation, we actively responded by optimizing operating strategies and improving service quality, successfully attracting more high-quality merchants to settle in. The commercial operating area achieved steady growth, ensuring the continued operation of all commercial streets and the Himalayas, and creating a safe, comfortable, and vibrant commercial environment for owners and tenants. Investment property income in 2023 increased compared to 2022, achieving steady improvement.

3. **Debt Negotiations:**

Due to the impact of the market environment, debt defaults were still a major problem for the Company, putting enormous pressure on our operations. The creditors' recovery actions also plunged us into a vortex of legal disputes, consuming a lot of time and energy. We have been actively communicating and negotiating with creditors in a friendly and thorough manner, seeking solutions such as deferred repayments and debt-for-equity swaps, conducting multiple rounds of negotiations, and striving for more understanding and support. However, the resolution of this issue is not immediate, and we are well aware that it will take a long time and effort. In the future, we will continue to maintain dialogue with creditors and seek more reasonable solutions.

FUTURE OUTLOOK

"Surviving in low temperatures" is the consensus of the industry in such a cold season, but the purpose of surviving is to live a better life. We should quickly awaken from the darkness of failure and ignite the light of hope.

"Reshaping the brand" is our first challenge. We can no longer cling to the past or rely on experience. The brand of Sunshine 100 must inject new elements, and only by occupying a high position can we lead the transformation of the business.

The transition from "development" to "operation" is not only a change in products and content, but more importantly, a change in the positioning of the brand and the sublimation of its connotation. Without the confidence of the brand, there will be no participation of major brands, and even the best "heavy assets" will become "inefficient assets". On the contrary, in today's ever-changing consumption patterns and information explosion society, many past assets have the opportunity to be rediscovered and revalued. Only when the brand has sufficient height can it store more energy and give products greater impact.

However, in today's highly saturated business assets, fierce competition, and the various impacts of internet substitution and consumer downgrading, traditional real estate business investment and operational models are no longer suitable. Therefore, we propose the "1+X" competitive strategy, which is based on the high positioning of the brand, participates and forms core business circles. Only by doing this as "1" can we continuously attract and expand the participation of "X" companies, create a new ecosystem, and enhance the overall business competitiveness, thus reshaping the new brand connotation of Sunshine 100.

The transition of Sunshine 100 from a traditional single developer to a comprehensive operator for the future also requires a transformation of organizational structure and incentive mechanisms, and is even more a new challenge for brand reshaping and innovation and entrepreneurship!

We are ready to embark on a new track, competing on a new track. We cannot deviate from our original asset platform advantages and basic fundamentals of our employees, nor can we lose the excellent cultural values that have been formed over decades. We must be prepared to explore in the darkness, but we must also see the future.

In 2024, the external environment will still be filled with challenges and uncertainties, but for Sunshine 100, it will be a year of strategic transformation. In this year, we not only need to complete the business transformation and brand reshaping, but also hope to embark on a new development track. What is certain is that we can only move forward, with no way to retreat!

Finally, on behalf of the Company's board of directors, I would like to express my sincere thanks to our shareholders, investors, partners, customers, employees, and friends who care about Sunshine 100 and work together with us.

Chairman of the Board
Yi Xiaodi

28 March 2024, Beijing

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Contracted Sales

During the Reporting Period, the Group realized contracted sales of RMB580.8 million, representing a decrease of 51.8% from 2022, and contracted sales area of 29,644 square metres, representing a decrease of 72.2% from 2022. Moreover, the Group's average unit price for contracted sales was RMB14,422 per square metre, representing an increase of 53.1% from 2022. Approximately 54.2% of the contracted sales amount was generated from the Yangtze River Delta regions, among which, Wuxi Sunshine 100 Arles and Wenzhou Sunshine 100 Arles projects contributed significantly, with the contracted sales being RMB110.9 million and RMB111.2 million, respectively, accounting for 19.1% and 19.1% of the Group's total contracted sales, respectively.

Breakdown of contracted sales of the Group by geographic location during the Reporting Period is as follows:

			For the 12 months ended 31 December					
Economic area	**City**	**Project**	**Contracted sales area** *(square metres)* [(1)]		**Contracted sales amount** *(RMB million)* [(2)]		**Unit selling price** *(RMB/square metres)* [(1)]	
			2023	2022	**2023**	2022	**2023**	2022
Bohai Rim	Shenyang	Shenyang Sunshine 100 International New Town	**554**	5,033	**15.4**	50.6	**8,996**	8,637
		Shenyang Sunshine 100 Golf Mansion	**993**	277	**10**	3.4	**9,370**	6,278
	Jinan	Jinan Sunshine 100 International New Town	**2,131**	8,150	**56.3**	219.5	**20,669**	24,661
	Dongying	Dongying Sunshine 100 Phoenix Community	**125**	782	**1.3**	5.2	**4,608**	6,507
	Weifang	Weifang Sunshine 100 Phoenix Community	**3,587**	700	**33.9**	14.5	**9,104**	7,191
	Tianjin	Tianjin Sunshine 100 Nankai Himalaya	**327**	90	**8.7**	3.7	**26,486**	24,507
		Tianjin Sunshine 100 Tianta Himalaya	**-99**	-82	**-7**	-1.1	**70,847**	43,828
		Tianjin Sunshine 100 International New Town	**–**	–	**0.6**	6.8	**–**	–
	Yantai	Yantai Sunshine 100 Himalaya	**-100**	987	**-1.1**	10.9	**17,757**	9,896
	Chengde	Sunshine 100 Beijing Arles	**-159**	1,105	**-1.8**	6.9	**11,531**	6,132
	Sub-total		**7,359**	17,042	**116.3**	320.4	**12,175**	15,931

Economic area	City	Project	For the 12 months ended 31 December Contracted sales area *(square metres)* (1)		Contracted sales amount *(RMB million)* (2)		Unit selling price *(RMB/square metres)* (1)	
			2023	2022	**2023**	2022	**2023**	2022
Yangtze River Delta	Wuxi	Wuxi Sunshine 100 Arles	**436**	438	**110.9**	134.5	**16,958**	23,887
		Wuxi Sunshine 100 Himalaya	**887**	2,923	**13.3**	35.5	**14,958**	12,154
	Wenzhou	Sunshine 100 Wenzhou Center	**407**	541	**7.8**	11.2	**18,658**	15,405
		Wenzhou Sunshine 100 Arles	**8,640**	305	**111.2**	3.4	**12,754**	1,994
	Changzhou	Changzhou Sunshine 100 Zone 7 Upper East Side	**4,573**	-161	**65.8**	-3.2	**14,363**	14,440
	Yixing	Yixing Sunshine 100 Phoenix Street	**207**	-759	**5.8**	-10.3	**25,252**	15,039
	Sub-total		**15,150**	3,287	**314.8**	171.1	**13,819**	12,532
Pearl River Delta	Qingyuan	Qingyuan Sunshine 100 Arles	**-2,135**	14,626	**110.9**	65.4	**6,008**	4,396
	Sub-total		**-2,135**	14,626	**110.9**	65.4	**6,008**	4,396
Midwest	Wuhan	Wuhan Sunshine 100 Lakeside Residence	**–**	358	**1.6**	5.1	**–**	9,684
		Wuhan Sunshine 100 Phoenix Street	**1,642**	2,760	**31.2**	32.3	**13,374**	10,984
	Chongqing	Chongqing Sunshine 100 Arles	**3,463**	3,323	**53.3**	45.3	**14,432**	13,513
	Changsha	Changsha Sunshine 100 Phoenix Street	**503**	–	**9.5**	7.4	**12,063**	–
	Liuzhou	Liuzhou Sunshine 100 Yaobu Town	**1,094**	419	**14.8**	4.8	**13,121**	9,988
		Liuzhou Sunshine 100 City Plaza	**-271**	222	**-2.5**	3.8	**10,781**	6,800
		Liuzhou Sunshine 100 Xinye Town(3)(4)	**–**	24,673	**–**	238.5	**–**	9,666

Economic area	City	Project	For the 12 months ended 31 December					
			Contracted sales area *(square metres)* [(1)]		**Contracted sales amount** *(RMB million)* [(2)]		**Unit selling price** *(RMB/square metres)* [(1)]	
			2023	2022	**2023**	2022	**2023**	2022
	Chengdu	Chengdu Sunshine 100 Mia Center	**–**	-45	**0.3**	-1.4	**–**	10,487
	Nanning	Nanning Sunshine 100 Upper East Side International	**–**	–	**0.5**	3.6	**–**	–
		Nanning Sunshine 100 Nine Peninsulas[(3)]	**–**	13,750	**–**	100.6	**–**	7,214
		Nanning Sunshine 100 Mountainside Garden	**–**	–	**-0.1**	–	**–**	–
	Wuzhou	Wuzhou Sunshine 100 Sankee City[(3)]	**–**	20,031	**–**	100.9	**–**	4,992
	Lijiang	Lijiang Sunshine 100 COART Village	**2,119**	6,008	**26.2**	104.5	**12,352**	17,386
	Xi'an	Xi'an Sunshine 100 Arles	**720**	–	**26.8**	2.7	**36,117**	–
	Sub-total		**9,270**	71,499	**161.6**	648.1	**15,253**	8,756
Total			**29,644**	106,454	**580.8**	1,205.0	**14,422**	9,422

Notes:

(1) Excluding car parks
(2) Including car parks
(3) Being light-asset operation projects
(4) The project was disposed of in March 2023.

Breakdown of contracted sales of the Group by type of business during the Reporting Period is as follows:

	For the 12 months ended 31 December					
	Contracted sales area *(square metres)* (1)		**Contracted sales amount** *(RMB million)* (2)		**Unit selling price** *(RMB/square metre)* (1)	
	2023	2022	**2023**	2022	**2023**	2022
Type						
Residential properties	**19,849**	75,699	**253.9**	626.0	**12,786**	8,269
Commercial properties and car parks	**9,795**	30,755	**326.9**	579.0	**17,735**	12,261
Total	**29,644**	106,454	**580.8**	1,205.0	**14,422**	9,422
Proportion						
Residential properties	**67%**	71%	**44%**	52%		
Commercial properties and car parks	**33%**	29%	**56%**	48%		
Total	**100%**	100%	**100%**	100%		

Notes:

(1) Excluding car parks
(2) Including car parks

Property Construction

During the Reporting Period, the Group had no newly started construction area, remaining unchanged from 2022. The completed GFA was 511,565 square metres, representing an increase of 71.6% from 2022. The total GFA under construction was 1,998,867 square metres at the end of the Reporting Period, representing a decrease of 42.6% from 2022, mainly due to the need to maintain the Group's liquidity.

The property construction of the Group during the Reporting Period is as follows:

		As at 31 December 2023		
Economic area	**City**	**Newly-started total GFA**	**Completed total GFA**	**Total GFA under construction at the end of the period**
		(square metres)	*(square metres)*	*(square metres)*
Bohai Rim	Jinan	–	–	–
	Shenyang	–	–	94,349
	Weifang	–	98,963	89,336
	Yantai	–	–	328,917
	Chengde	–	–	166,816
	Tianjin	–	–	–
	Sub-total	**–**	**98,963**	**679,418**
Yangtze River Delta	Wuxi	–	56,180	152,352
	Wenzhou	–	239,856	524,720
	Sub-total	**–**	**296,036**	**677,072**
Pearl River Delta	Qingyuan	–	–	38,107
	Sub-total	**–**	**–**	**38,107**

Economic area	City	As at 31 December 2023 Newly-started total GFA	 Completed total GFA	 Total GFA under construction at the end of the period
		(square metres)	*(square metres)*	*(square metres)*
Midwest	Chongqing	–	42,199	80,322
	Yueyang	–	–	82,552
	Guilin	–	–	31,960
	Liuzhou	–	–	–
	Xi'an	–	12,915	225,036
	Wuhan	–	61,452	156,511
	Lijiang	–	–	27,889
	Sub-total	**–**	**116,566**	**604,270**
Total		**–**	**511,565**	**1,998,867**

Investment Properties

During the Reporting Period, the GFA of investment properties of the Group decreased by 1,125.09 square metres. In the meantime the GFA of the Group's investment properties, both completed and under construction, was 632,690.91 square metres. Moreover, the Group's rental income for the Reporting Period was RMB170.8 million, representing an increase of 5.2% as compared with 2022.

Land Acquisition

During the Reporting Period, the Group paid an aggregate amount of RMB12.0 million for various land and project acquisitions.

Breakdown of the land reserves of the Group at the end of the Reporting Period is as follows:

Economic area	City	Total GFA	Proportion	Attributable GFA	Proportion
		(square metres)		*(square metres)*	
Bohai Rim	Weifang	540,580	8%	540,580	9%
	Shenyang	539,603	8%	506,564	9%
	Yantai	409,027	6%	409,137	7%
	Jinan	167,732	3%	82,189	1%
	Tianjin	111,906	2%	94,405	2%
	Chengde	158,564	2%	112,898	2%
	Dongying	43,009	1%	43,009	1%
	Sub-total	**1,970,421**	**31%**	**1,788,782**	**31%**
Midwest	Chongqing	142,138	2%	113,710	2%
	Guilin[1]	610,196	10%	597,767	10%
	Changsha	216,446	3%	216,446	4%
	Yueyang	82,552	1%	42,102	1%
	Liuzhou	325,654	5%	324,150	6%
	Nanning	177,189	3%	152,536	3%
	Wuhan	299,817	5%	299,817	5%
	Chengdu	81,970	1%	81,970	1%
	Xi'an	466,401	7%	466,401	8%
	Lijiang	265,087	4%	135,194	2%
	Sub-total	**2,667,450**	**42%**	**2,430,093**	**42%**

Economic area	City	Total GFA	Proportion	Attributable GFA	Proportion
		(square metres)		*(square metres)*	
Yangtze River Delta	Wenzhou	885,328	14%	885,328	15%
	Wuxi	286,193	4%	286,193	5%
	Changzhou	48,641	1%	24,807	0%
	Yixing	69,613	1%	55,690	1%
	Sub-total	**1,289,775**	**20%**	**1,252,018**	**22%**
Pearl River Delta	Qingyuan	456,988	7%	251,344	4%
	Sub-total	**456,988**	**7%**	**251,344**	**4%**
Total		**6,384,634**	**100%**	**5,722,237**	**100%**

Note:

(1) Reference is made to the announcement of the Company dated 18 August 2023 in relation to the disposal of the land use right pursuant to the court enforcement order. As of 31 December 2023, the transfer/change of registration procedure regarding the land use right had not been completed.

Financial Performance

Revenue

During the Reporting Period, the Group's revenue decreased by 10.8% to RMB2,101.9 million in 2023 from RMB2,357.6 million in 2022, mainly due to the decrease in the income from sale of properties.

Income from sale of properties

During the Reporting Period, revenue generated from the sale of properties decreased by 17.7% to RMB1,385.5 million in 2023 from RMB1,682.5 million in 2022, mainly due to the decrease in areas and unit price of the delivered properties compared to last year.

Income from property management and hotel operation

During the Reporting Period, revenue generated from property management and hotel operation of the Group increased by 6.7% to RMB533.3 million in 2023 from RMB499.6 million in 2022, mainly due to the increase in property management area of the Group.

Rental income from investment properties

During the Reporting Period, rental income from investment properties of the Group increased by 5.2% to RMB170.8 million in 2023 from RMB162.3 million in 2022, mainly due to due to the Company's continuous strengthening of operations and leasing management, which has improved property leasing capabilities, resulting in increased revenue.

Cost of sales/services

During the Reporting Period, the cost of sales/services of the Group decreased by 10.2% to RMB1,706.8 million in 2023 from RMB1,901.7 million in 2022. Cost of sales of properties decreased by 16.1% to RMB1,220.7 million in 2023 from RMB1,454.4 million in 2022, primarily due to the decrease in delivery areas for the period as compared with last year. Cost of property management and hotel operation increased by 10.1% to RMB485.0 million in 2023 from RMB440.5 million in 2022, primarily due to the increase in costs caused by the expansion of the property management area.

Gross profit

As a result of the foregoing, for the Reporting Period, the Group's gross profit decreased by 13.3% to RMB395.1 million in 2023 from RMB455.9 million in 2022. The Group's gross profit margin decreased by 0.5 percentage point to 18.8% in 2023 from 19.3% in 2022, primarily due to the decrease in gross profit of delivered properties compared to last year.

Valuation losses on investment properties

During the Reporting Period, valuation loss on investment properties of the Group were RMB371.6 million, primarily due to the decline in investment property valuations caused by the downturn in the property market.

Other income

During the Reporting Period, the Group's other income decreased by 50.9% to RMB24.8 million in 2023 from RMB50.5 million in 2022.

Selling expenses

During the Reporting Period, the Group's selling expenses decreased by 18.8% to RMB108.7 million in 2023 from RMB133.9 million in 2022, primarily due to the Company's intensified efforts in cost control and streamlined personnel, resulting in a decrease in the payment of salaries and advertising expenses.

Administrative expenses

During the Reporting Period, the administrative expenses of the Group decreased by 10.1% to RMB254.2 million in 2023 from RMB282.7 million in 2022, primarily due to the Company's intensified efforts in cost control and streamlined personnel during the Reporting Period, leading to a decrease in salary payments and other expenses.

Other operating expenses

During the Reporting Period, the Group recorded other operating expenses of RMB450.7 million, representing a decrease of 20.5% from RMB566.8 million in 2022, mainly due to the decrease in write-down of properties under development and completed properties held for sale compared to last year.

Finance income

During the Reporting Period, financial income of the Group decreased by 12.2% to RMB349.3 million in 2023 from RMB397.9 million in 2022, which was mainly due to the decrease in interest income derived from loans provided.

Finance costs

During the Reporting Period, financial costs of the Group decreased by 4.8% to RMB1,833.4 million in 2023 from RMB1,925.8 million in 2022, which was mainly due to the net impact of the decreased other finance costs and the decrease in capitalized finance costs due to the increase in completed projects and the suspension of some real estate development projects.

Income tax

During the Reporting Period, the income tax expenses of the Group was RMB630.7 million, and the income tax expenses of the Group was RMB31.2 million in 2022, which was mainly due to the impairment of deferred tax assets related to accumulated tax losses.

Loss for the year

During the Reporting Period, the loss of the Group decreased by 4.0% to RMB3,185.8 million in 2023 from RMB3,317.0 million in 2022.

Loss attributable to equity shareholders of the Company

Due to the factors mentioned above, the loss attributable to equity shareholders of the Company decreased by 5.6% to RMB2,985.8 million in 2023 from RMB3,163.6 million in 2022.

Working capital, financial and capital resources

Cash and cash equivalents

As at 31 December 2023, the Group had approximately RMB629.0 million of cash and cash equivalents, representing a decrease of RMB12.3 million as compared to those as at 31 December 2022, mainly due to the repayment of interest payable.

Current ratio, gearing ratio and net gearing ratio

As at 31 December 2023, the Group's current ratio decreased to 85.2% from 87.1% as at 31 December 2022. The Group's current assets decreased from RMB37,638.2 million as at 31 December 2022 to RMB36,619.9 million as at 31 December 2023, while current liabilities decreased to RMB42,986.9 million as at 31 December 2023 from RMB43,198.2 million as at 31 December 2022.

As at 31 December 2023, the Group's gearing ratio (calculated as total loans and borrowings divided by total assets) increased to 53.2% from 51.2% as at 31 December 2022. Net gearing ratio (calculated as total loans and borrowings minus cash and cash equivalents and current restricted deposits, divided by total equity) increased by approximately 2,610.8 percentage point to 3,260.4% as at 31 December 2023 from 649.6% as at 31 December 2022, which was mainly attributable to the decrease in total equity resulting from the loss from operation for the year.

Contingent liabilities

During the Reporting Period, the Group entered into agreements with certain banks to provide guarantees for the mortgage loans of purchases of its properties. As at 31 December 2023, the Group provided guarantees for mortgage loans in an amount of RMB3,110.1 million (31 December 2022: RMB3,617.4 million) to those banks in respect of such agreements.

Loans and borrowings and pledged assets

As at 31 December 2023, the Group had total loans and borrowings of RMB27,017.7 million, of which RMB22,934.9 million, RMB3,616.3 million and RMB466.5 million were payable within one year or on demand, after 1 year but within 2 years and after 2 years but within 5 years, respectively.

The Group's borrowings are denominated in Renminbi and US dollar, mostly with fixed interest rate. As at 31 December 2023, the Group had no unutilized comprehensive credit facilities granted by bank and other financial institutions. The Group currently has no interest rate hedging policy. However, the management will monitor the interest rate risks and consider taking other necessary actions if any material risks are expected.

As at 31 December 2023, the Group had pledged properties and restricted deposits with a carrying value of RMB14,829.2 million (31 December 2022: RMB14,841.9 million) to secure banking facilities granted to the Group.

Capital commitment

As at 31 December 2023, the Group's contracted capital commitment for properties under development and investment properties under construction not provided for in the financial statements was approximately RMB5,307.8 million (31 December 2022: approximately RMB5,597.3 million). Approved but not contracted for capital commitment of the Group was approximately RMB4,973.5 million as at 31 December 2023 (31 December 2022: approximately RMB4,729.4 million).

Foreign exchange exposure

The Renminbi is not freely convertible into foreign currencies. All foreign exchange transactions involving Renminbi must take place through the People's Bank of China (the "**PBOC**") or other statutory institutions. The exchange rates adopted for foreign exchange transactions are those published by the PBOC and may be subject to a managed float against an unspecified basket of currencies. Foreign currency payments, including the remittance of earnings outside the PRC, are subject to the availability of foreign currencies (depending on the foreign currency in which the Group's earnings are denominated) or must be conducted through the PBOC with government approval.

Nearly all of the Group's income and expenses are denominated in Renminbi ("**RMB**"), while certain bank deposits and loans are denominated in the Hong Kong dollar ("**HKD**") and US dollar ("**USD**"). However, the operating cash flows and working capital of the Group have not been materially impacted by fluctuations in exchange rates. The Group currently does not hedge its foreign exchange exposure but may adopt hedging measures in the future.

Major investments, acquisitions and disposals

Disposal of Land Pursuant to Court Enforcement Order

The Company's subsidiaries and associates, being Yantai Sunshine 100 Real Estate Development Co., Ltd. (煙台陽光壹佰房地產開發有限公司) ("**Yantai Sunshine 100**"), Weifang Sunshine 100 Real Estate Co., Ltd. (濰坊陽光壹佰置業有限公司), Guilin Sunshine 100 Real Estate Co., Ltd (桂林陽光壹佰置業有限公司) ("**Guilin Sunshine 100**") and Sunshine 100 Real Estate Group Co., Ltd. (陽光壹佰置業集團有限公司) (together, the "**Entities**"), have received an enforcement order issued by Beijing Financial Court (北京金融法院) (the "**Court**") dated 7 August 2023 (the "**Enforcement Order**"). The Enforcement Order was issued as a result of the Entities' failure to comply with the mediation order dated 29 July 2022 which required the Entities to repay China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司) (stock code: 2799) ("**China Huarong**") a loan that China Huarong made to Yantai Sunshine 100 (the "**Defaulted Loan**"). The aggregate principal amount of the Defaulted Loan, together with interest and litigation costs, as at 29 July 2022, were approximately RMB495.0 million plus interest accrued from 21 March 2022 up to the date of repayment (the "**Claim**").

The Court has ordered Guilin Sunshine 100, which agreed to guarantee the Defaulted Loan with land use rights over a portion of land located in Xiangshan District, Guilin, Guangxi Province (廣西壯族自治區桂林市象山區) (the "**Land**"), to sell its land use rights in the Land by way of judicial public auction to satisfy the Claim. The Land was valuated at approximately RMB586.3 million as at 20 September 2022 based on the valuation report commissioned by the Court, which had remained unsold after two rounds of judicial public auction. Therefore, China Huarong applied to the Court, and the Court granted the Enforcement Order for China Huarong to take the Land at the auction reserve price of approximately RMB328.0 million (including an enforcement fee of approximately RMB0.6 million and the auction reserve price of the buildings above the Land of approximately RMB8.7 million), representing a discount of approximately 44% to its valuation price, as settlement of part of the Claim. For further details, please refer to the announcement of the Company dated 18 August 2023.

Update on completion status for disposal of 100% Equity Interest in Eminent Star

References are made to the Company's announcements dated 13 April 2019 and 31 December 2019 as well as the Company's circular dated 13 June 2019 regarding the very substantial disposal by Chang Jia International Limited (長佳國際有限公司) ("**Chang Jia**") of the share capital and loans owing by Eminent Star Group Limited (卓星集團有限公司) ("**Eminent Star**") for a total consideration of approximately RMB4,661.2 million payable in cash (the "**Eminent Star Disposal**"). Terms used below shall have the same meanings as those used in the Company's announcement dated 13 April 2019.

As at the date of this announcement, the first completion, the second completion, the third completion and the fourth completion of the Eminent Star Disposal have taken place. The Group has received cash totaling RMB4,466.4 million, which includes the Initial Deposit, the Further Deposit, the First Instalment, the part of the Second Instalment, the Third Instalment and other related payments. The parties are negotiating the payment of the balance of the Second Instalment and related matters.

Save as disclosed above, the Company had no other major investments, acquisitions or disposals during the Reporting Period.

Future plans for substantial investments or capital assets

As at the date of this announcement, there is no plan authorized by the Board for other substantial investments or additions of capital assets.

Human Resources

As at 31 December 2023, the Group employed a total of 1,378 employees (31 December 2022: 2,216 employees). The staff costs of the Group for the Reporting Period were RMB321.9 million (2022: RMB403.9 million). The Group has adopted a performance based incentive system to motivate its staff. In addition to the basic salary, year-end bonuses are offered to staff with outstanding performance. In relation to staff training, the Group also provides various training programs to improve employees' skills and develop their respective expertise. Generally, salary will be determined based on the qualifications, position and experience of each employee. The Group has established a regular assessment mechanism to assess the performance of its employees. The assessment results are used as the basis for determining salary increment, bonuses and promotions. As required by regulations in China, the Group makes contributions to mandatory social security funds such as pension, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and the housing provident fund for the benefit of its employees in China. During the Reporting Period, the Group made contributions of approximately RMB23.2 million to the employee retirement scheme (2022: RMB29.3 million).

DIVIDENDS

Final Dividend

The Board does not recommend the payment of any final dividend for the year ended 31 December 2023. Information regarding the date of the AGM for the year of 2023, and the relevant record dates and book close dates will be announced in due course.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standard of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability of the Company. During the Reporting Period, the Company adopted and complied with all applicable code provisions set out in Part 2 of Appendix C1 (the "**CG Code**") to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), except for the following deviation:

Code provision C.2.1 of the part 1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Yi Xiaodi has served as the chairman and chief executive officer of the Company since 11 May 2018. This arrangement deviates from the requirement that the two positions should be held separately by different individuals as prescribed in the code provision C.2.1 of the CG Code. However, the Board is of the view that the roles of chairman and chief executive officer assumed by Mr. Yi Xiaodi will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operation of the Board as the majority of the Board are non-executive Directors and independent non-executive Directors. Moreover, the Board comprises experienced and high caliber individuals and meets regularly to discuss major issues affecting operations of the Group, and all Directors are properly and promptly briefed on relevant matters with adequate, complete and reliable information.

Code provision D.1.2 of the part 2 of the CG Code stipulates that management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the issuer's performance, position and prospects in sufficient detail to enable the board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. During the Reporting Period, although the management of the Company did not provide monthly updates to all members of the Board, the management of the Company prepares quarterly management accounts of the Group which are available for the Directors to review and when appropriate, the management of the Company will update and keep all Directors abreast of the performance, position and prospects of the Group to enable them to discharge their duties.

AUDIT COMMITTEE

The Company has established the Audit Committee in compliance with the Listing Rules to fulfill the functions of reviewing and monitoring the financial reporting and internal control of the Company. Currently, the Audit Committee comprises three independent non-executive Directors, including Mr. Ng Fook Ai, Victor, Mr. Gu Yunchang and Mr. Li Chunping. Mr. Ng Fook Ai, Victor is the chairman of the Audit Committee.

The primary duties of the Audit Committee are: (i) to deal with the relationship with the Company's external auditors; (ii) to review the Group's financial information; (iii) to supervise the Group's financial reporting system, risk management and internal control procedures; and (iv) to perform the Company's corporate governance functions.

The Audit Committee has reviewed the accounting standards and practices adopted by the Group and discussed the internal control, risk management and financial reporting matters of the Group (including reviewing the annual results of the Group for the Reporting Period).

The Audit Committee has critically reviewed the position of the management of the Company (the "**Management**") concerning the disclaimer of opinion as to be expressed by the Company's auditor (the "**Disclaimer Opinion**") and agreed with the Management's position. The auditor reported to and discussed with the Audit Committee about going concern and the Disclaimer of Opinion with details as set out in note 2 to the consolidated financial statements and the section headed "Extract From Draft Independent Auditor's Report" of this announcement.

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the "**Remuneration Committee**") in compliance with the Listing Rules. Currently, the Remuneration Committee comprises one executive director, Mr. Fan Xiaochong, and two independent non-executive Directors, Mr. Gu Yunchang and Mr. Li Chunping. Mr. Li Chunping is the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee include (but are not limited to): (i) making recommendations to the directors of the Company (the "**Directors**") in respect of the remuneration policies and structure of Directors and senior management of the Company and the formal and transparent procedures in the formulation of remuneration policies; (ii) providing recommendations to the Board in respect of the remuneration packages of the Directors and senior management; (iii) reviewing and approving the remuneration packages of the management with reference to the Group's corporate goals and objectives; and (iv) considering and approving the grant of share options to eligible participants under the share option scheme adopted by the Company on 17 February 2014.

NOMINATION COMMITTEE

The Company has established a nomination committee (the "**Nomination Committee**") in compliance with the Listing Rules. Currently, the Nomination Committee comprises one executive Director, Mr. Yi Xiaodi, and two independent non-executive Directors, Mr. Gu Yunchang and Mr. Li Chunping. Mr. Yi Xiaodi is the chairman of the Nomination Committee. The primary duty of the Nomination Committee is to make recommendations to the Board on the appointment of members of the Board.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standards contained in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Each Director had been given a copy of the code of conduct regarding security transactions upon his/her appointment, and the Company issues two reminders each year thereafter, being 30 days prior to the Board meeting approving the interim results of the Company and 60 days prior to the Board meeting approving the annual results of the Company, reminding the Directors that they are not allowed to trade in the securities of the Company prior to the announcement of the results (the periods during which the Directors are prohibited from dealing in shares), and that all transactions must be conducted according to the Model Code. Having made specific enquiries by the Company with all Directors, all of the Directors confirmed that they have complied with the provisions of the Model Code during the Reporting Period.

PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Events of Default under the 6.50% Convertible Bonds Due 2021 (the "2021 Bonds"), the 10.5% Senior Notes Due 2021 (the "2021 Notes"), the 13.0% Senior Green Notes Due 2022 (the "2022 Notes") and the 12.0% Senior Notes Due 2023 (the "2023 Notes")

On the maturity date of the 2021 Bonds, i.e. 11 August 2021, the Company failed to pay the principal and the premium in the sum of USD50,866,100 and the last instalment of interest of USD1,475,500. As such, an event of default under the terms and conditions of the 2021 Bonds occurred. The 2021 Bonds were delisted from the Stock Exchange on 11 August 2021.

On the maturity date of the 2021 Notes, i.e. 5 December 2021, the Company failed to pay the principal of USD170,000,000 and the last instalment of interest of USD8,925,000. As such, an event of default under the terms and conditions of the 2021 Notes occurred. As of the date of this announcement, the Company has repaid approximately USD31,900,000 of the principal and approximately USD138,100,000 of the principal remains outstanding.

On the maturity date of the 2022 Notes, i.e. 29 June 2022, the Company failed to pay the principal of USD219,600,000 and the total accrued and unpaid interest of USD28,468,700. As such, an event of default under the terms and conditions of the 2022 Notes occurred (the "**2022 Events of Default**"). The 2022 Notes were delisted from the Stock Exchange on 29 June 2022.

On the maturity date of the 2023 Notes, i.e. 3 October 2023, the Company failed to pay the principal of USD120,000,000 and the total accrued and unpaid interest of USD38,400,000. The 2023 Notes were delisted from the Stock Exchange on 3 October 2023. As such, an event of default under the terms and conditions of the 2023 Notes occurred (together with the 2022 Events of Default, the "**Events of Default**"). The Events of Default will trigger cross default provisions under certain other debt instruments entered into by the Group.

As at 31 December 2023, the total accrued and unpaid interest of the 2021 Bonds, the 2021 Notes, the 2022 Notes and the 2023 Notes amounted to USD157,867,201.4. The Company has been proactively communicating with the relevant creditors. The Company is using all efforts to raise the necessary funds to repay the outstanding amount and to remedy the Events of Default as soon as possible. For details, please refer to the announcements of the Company dated 11 August 2021, 25 August 2021, 6 December 2021, 29 June 2022 and 3 October 2023.

Events of Default under the 8.50% Corporate Bonds Due 2022 ("2022 8.50% Bonds"), the 9.0% Corporate Bonds Due 2022 (the "2022 9.0% Bonds") and the 8.4% Corporate Bonds Due 2023 (the "2023 Bonds") (together, the "Corporate Bonds")

On the maturity date of the 2022 8.50% Bonds, i.e. 22 September 2022, the Company's subsidiary, Guangxi Vantone Real Estate Development Co., Ltd.* ("**Guangxi Vantone**"), failed to pay the principal of RMB582,000,000 and the total accrued interest of RMB49,470,000. As such, an event of default under the terms and conditions of the 2022 8.50% Bonds occurred.

On the maturity date of the 2022 9.0% Bonds, i.e. 30 October 2022, Guangxi Vantone failed to pay the principal of RMB120,000,000 and the total accrued interest of RMB10,800,000. As such, an event of default under the terms and conditions of the 2022 9.0% Bonds occurred.

On the maturity date of the 2023 Bonds, i.e. 24 February 2023, Guangxi Vantone failed to pay the principal of RMB1,500,000,000 and the total accrued interest of RMB252,000,000. As such, an event of default under the terms and conditions of the 2023 Bonds occurred.

* *English translation for identification purpose only.*

As at 31 December 2023, the total accrued and unpaid interest of the Corporate Bonds amounted to RMB481,390,000. Guangxi Vantone has been proactively communicating with the relevant creditors regarding the repayment of principal and interests with a view of reaching a solution acceptable to the creditors as soon as possible. As at the date of this announcement, the 2022 8.50% Bonds and 2022 9.0% Bonds remain listed on the Shanghai Stock Exchange and the 2023 Bonds remain listed on the Shenzhen Stock Exchange, and the Company and Guangxi Vantone have not received any acceleration notices from any creditors. The Company is using all efforts to raise the necessary funds to repay the outstanding amount and to remedy the defaults of the Onshore Bonds as soon as possible.

Save as disclosed above, during the Reporting Period, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and to the knowledge of the Directors, the Company has maintained sufficient public float as required by the Listing Rules during the Reporting Period.

EVENTS AFTER THE REPORTING PERIOD

Winding Up of the Controlling Shareholder

The Company has recently been informed that a winding-up order dated 17 January 2024 has been made against Joywise Holdings Limited ("**Joywise**"). As at the date of this announcement, Joywise is the controlling shareholder of the Company and holds 1,648,215,906 ordinary shares of the Company, or approximately 64.62% of the total issued share capital of the Company including 9.21% of derivative interests.

The Company is assessing the impact that the winding up order against Joywise may have on the business operation and financial position of the Company. Shareholders of the Company are reminded that the order is made against Joywise and not the Company. The Company will keep its shareholders and potential investors informed of any significant progress and will make further announcement(s) as and when appropriate in accordance with the Listing Rules and the Securities and Futures ordinance (Cap. 571 of the Laws of Hong Kong). For more details, please refer to the announcement of the Company dated 21 February 2024.

SCOPE OF WORK OF MAZARS

The financial figures in respect of Group's consolidated statement of comprehensive income, consolidated statement of financial position for the Reporting Period and the related notes thereto as set out in this preliminary results announcement have been compared by the Group's auditor, Mazars CPA Limited, *Certified Public Accountants*, to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 December 2023 and the amounts were found to be in agreement. The work performed by Mazars CPA Limited in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor.

EXTRACT FROM DRAFT INDEPENDENT AUDITOR'S REPORT

The following is an extract of the draft independent auditor's report on the Company's draft consolidated financial statements for the year ended 31 December 2023:

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Multiple material uncertainties relating to going concern

As set out in Note 2 to the consolidated financial statements, the Group incurred a net loss of approximately RMB3,185,843,000 for the year ended 31 December 2023 and as at 31 December 2023, the Group's current liabilities exceeded its current assets by approximately RMB6,367,005,000 and the Group reported capital deficits of approximately RMB419,935,000. In addition, as at 31 December 2023, the Group had total loans and borrowings of approximately RMB27,017,687,000 of which the current loans and borrowings amounted to approximately RMB22,934,905,000. However, the Group only had cash and cash equivalents of approximately RMB629,012,000. As at 31 December 2023, the Group's loans and borrowings of approximately RMB14,215,696,000, convertible bonds with outstanding principal of USD45,400,000 (equivalent to approximately RMB321,554,000) and interest of USD5,466,000 (equivalent to approximately RMB38,715,000), senior notes of USD258,100,000 (equivalent to approximately RMB1,828,046,000), senior green notes with principal of USD219,600,000 (equivalent to approximately RMB1,555,361,000) and corporate bonds of approximately RMB2,202,000,000 were overdue pursuant to the relevant borrowing agreements which constituted events of default. In addition, any further liabilities or obligations arising from the legal proceedings (if any), in respect of loans and borrowings, convertible bonds, senior notes, senior green notes and corporate bonds may have significant impact on the liquidity position of the Group.

As at 31 December 2023, the Group had not finalised the land appreciation tax returns with the tax authorities for certain property development projects which had already met the requirement of finalisation of the People's Republic of China ("**PRC**") land appreciation tax ("**Land Appreciation Tax**"). The potential Land Appreciation Tax payment obligations arising from the clearance may have a significant impact on the liquidity position of the Group.

As at and subsequent to 31 December 2023, the Group is subjected to a number of legal proceedings which mainly in relation to disputes under construction contracts in respect of its various property development projects and defaults of repayment of several loans and borrowings, which arose during the normal course of business. Based on the best estimation on the possible outcomes of the disputes by the management in consideration of the development of negotiations with the creditors and advice sought from the independent legal advisors and internal legal counsel, the possible further obligations (other than those liabilities/provisions that have been recognised in the consolidated financial statements) arose from litigations are expected to be immaterial to the consolidated financial statements of the Group. However, it is uncertain for the timing of crystallisation of the relevant legal proceedings.

These events or conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

In view of the above circumstances, the directors of the Company have been taking measures to improve the Group's liquidity and financial position, which are set out in Note 2 to the consolidated financial statements. The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple material uncertainties, including (i) successfully negotiating with the lenders on the renewal of or extension for repayment of outstanding borrowings, including those with overdue principal and interests; (ii) successfully negotiating with the creditors and lenders on debt restructuring of interest-bearing borrowings; (iii) successfully persuading the Group's existing lenders not to take action to demand for immediate repayment of the borrowings with interest payments in default including the prevention from the auction of the Group's pledged properties; (iv) successfully negotiating with various financial institutions and potential lenders/investors to identify various options for financing the Group's working capital and commitments in the foreseeable future; (v) successfully implemented plans to dispose several investment properties instead of generating rental income to improve the cash flow in future; (vi) successfully accelerating the pre-sales and sales of properties under development and completed properties and speeding up the collection of outstanding sales proceeds and loans to third parties, and controlling costs and capital expenditure so as to generate adequate net cash inflows; (vii) successfully looking for larger property development enterprises and cooperating with investors to develop properties under development of the Group through joint effort; (viii) successfully procuring and negotiating the preliminary terms with larger property development enterprises for the sale of property development projects at a price deemed appropriate; and (ix) successfully negotiating with the local tax authorities and postponing the liquidation and payment of Land Appreciation Tax for certain property development projects which had already met the requirement of liquidation of Land Appreciation Tax.

Accordingly, we were unable to obtain sufficient appropriate audit evidence about the appropriateness of the use of going concern basis of accounting in the preparation of the consolidated financial statements. Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively, and to provide any further liabilities which may arise. The effects of these adjustments have not been reflected in the consolidated financial statements.

Details of the Audit Modification and the Management's Position, View and Assessment on the Relevant Audit Modification

In view of the detailed conditions set out in the note 2 to the consolidated financial statement for the year ended 31 December 2023 in this announcement, the auditor is of the view that, there's significant uncertainties that may cast significant doubt regarding the Group's ability to continue as a going concern. The Group's ability to continue as a going concern is subject to the Group's ability to generate sufficient financial and operating cash flows. As at 31 December 2023, the Group's loans and borrowings of approximately RMB14,215,696,000, convertible bonds with outstanding principal of USD45,400,000 (equivalent to approximately RMB321,554,000) and interest of USD5,466,000 (equivalent to approximately RMB38,715,000), senior notes of USD258,100,000 (equivalent to approximately RMB1,828,046,000), senior green notes with principal of USD219,600,000 (equivalent to approximately RMB1,555,361,000) and corporate bonds of approximately RMB2,202,000,000 were overdue pursuant to the borrowing agreements which constituted events of default. In view of these circumstances, in assessing whether the Group will have sufficient financial resources to continue as a going concern, the management has taken into full consideration of the future liquidity and performance of the Group and its available sources of finance. To mitigate the liquidity pressure and improve the cash flow position of the Group, the management has adopted and will continue to implement various measures mentioned in this announcement. Therefore, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2023 on a going concern basis.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE, THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED AND THE COMPANY

The annual results announcement has been published on the websites of the Stock Exchange at www.hkexnews.com.hk, The Singapore Exchange Securities Trading Limited at www.sgx.com and the Company at www.ss100.com.cn. The annual report of the Company for the Reporting Period, which contains all information required by the Listing Rules, will be available electronically on the websites mentioned above in due course.

By Order of the Board
Sunshine 100 China Holdings Ltd
YI Xiaodi
Chairman and Executive Director

Beijing, the PRC
28 March 2024

As at the date of this announcement, the executive Directors of the Company are Mr. Yi Xiaodi and Mr. Fan Xiaochong, the non-executive Directors of the Company are Ms. Fan Xiaohua and Mr. Wang Gongquan, and the independent non-executive Directors of the Company are Mr. Gu Yunchang, Mr. Ng Fook Ai, Victor and Mr. Li Chunping.