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 2013

HIGHLIGHTS OF 2013 ANNUAL RESULTS

- Contracted sales increased 25% to RMB5,354 million
- Turnover increased 30% to RMB5,769 million
- Net profit attributable to shareholders increased 123% to RMB672 million
- Core profit attributable to shareholders (i.e., excluding the fair value gains on investment properties (net of deferred tax and minority interests)) increased 147% to RMB506 million
- Basic earnings per share increased 118% from RMB0.22 in 2012 to RMB0.48 in 2013
- Land reserves reached 11 million square metres as of 31 December 2013

The board of directors (the "**Board**") 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 2013 as compared to the corresponding period in 2012 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2013

	Note	**2013**	2012
		RMB'000	*RMB'000*
Revenue	*3*	**5,769,384**	4,454,610
Cost of sales		**(4,119,327)**	(3,042,204)
Gross profit		**1,650,057**	1,412,406
Valuation gains on investment properties		**243,454**	139,329
Other income		**27,767**	7,115
Selling expenses		**(283,883)**	(186,959)
Administrative expenses		**(333,601)**	(266,130)
Other operating expenses		**(28,398)**	(63,836)
Profit from operations		**1,275,396**	1,041,925
Financial income	*4(a)*	**44,467**	32,551
Financial expenses	*4(a)*	**(232,878)**	(343,359)
Share of profits less losses of associates		**28,075**	23,061
Profit before taxation	*4*	**1,115,060**	754,178
Income tax	*5*	**(484,218)**	(369,884)
Profit for the year		**630,842**	384,294
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Net change in fair value of available-for-sale investment, net of deferred tax		**—**	(947)
Other comprehensive income for the year, net of income tax		**—**	(947)
Total comprehensive income for the year		**630,842**	383,347
Profit attributable to:			
Equity shareholders of the Company		**672,050**	300,909
Non-controlling interests		**(41,208)**	83,385
Profit for the year		**630,842**	384,294
Total comprehensive income attributable to:			
Equity shareholders of the Company		**672,050**	299,962
Non-controlling interests		**(41,208)**	83,385
Total comprehensive income for the year		**630,842**	383,347
Basic and diluted earnings per share (RMB)	*6*	**0.48**	0.22

CONSOLIDATED BALANCE SHEET

at 31 December 2013

	Note	**2013**	2012
		RMB'000	*RMB'000*
Non-current assets			
Property and equipment		**763,345**	462,311
Investment properties		**4,392,572**	3,468,768
Restricted deposits		**402,771**	121,317
Investments in associates		**163,162**	114,270
Deferred tax assets		**466,448**	418,918
Total non-current assets		**6,188,298**	4,585,584
Current assets			
Properties under development and completed properties held for sale		**15,521,469**	11,617,733
Land development for sale		**680,006**	379,762
Trade and other receivables	*8*	**2,739,095**	3,300,717
Restricted deposits		**1,557,354**	1,517,836
Cash and cash equivalents		**1,216,524**	1,108,320
Total current assets		**21,714,448**	17,924,368
Current liabilities			
Loans and borrowings		**5,050,302**	6,752,024
Trade and other payables	*9*	**3,737,109**	3,740,264
Contract retention payables		**54,380**	63,490
Sales deposits		**4,477,771**	4,361,465
Current tax liabilities		**850,990**	710,030
Total current liabilities		**14,170,552**	15,627,273
Net current assets		**7,543,896**	2,297,095
Total assets less current liabilities		**13,732,194**	6,882,679
Non-current liabilities			
Loans and borrowings		**8,751,735**	3,442,428
Contract retention payables		**209,712**	117,923
Trade and other payables		**1,131,264**	873,382
Deferred tax liabilities		**888,090**	608,785
Total non-current liabilities		**10,980,801**	5,042,518
NET ASSETS		**2,751,393**	1,840,161
CAPITAL AND RESERVES			
Share capital		**376**	376
Reserves		**1,991,683**	1,319,633
Total equity attributable to equity shareholders of the Company		**1,992,059**	1,320,009
Non-controlling interests		**759,334**	520,152
TOTAL EQUITY		**2,751,393**	1,840,161

1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (IAS) and interpretations promulgated by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. These 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 a number of new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. The Group has adopted all applicable new and revised IFRSs to the current and prior accounting periods reflected in these financial statements, except for any new standards or interpretations that are not yet effective for the accounting period ended 31 December 2013.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2013 comprise the Company and its subsidiaries (together referred to as the "Group") 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 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:

— financial instruments classified as available-for-sale or as trading securities;

— derivative financial instruments;

— investment property;

— convertible loans; and

— loans and borrowings designated at fair value through profit or loss.

The preparation of the consolidated financial statements in conformity with IFRSs 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.

3 REVENUE

The principal activities of the Group are property and land development, property investment and property management and hotel operation. Revenue represents sale of properties, rental income from investment properties and property management and hotel operation income, net of business tax, analyzed as follows:

	2013	2012
	RMB'000	*RMB'000*
Sale of properties	**5,526,302**	4,273,433
Rental income from investment properties	**77,107**	40,799
Property management and hotel operation income	**165,975**	140,378
	5,769,384	4,454,610

4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Financial income and financial expenses

	2013	2012
	RMB'000	*RMB'000*
Financial income		
Interest income	**(39,001)**	(29,470)
Dividend income and disposal gains on available-for-sale investment	**(3,498)**	(3,081)
Net foreign exchange gain	**(1,968)**	—
	(44,467)	(32,551)
Financial expenses		
Interest on loans and borrowings wholly repayable within five years	**988,460**	682,803
Interest on other loans and borrowings	**21,426**	32,744
Total interest expense on loans and borrowings measured at amortized cost	**1,009,886**	715,547
Less: Interest expense capitalized into land development for sale, properties under development and investment properties under construction	**(859,175)**	(585,865)
	150,711	129,682
Net change in fair value of the loans from Riverside	**53,721**	208,926
Net change in fair value of the loans from Hangzhou Industrial and Commerce Trust	**22,285**	—
Bank charges and others	**6,161**	4,751
	232,878	343,359

(b) Staff costs

	2013	2012
	RMB'000	*RMB'000*
Contributions to defined contribution retirement plan	**25,752**	17,416
Salaries, wages and other benefits	**305,499**	239,633
	331,251	257,049

(c) Other item

	2013	2012
	RMB'000	*RMB'000*
Depreciation	**40,181**	28,172
Net loss on disposal of property and equipment	**290**	350

5 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	2013	2012
	RMB'000	*RMB'000*
Provision for the year		
— PRC Corporate Income Tax	**258,699**	301,763
— Land Appreciation Tax	**110,468**	110,205
Deferred tax	**115,051**	(42,084)
	484,218	369,884

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Island (the "BVI"), the Company and its subsidiaries 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.

6 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB672,050,000 (2012: RMB300,909,000) and the weighted average of 1,386,715,012 ordinary shares (2012: 1,386,715,012 shares) after adjusting for the share split and capitalisation issue in 2014, calculated as follows:

	Note	**2013**	2012
Weighted average number of ordinary shares:			
Issued ordinary shares at 1 January		**50,000**	50,000
Effect of share split	*(i)*	**38,950,000**	38,950,000
Effect of capitalisation issue	*(ii)*	**1,347,715,012**	1,347,715,012
Weighted average number of ordinary shares at 31 December		**1,386,715,012**	1,386,715,012

(i) Split and repurchase of shares

On 16 February 2014, the Company approved a share split of 39,000,000 shares at par value of HKD0.01 each fully paid to Joywise Holdings Limited ("Joywise"), the parent company of the Company, and repurchase of existing 50,000 issued shares at par value of USD1.00 each held by Joywise.

(ii) Capitalisation of shares

Pursuant to a resolution of shareholders of the Company dated 17 February 2014, the number of capitalization shares is equal to 1,347,715,012 shares. A sum of HKD13,477,150.12 be and is hereby capitalized from the amount standing to the credit of the share premium account of the Company and that the said sum be and is hereby applied in paying up in full at par 1,347,715,012 new capitalization shares. The capitalization shares be and hereby allotted on 13 March 2014 and distributed, credited as fully paid at par.

There was no difference between basic and diluted earnings per share as there were no dilutive potential shares outstanding during the years ended 31 December 2013 and 2012.

7 SEGMENT INFORMATION

The Group manages its businesses based on its products and services, which are divided into property development that comprises mixed-use business complexes projects and multi-functional residential communities, investment properties, and property management and hotel operation. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has presented the following four 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, commercial premises and hotels; and

(d) the property management and hotel operation segment that provides property management service and hotel accommodation services.

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

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management 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 with the exception of 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 represents the profit 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, valuation gains on investment properties, net operating expenses, financial income, financial expenses, income tax, depreciation, additions on investment properties and property and equipment, and loans and borrowings.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for purposes of resources allocation and assessment of segment performance for the years ended 31 December 2013 and 2012 is set out below:

	Year ended 31 December 2013				
	Mixed-use business complexes	Multi-functional residential communities	Investment properties	Property management and hotel operation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reportable segment revenue	867,325	4,658,977	77,107	210,458	5,813,867
Cost of sales	(566,310)	(3,433,735)	—	(162,793)	(4,162,838)
Reportable segment gross profit	301,015	1,225,242	77,107	47,665	1,651,029
Valuation gains on investment properties	—	—	243,454	—	243,454
Net operating expenses	(72,081)	(405,617)	(32,710)	(64,883)	(575,291)
Financial income	11,100	11,062	8	125	22,295
Financial expenses	(39,309)	(31,767)	(960)	(19,588)	(91,624)
Reportable segment profit/(loss) before taxation	200,725	798,920	286,899	(36,681)	1,249,863
Income tax	(118,109)	(313,866)	(69,171)	(431)	(501,577)
Reportable segment profit/(loss)	82,616	485,054	217,728	(37,112)	748,286
Depreciation	2,013	7,758	387	29,561	39,719
Additions on investment properties and property and equipment	353	10,918	150,343	19,089	180,703

	At 31 December 2013				
	Mixed-use business complexes	**Multi-functional residential communities**	**Investment properties**	**Property management and hotel operation**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Loans and borrowings	**3,246,718**	**6,024,038**	**37,999**	**—**	**9,308,755**
Reportable segment assets	**9,522,503**	**19,735,889**	**4,535,930**	**892,557**	**34,686,879**
Reportable segment liabilities	**10,246,021**	**16,878,657**	**388,221**	**552,962**	**28,065,861**

	Year ended 31 December 2012				
	Mixed-use business complexes	Multi-functional residential communities	Investment properties	Property management and hotel operation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reportable segment revenue	934,534	3,338,899	40,799	180,942	4,495,174
Cost of sales	(547,901)	(2,370,222)	—	(162,236)	(3,080,359)
Reportable segment gross profit	386,633	968,677	40,799	18,706	1,414,815
Valuation gains on investment properties	—	—	139,329	—	139,329
Net operating expenses	(120,041)	(383,379)	(1,741)	(42,631)	(547,792)
Financial income	1,534	9,878	5	120	11,537
Financial expenses	(462)	(16,294)	(7)	(1,083)	(17,846)
Reportable segment profit/(loss) before taxation	267,664	578,882	178,385	(24,888)	1,000,043
Income tax	(33,373)	(279,083)	(62,479)	(1,394)	(376,329)
Reportable segment profit/(loss)	234,291	299,799	115,906	(26,282)	623,714
Depreciation	1,273	8,522	438	15,821	26,054
Additions on investment properties and property and equipment	415	7,359	141,566	24,064	173,404

	At 31 December 2012				
	Mixed-use business complexes	Multi-functional residential communities	Investment properties	Property management and hotel operation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Loans and borrowings	339,585	6,452,568	—	—	6,792,153
Reportable segment assets	5,772,858	14,885,293	3,627,625	515,841	24,801,617
Reportable segment liabilities	5,576,217	12,673,440	401,141	380,864	19,031,662

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

	2013	2012
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**5,813,867**	4,495,174
Elimination of intra-group revenue	**(44,483)**	(40,564)
Consolidated revenue	**5,769,384**	4,454,610
Profit		
Reportable segment profit	**748,286**	623,714
Elimination of intra-group profit	**(29,608)**	(13,591)
Unallocated head office and corporate expenses	**(87,836)**	(225,829)
Consolidated profit	**630,842**	384,294

	2013	2012
	RMB'000	*RMB'000*
Loans and borrowings		
Reportable segment loans and borrowings	**9,308,755**	6,792,153
Unallocated head office and corporate loans and borrowings	**4,493,282**	3,402,299
Consolidated loans and borrowings	**13,802,037**	10,194,452
Assets		
Reportable segment assets	**34,686,879**	24,801,617
Elimination of intra-group balances	**(15,342,383)**	(9,643,086)
Unallocated head office and corporate assets	**8,558,250**	7,351,421
Consolidated total assets	**27,902,746**	22,509,952

	2013	2012
	RMB'000	*RMB'000*
Liabilities		
Reportable segment liabilities	**28,065,861**	19,031,662
Elimination of intra-group balances	**(15,239,988)**	(6,815,276)
Unallocated head office and corporate liabilities	**12,325,480**	8,453,405
Consolidated total liabilities	**25,151,353**	20,669,791

(c) Geographical information

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

8 TRADE AND OTHER RECEIVABLES

	Note	2013	2012
		RMB'000	*RMB'000*
The Group			
Trade receivables	*(i)*	**836,409**	661,071
Amounts due from related parties		**481,677**	1,151,523
Other receivables		**638,130**	772,325
Loans and receivables		**1,956,216**	2,584,919
Deposits and prepayments		**782,879**	715,798
		2,739,095	3,300,717

(i) The ageing analysis of trade receivables based on due date is as follows:

	2013	2012
	RMB'000	*RMB'000*
Current	**157,562**	37,680
1 to 6 months past due	**68,570**	15,100
6 months to 1 year past due	**582**	6,100
More than 1 year past due	**609,695**	602,191
Amounts past due	**678,847**	623,391
	836,409	661,071

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Credit evaluations are performed on all customers requiring credit over a certain amount. The Group generally would not release the property ownership certificates to the buyers before the buyers finally settle the selling price.

9 TRADE AND OTHER PAYABLES

	Note	2013	2012
		RMB'000	*RMB'000*
The Group			
Trade payables	*(i)*	**3,640,885**	2,551,627
Amounts due to related parties		**69,165**	582,831
Other payables		**1,034,500**	1,375,104
Financial liabilities measured at amortized cost		**4,744,550**	4,509,562
Receipts in advance		**18,995**	19,081
Other taxes payable		**104,828**	85,003
		4,868,373	4,613,646
Less: non-current portion of trade payables		**1,026,440**	768,558
non-current portion of other payables		**104,824**	104,824
Sub-total		**1,131,264**	873,382
		3,737,109	3,740,264

Note:

(i) The ageing analysis of trade payables based on due date is as follows:

	2013	2012
	RMB'000	*RMB'000*
Due within 1 year or on demand	**2,614,445**	1,783,069
Due after 1 year but within 2 years	**717,959**	355,764
Due after 2 years but within 5 years	**308,481**	412,794
	3,640,885	2,551,627

10 DIVIDENDS

The Company did not declare any dividends for the years ended 31 December 2013 and 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Contracted Sales

During the reporting period, the Group achieved contracted sales of RMB5,354 million, representing an increase of 25% compared to 2012. The Group achieved contracted sales area of 697,376 square metres, representing an increase of 32% compared to 2012. The Group achieved average contracted unit selling price of RMB7,677 per square metre, representing a decrease of 6% compared to 2012. This was mainly attributable to the structure of sales products in 2013, but the contracted price for the same type of properties under the same project of the Group in 2013 showed an upward trend in general compared to 2012.

Contracted sales of the Group during the reporting period were as follow:

Projects Name	**Sales area** *(m^2)*	**Sales amount** *(in RMB million)*	**Unit price** *(RMB/m^2)*
Mixed-use business complexes			
Weifang City Plaza	8,178	65	7,900
Chongqing New Town	256	12	47,968
Jinan New Town	80,888	734	9,079
Liuzhou City Plaza	266	22	81,072
Sub-total	89,588	833	9,296
Multi-functional residential communities			
Dongying City Garden	39,020	239	6,117
Shenyang New Town	139,085	1,141	8,205
Shenyang Golf Mansion	23,358	141	6,048
Changsha New Town	59,804	526	8,790
Wuhan Lakeside Residence	81,058	672	8,289
Wuxi New Town	131,825	951	7,214
Chengdu Mia Centre	27,545	313	11,354
Qingyuan Mango Town	105,613	534	5,057
Guilin Lijiang Project	480	4	8,874
Sub-total	607,788	4,521	7,438
Total	697,376	5,354	7,677

Property Construction

Owing to the introduction of the high turnover strategy, during the reporting period, the Group's newly-started construction area reached 1,201,901 square metres, representing an increase of 101% compared to 2012. The completed gross floor area ("**GFA**") reached 942,552 square metres, representing an increase of 23% compared to 2012. The status of property construction during the reporting period was as follows:

Project name	**2013 Newly-started total GFA** *(square metres)*	**2013 Completed total GFA** *(square metres)*	**Total GFA under construction** *(square metres)* **at the end of 2013**
Mixed-use business complexes			
Shenyang International New Town (Phase III)	250,048		250,048
Weifang City Plaza (Phase I)		96,166	79,563
Jinan International New Town (Phase V)	24,164		188,116
Chongqing International New Town (Phase II)	131,304		153,188
Liuzhou City Plaza (Phase IV)			
Sub-total	405,516	96,166	670,915
Multi-functional residential communities			
Shenyang International New Town (Phase II)	38,199	220,421	129,319
Shenyang Golf Mansion (Phase I)		101,943	52,109
Shenyang Golf Mansion (Phase II)	5,650		5,650
Dongying City Garden (Phase II)		49,638	21,547
Dongying City Garden (Phase III)	76,389		76,389
Wuhan Lakeside Residence (Phase I)			
Wuhan Lakeside Residence (Phase II)			101,490
Wuhan Lakeside Residence (Phase III)		103,236	
Wuhan Lakeside Residence (Phase IV)	102,255		102,255
Wuxi International New Town (Phase II)			
Wuxi International New Town (Phase III)			31,637
Wuxi International New Town (Phase IV)		124,923	357,499
Changsha International New Town (Phase III)		122,098	112,869
Chengdu Mia Centre (Phase I)		124,127	
Chengdu Mia Centre (Phase II)	143,978		143,978
Qingyuan Mango Town (Phase I)	108,555		108,555
Qingyuan Mango Town (Phase II)	301,922		301,922
Tianjin International New Town			
Guilin Lijiang Project	19,437		19,966
Sub-total	796,385	846,386	1,565,185
Total	1,201,901	942,552	2,236,100

Land Acquisition

During the reporting period, the Group paid an aggregate amount of RMB1,703 million on various types of land payments, of which RMB1,111 million was used for the mixed-use business complex projects (including the acquisition of a 49% stake in Jinan Project at the consideration of RMB300 million) and RMB592 million was used for the multi-functional residential community projects. The land payments paid by the Group for the current period accounted for 36% of the sales proceeds for the current period, far beyond the percentage of the Group's average land costs to average selling price.

Investment properties

During the reporting period, the new investment properties of the Group reached 43,752 square metres. For the year ended 31 December 2013, the Group had a total of 274,629 square metres investment properties. During the reporting period, the rental income reached RMB77 million, representing an increase of 89% compared to 2012.

Business Outlook

We are of the view that the urbanization progress of China is far from over, where the total volume of urban properties will still continue to increase in the future, and the functional upgrade of the second- and third-tier cities are under way simultaneously, however the residential property market will face more intensive competition than the commercial property market. As such, the Group will follow the trend leveraging on our property development capabilities of over 20 years, on the one hand we will accelerate the development and sales of the existing land bank which is large in scale, low in costs and with growth potential so as to achieve high turnover and scale of operation; on the other hand, we will vigorously increase investment and development in complex of commercial streets, further enhance the subsequent operation standard of commercial properties, better serve the functional upgrade and consumption upgrade of the second- and third-tier cities. We believe that we can create better return to the shareholders only by better meeting our clients' needs and providing competitive remuneration package to our staff.

Financial Performance

Revenue

Our revenue increased by 29.5% to RMB5,769.4 million in 2013 from RMB4,454.6 million in 2012 due to an increase in revenue from our sales of properties and increased property management and hotel operation income.

Sale of properties

Revenue generated from sales of properties increased by 29.3% to RMB5,526.3 million in 2013 from RMB4,273.4 million in 2012, primarily due to an increase in the total GFA we delivered, partially offset by the decrease in the average selling prices.

Specifically, revenue generated from sales of mixed-use business complexes decreased by 7.2% to RMB867.2 million in 2013 from RMB934.5 million in 2012, primarily due to an RMB1,498.6 per square metre decrease, or 14.7%, in the average selling price (excluding car parks), to RMB8,718.6 per square metre in 2013 from RMB10,217.2 per square metre in 2012, and a 3.8% increase in GFA delivered (excluding car parks), to 94,239 square metres in 2013 from 90,759 square metres in 2012. Revenue generated from sales of multi-functional residential communities increased by 39.5% to RMB4,659.0 million in 2013 from RMB3,338.9 million in 2012, primarily due to the increase in GFA delivered (excluding car parks), to 586,262 square metres in 2013 from 407,288 square metres in 2012.

Property management and hotel operation income

Revenue generated from property management and hotel operation income increased by 18.2% to RMB166.0 million in 2013 from RMB140.4 million in 2012, primarily due to more GFA under our management and an increase in our hotel occupancy rate.

Rental income from investment properties

Revenue generated from rental income from investment properties increased by 89.0% to RMB77.1 million in 2013 from RMB40.8 million in 2012, primarily due to more GFA for rental and an increase in rent.

Cost of Sales

Our cost of sales increased by 35.4% to RMB4,119.3 million in 2013 from RMB3,042.2 million in 2012. Cost of property sales increased by 37.4% to RMB3,956.5 million in 2013 from RMB2,880.0 million in 2012 primarily due to the increase in the capitalization of interests and increased deliveries of properties with greater interior fittings and decorations. Cost of property management and hotel operation amounted to RMB162.8 million in 2013, which remained stable as compared to 2012.

Gross Profit

As a result of the foregoing, our gross profit increased by 16.8% to RMB1,650.1 million in 2013 from RMB1,412.4 million in 2012. Our gross profit margin decreased to 28.6% in 2013 from 31.7% in 2012 primarily because of a decrease in the proportion of projects with higher gross profit margins in 2013.

Valuation Gains on Investment Properties

Valuation gains on investment properties increased by 74.8% to RMB243.5 million in 2013 from RMB139.3 million in 2012, mainly as a result of the completion of construction of some of the commercial properties of Liaoning Sunshine 100 and Liuzhou Sunshine 100 City Plaza and new additional investment properties due to the transfer of certain properties under development and completed properties held for sale located at Chengdu and Wuhan to investment properties in 2013.

Selling Expenses

Selling expenses increased by 51.8% to RMB283.9 million in 2013 from RMB187.0 million in 2012, primarily due to increased sales commissions in line with increased contracted sales and increased number of contract sales staff in 2013.

Administrative Expenses

Administrative expenses increased by 25.4% to RMB333.6 million in 2013 from RMB266.1 million in 2012, primarily due to an increase in employee salary in 2013 and acquisition of 49% interest in Jinan Sunshine 100 Real Estate Development Co., Ltd. in 2013.

Financial Expenses

Financial expenses decreased by 32.2% to RMB232.9 million in 2013 from RMB343.4 million in 2012, primarily due to a decrease of RMB155.2 million in net change in fair value of the loans from Riverside Investment Ltd.

Income Tax

Income tax expense increased by 30.9% to RMB484.2 million in 2013 from RMB369.9 million in 2012. It is primarily due to an increase in profit before tax.

Profit for the year

Profit for the year increased by 64.2% to RMB630.8 million in 2013 from RMB384.3 million in 2012.

Profit attributable to equity shareholders of the Company

As a result of the foregoing, profit attributable to equity shareholders of the Company increased by 123.3% to RMB672.1 million in 2013 from RMB300.9 million in 2012.

Working Capital, Finance & Capital Resources

Cash and cash equivalents

As at 31 December 2013, the Group had approximately RMB1,216.5 million in cash and cash equivalents, which increased by RMB108.2 million compared to that of 2012. The increase was due to the increase of sales of properties and loans and borrowings.

Current ratio and gearing ratio

As at 31 December 2013, the current ratio of the Group increased from 114.7% in 2012 to 153.2%. The Group had current assets of RMB21,714.4 million and current liabilities of RMB14,170.6 million as at 31 December 2013. The increase of current ratio was primarily due to the Group's higher increase rate in current assets such as properties under construction as compared to the increase rate in current liabilities for the year of 2013.

As at 31 December 2013, the gearing ratio of the Group (gearing ratio = total loans and borrowings/total assets x 100%) increased from 45.3% in 2012 to 49.5%. The increase in gearing ratio was due to the increase of loans and borrowings in 2013.

Loans and borrowings and pledged assets

As at 31 December 2013, the Group had total loans and borrowings of RMB13,802.0 million, of which RMB5,050.3 million, RMB6,660.7 million, RMB1,961.5 million and RMB129.5 million are payable within one year or on demand, after 1 year but within 2 years, after 2 years but within 5 years and after 5 years, respectively.

As at 31 December 2013, the Group had pledged properties and restricted deposits with a carrying value of RMB8,206.8 million (2012: RMB6,903.5 million) to secure banking facilities granted to the Group.

Capital commitment

As at 31 December 2013, the Group's contracted capital commitments for properties under development and investment properties under construction not provided for in the financial statements was approximately RMB2,152.8 million (2012: approximately RMB1,915.3 million). Approved but not contracted for capital commitment of the Group was approximately RMB4,232.5 million as at 31 December 2013 (2012: approximately RMB4,251.5 million).

Human Resources

As at 31 December 2013, the Group employed a total of 3,434 employees (2012: 3,092 employees). The staff cost of the Group accounted for RMB331.3 million for the year ended 31 December 2013 (2012: RMB257.0 million). The Group has adopted a performance-based rewarding system to motivate its staff. In addition to a basic salary, year-end bonuses are offered to staff with outstanding performance. In relation to staff training, the Group also provides various staff programs to improve their skills and develop their respective expertise.

FINAL DIVIDENDS

The Board does not recommend the payment of any final dividend for the year ended 31 December 2013.

ANNUAL GENERAL MEETING

It is proposed that the annual general meeting (the "**AGM**") of the Company will be held on Wednesday, 18 June 2014. A notice convening the AGM will be published and dispatched to the shareholders of the Company in the manner as required by the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 16 June 2014 to Wednesday, 18 June 2014, both days inclusive. In order to qualify for attending and voting at the AGM, all transfer documents together with the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 13 June 2014.

CORPORATE GOVERNANCE CODE

Between 13 March 2014 (the "**Listing Date**") (being the date on which the Company became listed on the Stock Exchange) and 31 March 2014 (the date of this announcement), the Group has committed to achieving high corporate governance standards in order to safeguard the interests of shareholders and enhance corporate value and accountability. The Company has adopted and complied with all applicable code provisions under the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules, except for the following deviations:

Code Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Yi Xiaodi is the chairman and chief executive officer of the Company. The Board considers that this structure 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 operations of the Board, which comprises experienced and high caliber individuals and meets regularly to discuss issues affecting the operations of the Company. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement decisions promptly and efficiently. The Board has full confidence in Mr. Yi and believes that his appointment to the positions of chairman and chief executive officer is beneficial to the business prospects of the Company.

Code Provision A.1.8 of the CG Code stipulates that an issuer should arrange appropriate insurance coverage in respect of legal action against its directors. The Company has not yet arranged such insurance coverage. The Board will continue to review the arrangements for insurance coverage for the directors of the Company (the "**Directors**") from time to time, and will arrange for insurance cover in due course.

Code Provision A.5.2(d) of the CG Code stipulates that the Nomination Committee should make recommendations to the Board for the appointment or re-appointment of directors. Pursuant to the Company's articles of association, the relevant Directors shall retire at the AGM, and be re-elected at that meeting to continue office. Since those directors' retirement complies with the requirements under the Company's articles of association, and the Company has only been recently listed on the Listing Date, the Board believes that the re-election of these Directors does not require recommendation by the Nomination Committee to the Board. The future re-election of the Directors will comply with the requirements of Code Provision A.5.2(d).

AUDIT COMMITTEE

The Company has established an audit committee (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. The Audit Committee of the Company currently comprises three independent non-executive Directors, including Mr. Ng Fook Ai, Victor, Mr. Chen Jinsong and Mr. Gu Yunchang. 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 Company's financial information; (iii) to supervise the Company's financial reporting system and internal control procedures; and (iv) to perform the Company's corporate governance procedures.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and has discussed internal control and financial reporting matters (including reviewing the annual results of the Group for the year ended 31 December 2013).

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the "**Remuneration Committee**") in compliance with the Listing Rules. The Remuneration Committee currently comprises an executive Director, Mr. Fan Xiaochong, and two independent non-executive Directors, Mr. Chen Jinsong and Mr. Gu Yunchang. Mr. Chen Jinsong is the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee include (but not limited to): (i) making recommendations to the Directors in respect of the remuneration policies and structure of all Directors and senior management 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 Board's corporate goals and objectives; and (iv) considering and approving the granting 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. The Nomination Committee currently comprises one executive Director, Mr. Yi Xiaodi, and two independent non-executive Directors, Mr. Chen Jinsong and Mr. Gu Yunchang. 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 no less exacting than the terms and required standard contained in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**"). Having made specific enquiries with all the Directors, all the Directors confirmed that they have complied with the provisions of the Model Code since the Listing Date up to the date of this announcement.

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries, of the Company's listed shares since the Listing Date up to the date of this announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on public information available to the Company and to the knowledge of the Directors, the Company has maintained a sufficient public float in compliance with the requirements of the Listing Rules since the Listing Date up to the date of this announcement.

EVENTS AFTER THE REPORTING PERIOD

(i) Increase of Authorized Share Capital

As mentioned in the prospectus of the Company dated 27 February 2014 (the "**Prospectus**"), on 16 February 2014, the Company increased its authorized share capital to US$50,000 and HK$30,000,000 by the creation of an addition of 3,000,000,000 shares of par value of HK$0.01 each. On the same date, the Company issued 39,000,000 shares of par value of HK$0.01 each fully paid to Joywise Holdings Limited ("**Joywise**") and the Company repurchased the existing 50,000 issued shares of par value of US$1.00 held by Joywise. As of the date of this announcement, the authorized share capital of the Company was HK$30,000,000 divided into 3,000,000,000 shares of par value of HK$0.01 each.

(ii) Capitalization Issue

Conditional upon the crediting of the Company's share premium account as a result of the issue of the Offer Shares (as defined in the Prospectus) pursuant to the Global Offering (as defined in the Prospectus), the Directors were authorized to capitalize the Capitalization Amount (as defined in the Prospectus) standing to the credit of the share premium account of the Company by applying such sum towards the paying up in full at par the Capitalization Shares (as defined in the Prospectus) for issue and allotment to Joywise. Therefore, 1,347,715,012 shares of par value of HK$0.01 were issued and allotted by the Company to Joywise on the Listing Date.

(iii) Global Offering

The Company's shares were listed on the Main Board of the Stock Exchange on 13 March 2014. Pursuant to the Global Offering (as defined in the Prospectus), the Company issued 500,000,000 new shares at the price of HK$4.00 per share.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT ON THE STOCK EXCHANGE'S AND THE COMPANY'S WEBSITES

This preliminary results announcement of the Company has been published on the website of the Stock Exchange at www.hkex.com.hk and the website of the Company at www.ss100.com.cn. The annual report of the Company for the year ended 31 December 2013 containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and published on the above-mentioned websites in due course.

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

Beijing, the PRC
31 March 2014

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. Joseph Raymond Gagnon, and the independent non-executive directors of the Company are Mr. Chen Jinsong, Mr. Gu Yunchang and Mr. Ng Fook Ai, Victor.