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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015 AND RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

HIGHLIGHTS OF INTERIM RESULTS

- Contracted sales amounted to RMB3,200.7 million and contracted sales area was 424,674 square metres, representing increases of 31.7% and 48.6% from the corresponding period of 2014, respectively
- Sales revenue amounted to RMB2,363.8 million, representing an increase of 176.2% from the corresponding period of 2014
- Profit for the period amounted to RMB54.8 million, in which profit attributable to equity shareholders of the Company amounted to RMB71.6 million, representing increases of 345.5% and 228.4%, respectively, as compared to the corresponding period of 2014
- Basic and diluted earnings per share was RMB0.04
- Total assets amounted to RMB36,644.4 million, representing an increase of 4.5% from the corresponding period in 2014. The total equity attributable to equity shareholders of the Company amounted to RMB5,687.3 million, representing an increase of 23.1% from the corresponding period in 2014
- As of 30 June 2015, our land reserves amounted to 10.5 million square meters in terms of attributable GFA
- The placing of existing shares and subscription of new shares were completed in June 2015, where HK$1,262 million of net proceeds had been raised by the Company, which has been applied for the repayment of loans, development of new real estate-related businesses and general corporate purpose, including property development and project acquisition

The board of directors (the "**Board**") of Sunshine 100 China Holdings Ltd (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2015 (the "**Reporting Period**"), together with the comparative figures for the corresponding period of 2014. The interim results of the Group for the six months ended 30 June 2015 had been reviewed by the Audit Committee of the Company (the "**Audit Committee**") and approved by the Board on 27 August 2015. The following interim financial statements are unaudited, but have been reviewed by KPMG, the auditor of the Company.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2015 – unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
		2015	2014
	Note	***RMB'000***	*RMB'000*
Revenue	4	**2,363,792**	855,748
Cost of sales		**(2,040,199)**	(566,742)
Gross profit		**323,593**	289,006
Valuation gains on investment properties		**264,754**	115,740
Other income		**5,454**	2,861
Selling expenses		**(266,145)**	(139,809)
Administrative expenses		**(177,444)**	(151,485)
Other operating expenses		**(36,478)**	(19,313)
Profit from operations		**113,734**	97,000
Financial income	5(a)	**25,803**	48,426
Financial expenses	5(a)	**(111,656)**	(63,944)
Share of profits less losses of associates		**118,287**	9,126
Profit before taxation	5	**146,168**	90,608
Income tax	6	**(91,364)**	(78,302)
Profit for the period		**54,804**	12,306
Other comprehensive income		**–**	–
Profit and total comprehensive income for the period		**54,804**	12,306
Profit and total comprehensive income attributable to:			
Equity shareholders of the Company		**71,604**	21,781
Non-controlling interests		**(16,800)**	(9,475)
Profit and total comprehensive income for the period		**54,804**	12,306
Basic and diluted earnings per share *(RMB)*	7	**0.04**	0.01

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015 – unaudited

(Expressed in Renminbi)

	Note	At 30 June 2015 *RMB'000*	At 31 December 2014 *RMB'000*
Non-current assets			
Property and equipment		**953,892**	966,940
Investment properties		**6,698,638**	5,946,189
Restricted deposits		**228,123**	399,453
Trade and other receivables	8	**294,183**	54,705
Investments in associates		**465,261**	118,423
Deferred tax assets		**624,795**	500,725
Total non-current assets		**9,264,892**	7,986,435
Current assets			
Properties under development and completed properties held for sale		**20,673,911**	19,795,763
Land development for sale		**763,519**	752,809
Trade and other receivables	8	**3,317,323**	3,249,831
Restricted deposits		**882,475**	728,461
Cash and cash equivalents		**1,742,251**	2,557,846
Total current assets		**27,379,479**	27,084,710
Current liabilities			
Loans and borrowings		**6,204,602**	8,003,546
Trade and other payables	9	**5,318,795**	6,736,907
Contract retention payables		**127,668**	159,115
Sales deposits		**4,696,038**	4,077,342
Current tax liabilities		**918,964**	925,787
Total current liabilities		**17,266,067**	19,902,697
Net current assets		**10,113,412**	7,182,013
Total assets less current liabilities		**19,378,304**	15,168,448

	Note	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Non-current liabilities			
Loans and borrowings		**9,492,357**	6,837,472
Contract retention payables		**237,900**	224,009
Trade and other payables	9	**1,480,384**	1,281,930
Deferred tax liabilities		**1,547,181**	1,309,009
Total non-current liabilities		**12,757,822**	9,652,420
NET ASSETS		**6,620,482**	5,516,028
CAPITAL AND RESERVES	10		
Share capital		**18,718**	15,760
Reserves		**5,668,610**	4,604,115
Total equity attributable to equity shareholders of the Company		**5,687,328**	4,619,875
Non-controlling interests		**933,154**	896,153
TOTAL EQUITY		**6,620,482**	5,516,028

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report of Sunshine 100 China Holdings Ltd (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard ("**IAS**") 34, *Interim financial reporting*, issued by the International Accounting Standards Board ("**IASB**"). It was authorised for issue on 27 August 2015.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2014 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2015 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued the following amendments to IFRSs that are first effective for the current accounting period of the Group and the Company:

- *Annual Improvements to IFRSs 2010–2012 Cycle*

- *Annual Improvements to IFRSs 2011–2013 Cycle*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 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 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, and commercial premises; 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

The basis adopted by Group for the classification or measurement of segment profit or loss were same as the basis used in the consolidated financial statements last year.

	Six months ended 30 June 2015				
	Mixed-use business complexes *RMB'000*	**Multi-functional residential communities** *RMB'000*	**Investment properties** *RMB'000*	**Property management and hotel operation** *RMB'000*	**Total** *RMB'000*
Reportable segment revenue	**148,517**	**1,994,772**	**50,678**	**183,210**	**2,377,177**
Reportable segment gross profit	**3,109**	**240,127**	**50,678**	**(3,152)**	**290,762**
Reportable segment (loss)/profit	**(51,672)**	**(175,695)**	**219,702**	**(33,181)**	**(40,846)**

	Six months ended 30 June 2014				
	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	183,582	518,268	36,990	133,723	872,563
Reportable segment gross profit	79,979	168,926	36,990	1,023	286,918
Reportable segment profit/(loss)	3,623	(40,235)	99,894	(8,617)	54,665

	At 30 June 2015				
	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	**4,198,051**	**8,058,033**	**19,799**	**–**	**12,275,883**
Reportable segment assets	**10,529,783**	**17,542,933**	**6,913,716**	**913,699**	**35,900,131**
Reportable segment liabilities	**11,744,814**	**15,375,920**	**279,133**	**253,582**	**27,653,449**

	At 31 December 2014				
	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	3,480,634	7,768,099	19,799	–	11,268,532
Reportable segment assets	10,198,705	18,450,544	6,063,823	854,093	35,567,165
Reportable segment liabilities	11,021,238	16,116,164	372,632	497,062	28,007,096

(b) Reconciliations of reportable segment revenue and profit

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**2,377,177**	872,563
Elimination of intra-group revenue	**(13,385)**	(16,815)
Consolidated revenue	**2,363,792**	855,748
Profit		
Reportable segment (loss)/profit	**(40,846)**	54,665
Elimination of intra-group profit	**(11,072)**	(9,077)
Unallocated head office and corporate income/(expenses)	**106,722**	(33,282)
Consolidated profit for the period	**54,804**	12,306

4 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:

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Sale of properties	**2,143,289**	701,850
Rental income from investment properties	**50,678**	36,990
Property management and hotel operation income	**169,825**	116,908
	2,363,792	855,748

5 PROFIT BEFORE TAXATION

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

(a) Financial income and financial expenses

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Financial income		
Interest income on financial assets not at fair value through profit or loss	**(20,747)**	(43,822)
Net foreign exchange gain	**(5,056)**	(4,604)
	(25,803)	(48,426)
Financial expenses		
Interest on loans and borrowings measured not at fair value through profit or loss	**847,823**	606,764
Less: Interest expense capitalized into land development for sale, properties under development and investment properties under construction	**(741,216)**	(576,176)
	106,607	30,588
Net change in fair value of the loans from Riverside	**–**	30,086
Net change in fair value of the loans from Hangzhou Industrial and Commerce Trust	**1,429**	126
Bank charges and others	**3,620**	3,144
	111,656	63,944

(b) Other items

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Depreciation	**28,253**	22,516
Write-down of properties under development and completed properties held for sale	**128,404**	–

6 INCOME TAX

	Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Provision for the period		
– PRC Corporate Income Tax	**53,231**	16,276
– Land Appreciation Tax	**37,735**	32,908
Under-provision of PRC Corporate Income Tax in respect of prior years	**10,445**	–
Deferred tax	**(10,047)**	29,118
	91,364	78,302

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.

7 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB71,604,000 for the six months ended 30 June 2015 (six months ended 30 June 2014: RMB21,781,000) and the weighted average of 2,014,583,333 ordinary shares (six months ended 30 June 2014: 1,744,464,588 shares) in issue during the interim period.

There was no difference between basic and diluted earnings per share as there were no dilutive potential shares outstanding during the periods ended 30 June 2015 and 2014.

8 TRADE AND OTHER RECEIVABLES

As of the end of the reporting date, the ageing analysis of trade receivables based on due date and net of allowance for doubtful debts, is as follows:

	At **30 June** **2015** *RMB'000*	At 31 December 2014 *RMB'000*
Current	**236,831**	352,936
1 to 6 months past due	**89,188**	196,525
6 months to 1 year past due	**80,270**	12,793
More than 1 year past due	**611,775**	605,656
Amounts past due	**781,233**	814,974
Trade receivables, net of allowance for doubtful debts of RMB nil	**1,018,064**	1,167,910
Advances provided to third parties	**1,293,726**	903,869
Other receivables	**183,988**	157,729
	2,495,778	2,229,508
Less: allowance for doubtful debts	**45,000**	45,000
Loans and receivables	**2,450,778**	2,184,508
Deposits and prepayments	**1,160,728**	1,120,028
	3,611,506	3,304,536
Less: non-current portion of trade receivables	**45,794**	54,705
non-current portion of other receivables	**248,389**	–
Sub-total	**294,183**	54,705
	3,317,323	3,249,831

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

As of the end of reporting period, the ageing analysis of trade payables based on due date, is as follows:

	At 30 June 2015 *RMB'000*	At 31 December 2014 *RMB'000*
Due within 1 year or on demand	**3,374,865**	3,964,661
Due after 1 year but within 2 years	**1,135,154**	1,011,783
Due after 2 years but within 5 years	**240,406**	165,323
Trade payables	**4,750,425**	5,141,767
Advances received from third parties	**1,072,947**	912,714
Consideration payables for acquisition of subsidiaries and non-controlling interests	**379,091**	306,870
Amounts due to related parties	**44,481**	58
Other payables	**450,076**	434,811
Financial liabilities measured at amortized cost	**6,697,020**	6,796,220
Receipts in advance	**50,308**	1,144,739
Other taxes payable	**51,851**	77,878
	6,799,179	8,018,837
Less: non-current portion of trade payables	**1,375,560**	1,177,106
non-current portion of other payables	**104,824**	104,824
Sub-total	**1,480,384**	1,281,930
	5,318,795	6,736,907

10 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

The Company did not declare any dividends for the six months ended 30 June 2015 and 2014.

(b) Share capital

		Six months ended 30 June 2015		Year ended 31 December 2014	
	Note	***No. of shares***	***HKD'000***	*No. of shares*	*HKD'000*
Authorised:					
Ordinary shares		**3,000,000,000**	**30,000**	3,000,000,000	30,000

		Six months ended 30 June 2015		Year ended 31 December 2014	
		No. of shares	***RMB'000***	*No. of shares*	*RMB'000*
Issued and fully paid					
At 1 January		**2,000,000,000**	**15,760**	50,000	376
Issue of subscription shares	(i)	**375,000,000**	**2,958**	–	–
Split and repurchase of shares		**–**	**–**	38,950,000	(69)
Initial public offering		**–**	**–**	500,000,000	3,949
Conversion of Loans from Riverside		**–**	**–**	113,284,988	895
Capitalisation of shares		**–**	**–**	1,347,715,012	10,609
At 30 June/31 December		**2,375,000,000**	**18,718**	2,000,000,000	15,760

(i) Issuance of shares

During the six months ended 30 June 2015, the Company issued 375,000,000 shares at Hong Kong Dollar ("**HKD**") 3.40 per share, and received a net proceeds of HKD1,262 million (equivalent to approximately RMB996 million).

REVIEW ON THE FIRST HALF OF 2015

Operating results achieved stable and healthy growth

During the first half of 2015, in view of the changes in the economy in general and in the real estate market, on one hand, the Group stepped up its efforts in the development and sale of its core products, the "Commercial Street Complex" projects which offer high gross profit and operate based on a sale/lease combination model, and the innovative residential product "Phoenix Community", which further optimizes our product portfolio. On the other hand, the Group coped with the existing environment and trend by implementing flexible sales and marketing strategies to enhance destocking. The overall operating results achieved substantial growth during the first half of the year. During the Reporting Period, the Group realized total contracted sales in the amount of RMB3,200.7 million and total revenue in the amount of RMB2,363.8 million, representing increases of 31.7% and 176.2% from the corresponding period last year, respectively. Contracted sales of commercial projects amounted to RMB470.5 million, representing a year-on-year growth of 6.5 percentage points. Net profit attributable to the shareholders of the Company increased by approximately 228.4% from the corresponding period last year to RMB71.6 million, with total assets increasing to RMB36,644.4 million and the total equity attributable to equity shareholders of the Company amounting to RMB5,687.3 million. At the same time, the Group continued to accelerate the asset turnover, and the area of newly-started construction and construction completions during the first half of the year recorded continuous growth as compared to the corresponding period last year. The newly-started total gross floor area ("**GFA**") during the Reporting Period was 728,074 square metres, representing an increase of 4.4% over the corresponding period last year. The completed total GFA during the Reporting Period was 441,106 square metres, representing an increase of 441.7% from the corresponding period last year. In respect of land reserves, the newly-acquired projects for the first half of the year took up approximately 324,000 square meters of planned GFA, and the accumulated attributable land reserves area of the Group amounted to approximately 10.5 million square meters.

Fostering the development and sales of our core products continuously to strengthen their advantages

The Group upheld its vision of deepening development in the segment market while progressing forward through innovation and shifting its business focus from ordinary residential properties to commercial street complexes. The key focus was also expanded from development to sales and service. Starting from this year, in particular, we strengthened the development of our core products and focused on the diversified added value rendered for the projects. In respect of the commercial projects, we further strengthened the advantages of our core products "Commercial Street Complex" that offer high earnings, high turnover and low risk. The progress of each key project has been satisfactory. In particular, Liuzhou Yaobu Classic Town Project, one of our flagship projects, has continuously delivered excellent sales. Phases I and II construction of the project had been completed, and the construction of phase III has commenced. It is expected to be completed by the end of this year. The tenant recruitment exercise of the project has been extensively carried out and it is expected that phase I will commence operation in the fourth quarter this year. Moreover, the Yixing commercial street complex project which was acquired last year has progressed as scheduled. The project is located by the side of Dong Jiu Lake with prominent geographic advantages, and the planned GFA is approximately 111,000 square metres. It is positioned as a pedestrian commercial street complex which offers leisure and entertainment, and is now undergoing detailed planning and design. Another lately acquired project, the COART Village in Lijiang, adjacent to the Shuhe Ancient Town, Lijiang, enjoys excellent scenery of the snow mountain. The planned GFA of the project is approximately 204,000 square metres, and is planned to be developed into an integrated tourism commercial real estate project, integrating tourism, sightseeing, leisure and resort, experience-based business elements under the same roof. Part of Phase I has been completed and sold. The remaining part in Phase I as well as Phases II and III are under active planning and design, and they will commence construction the soonest in the second half of this year.

In respect of residential products, we have further fostered the development of the "Phoenix Community" product by organic growth as well as external cooperation. We have continuously satisfied the sophisticated living needs of the young elites by providing quality residential properties and property management services, in conjunction with our unique entrepreneural cultural space, which customizes new office communities for young entrepreneurs in the internet era. During the first half of the year, we continuously rolled out the "Phoenix Community" in the cities where we operate, taking into account the local market conditions. The "Phoenix Community" has entered cities including Shenyang, Weifang, Wuhan, Changsha, Chengdu, Liuzhou and Qingyuan, and received extensive attention both from the young elites and our peers. The Group has extensively marketed the "Phoenix Community" projects through its own experienced sales teams, adopting flexible and incentive-oriented sales policies while leveraging on the diversified platforms of its partners and diversified activities and community. We have proactively retained the participants in our events as our potential customers and property owners. We have received good market response and enhanced our public visibility. The Company plans to selectively enter into new cities in the future based on demands from local markets, and also plans to leverage on advantageous resources offered by strategic alliance to enter into first-tier cities with an asset-light approach.

Exploring and leveraging on opportunities to prudently expand land reserves

During the first half of this year, to avoid the risks of competing through tender and auction, the Group exercised caution in selecting the project types it specialises in and acquired quality project lands by way of equity participation or merger and acquisition in projects at low costs, which provided great support to the Group's continuous development and expansion of its presence. The key projects acquired include a parcel of land located in Wing Beach, Saipan and the COART Village, Lijiang. The total site area of the Saipan project is approximately 168,000 square metres, and the total planned GFA is approximately 120,000 square metres. The Group plans to develop the project into a holiday resort and apartment product. The general construction plan is divided into three stages and we are now at the preliminary design and planning stage. We believe that the project will receive market recognition and will deliver good returns to the Group through leveraging on the advantages offered by unique natural scenery, tourism resources and convenient transportation and visa application procedures. Meanwhile, the Lijiang project benefits from the rich natural and local cultural features. The acquisition of such project is a strategic step towards our transformation to adopt "Commercial Street Complex" projects as our core product. Apart from satisfying the basic design requirements of "Commercial Street Complex" projects, the main characteristics will cover (amongst others) art center, art hostel, academy hotel and cultural exchange center, aiming at creating an architectural city landmark which is equipped with one-stop travel and leisure functions and integrates an abundance of cultural and artistic characteristics.

Developing an asset-light cooperation model and a diversified cooperation platform

In June this year, the investment financial group led by EBA Investments conducted equity investment in the Company and became the second largest shareholder with shareholding of 9.03%, and it entered into the strategic cooperation framework agreement with the Company to materialize comprehensive in-depth cooperation and accelerate the progress of the asset-light cooperation model. The Company's core strengths in respect of its product marketing will integrate with the capital and resources strengths offered by the cooperating party through a win-win cooperation. The Company will obtain the project operation right with just a small amount of capital and will bring about increase in project value and acceleration of destocking through product marketing and chain effect of the brands, thus achieving profit sharing and strengthening the cash flow of the Company, while effectively controlling the investment risks at the same time. EBA Investments will also arrange for financing and facilitate the Company's development of such asset-light cooperation projects by way of equity/debt investments. This new asset-light operation model will enable the Company to maintain unique profitability in the PRC real estate market, which will be subject to excessive supply for a long time going forward.

Moreover, we enhanced our product operation services and further diversified and improved the operation status of properties by cooperation with multiple external parties which provide quality resources. For example, we joined hands with Mao Daqing's "UrWork", which targets start-up customers, to jointly operate Sunshine 100 UrWork situated at Guanghua Road, Beijing and have also formed a strategic cooperation for seeking more cooperation opportunities in our projects in (amongst others) Shenyang, Chengdu, Changsha and Wuhan. Moreover, we have formed strategic alliance in Wuhan with the avant garde venture capital organization "Shao Chuang Pai" and launched the largest start-up villa cluster in Wuhan, the "Phoenix Community Villa". We also joined hands with Li Yapeng's Beijing Zhongshu Investment Holdings Co., Ltd. to develop the COART Village located in Lijiang, Yunan, and proactively promoted cooperation between the parties in other projects, so as to build a commercial ecological environment with cultural and art features to enhance the project value.

We will continuously seek cooperation opportunities from different directions, so as to export our product marketing strengths by adopting the asset-light operation model, while proactively formulating a diversified and open cooperation platform. We believe that this will assist the Company to materialize optimization of influence and cross-sector win-win synergy.

Introducing quality strategic investor while optimizing financial structure

During the first half of the year, the Company conducted a top-up placement of 375 million shares to no less than six investors including an investment financial group led by EBA Investments, in which the new shares involved represented 15.79% of the enlarged share capital and raised HK$1.275 billion of gross proceeds (net proceeds: HK$1.262 billion). This placing exercise not only injected new capital for the business expansion of the Company, but also facilitated the optimization of our financial structure and further reduced our financial leverage. Meanwhile, the placing introduced high quality strategic investors to the Company, further diversified the shareholders portfolio of the Company, and enhanced the level of recognition and influence of the Company in the capital market, which will exert positive effect on subsequent capital financing and continuously optimize the financial structure in the furture.

Outlook of second half of the year and the future

Looking into the second half of the year, it is expected that the monetary and credit policies will remain steady but become more relaxed. The central government had set the tone of stabilizing consumption while promoting demands. Local policies will adapt to changes with a more flexible and proactive approach. Under the basic principle of stabilizing consumption, efforts in relaxing the policies will be stepped up. It is expected that the decrease in market supply in the second half of the year will narrow down and demands will continue to bounce back. At the same time, destocking will gradually continue, and the property price is expected to stabilize and bounced back slightly, which will facilitate the turnaround of the market.

Looking into the future, the Group plans to further adapt to the trends and proactively develop its own core products. We will continue to increase the proportion of the “Commercial Street Complex” projects in our business and will adequately leverage on the products’ competitive edges of low investment input, quick turnover and high returns to boost our earnings in the future. At the same time, the Group plans to upgrade our future residential products to serviced apartments, and build upon the platform of the completed property projects to provide interface for various vertical service providers. The Group will facilitate the roll-out of the “Phoenix Community”, innovative serviced apartments equipped with social networking functions, in more cities where its existing projects are located. The Group will also capitalize on opportunities and prudently initiate promotion campaigns in new cities and first-tier cities, to further leverage on the unique advantages offered by these innovative products. The Group will avoid homogenized competition while comprehending accurately on the prevailing trend, so as to satisfy the dual demand for living functions and social platform from the urban youths.

Meanwhile, the Group will further enhance its excellent property marketing capabilities developed over the years. We will export our advantages and promote the asset-light operation model to achieve quick access to core cities to develop quality real estate projects with relatively low capital cost, striving for realization of fast development of core products and significant increase in the overall operation scale. In addition, we will fully develop innovative real estate products in the internet era, accelerate our upgrading to services value-added model and continuously enhance the quality of the projects and our brand value.

We believe that we will deliver better returns for our customers, shareholders and investors as we consistently provide quality and innovative products, endeavour to address the needs of customers, provide more competitive remuneration packages to our employees and perform our social responsibilities as a corporate citizen.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Results Overview

During the Reporting Period, against the backdrop of the central government setting its tone of stabilizing property consumption, the market condition has improved through the joint efforts of various policies, which facilitated further recovery in the property market. Benefiting from the positive measures launched by the government, as well as further promotion of the sale of core and innovative products and the adoption of flexible pricing strategies by the Group, the Group recorded total contracted sales in the amount of RMB3,200.7 million and total revenue in the amount of RMB2,363.8 million, representing increases of 31.7% and 176.2% from the corresponding period last year, respectively. Profit attributable to equity shareholders of the Company amounted to RMB71.6 million, representing an increase of 228.4% from the corresponding period last year. Basic and diluted earnings per share attributable to the equity shareholders of the Company was RMB0.04, representing an increase of 300.0% from that of last year.

Contracted sales

During the Reporting Period, the Group realized contracted sales in the amount of RMB3,200.7 million, representing an increase of 31.7% from the corresponding period of 2014, and an aggregate contracted sales area in the amount of 424,674 square metres, representing an increase of 48.6% from the corresponding period of 2014. Contracted sales generated from commercial properties amounted to RMB470.5 million, representing an increase of 6.5% from the corresponding period of 2014, and the aggregate contracted sales area amounted to 30,560 square metres, representing an increase of 25.8% from the corresponding period of 2014. The regions where contracted sales were generated from were evenly distributed, among which, contributions from Jinan, Shenyang, Wuxi and Qingyuan projects were more significant, with the contracted sales being RMB685.0 million, RMB555.0 million, RMB452.2 million and RMB419.4 million, respectively, accounting for 21.4%, 17.3%, 14.1% and 13.1% of the total contracted sales, respectively. Moreover, the Group's average unit price for contracted sales was RMB7,440/square metre, a decrease from the corresponding period of 2014, mainly due to the increase in the proportion of contracted sales of low-price products during the Reporting Period.

Contracted sales of the Group by geographic location during the Reporting Period were as follows:

			Contracted sales area *(square metres)*[(1)]		Contracted sales amount *(RMB million)*[(2)]		Unit selling price *(RMB/square metre)*[(1)]	
			For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
Economic area	**City**	**Project Name**	**2015**	2014	**2015**	2014	**2015**	2014
Bohai Rim	Jinan	Jinan Sunshine 100 International New Town	**72,935**	35,669	**678**	387	**9,240**	10,644
	Shenyang	Shenyang Sunshine 100 International New Town	**73,488**	60,340	**486**	448	**6,528**	7,353
		Shenyang Sunshine 100 Golf Mansion	**14,686**	6,392	**69**	39	**4,708**	5,901
	Dongying	Dongying Sunshine 100 City Garden	**19,042**	16,031	**114**	112	**5,986**	6,986
	Weifang	Weifang Sunshine 100 City Plaza	**10,442**	8,311	**59**	34	**5,463**	4,022
	Tianjin	Tianjin Sunshine 100 International New Town	**221**	–	**10**	1	**22,596**	–
	Sub-total		**190,814**	126,743	**1,416**	1,021	**7,331**	7,945
Yangtze River Delta	Wuxi	Wuxi Sunshine 100 International New Town	**64,787**	33,694	**452**	267	**6,980**	7,922
	Sub-total		**64,787**	33,694	**452**	267	**6,980**	7,922
Pearl River Delta	Qingyuan	Qingyuan Mango Town	**76,232**	48,620	**419**	252	**5,442**	5,183
	Sub-total		**76,232**	48,620	**419**	252	**5,442**	5,183
Midwest	Wuhan	Wuhan Sunshine 100 Lakeside Residence	**56,157**	33,334	**381**	234	**6,773**	7,020
	Chengdu	Chengdu Sunshine 100 Mia Centre	**14,436**	15,986	**160**	171	**11,085**	10,614
	Changsha	Changsha Sunshine 100 International New Town	**13,814**	12,923	**151**	102	**10,389**	7,567
	Chongqing	Chongqing Sunshine 100 International New Town	**2,579**	–	**47**	6	**16,016**	–
	Liuzhou	Liuzhou Yaobu Classic Town	**5,638**	14,464	**168**	372	**29,328**	25,719
		Liuzhou Sunshine 100 City Plaza	**217**	–	**7**	6	**15,261**	–
	Sub-total		**92,841**	76,707	**914**	891	**9,628**	11,411
Total			**424,674**	285,764	**3,201**	2,431	**7,440**	8,401

Contracted sales of the Group by types of business during the Reporting Period were as follows:

	Contracted sales area *(square metres)*[(1)]		Contracted sales amount *(RMB million)*[(2)]		Unit selling price *(RMB/square metre)*[(1)]	
	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
Type	**2015**	2014	**2015**	2014	**2015**	2014
Commercial Properties	**30,560**	24,298	**471**	442	**15,397**	18,191
Residential and car parks	**394,114**	261,466	**2,730**	1,989	**6,823**	7,493
Total	**424,674**	285,764	**3,201**	2,431	**7,440**	8,401
Proportion						
Commercial Properties	**7%**	9%	**15%**	18%		
Residential and car parks	**93%**	91%	**85%**	82%		
Total	**100%**	100%	**100%**	100%		

Notes:

(1) Excluding car parks

(2) Including car parks

Property Construction

During the Reporting Period, the Group's newly-started total gross floor area ("**GFA**") was 728,074 square metres, representing an increase of 4.4% from the corresponding period of 2014. The completed GFA was 441,106 square metres, representing a significant increase of 441.7% from the corresponding period of 2014, mainly due to accelerating construction progress and asset turnover after the Company's listing on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), more properties were completed in the first half of 2015 as compared to the corresponding period last year.

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

		For the six months ended 30 June		
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	Shenyang	–	156,113	372,013
	Jinan	–	42,671	262,672
	Weifang	155,867	–	155,867
	Dongying	79,095	32,369	145,011
	Sub-total	**234,962**	**231,153**	**935,563**
Yangtze River Delta	Wuxi	254,086	183,506	254,086
	Sub-total	**254,086**	**183,506**	**254,086**
Pearl River Delta	Qingyuan	–	26,447	321,431
	Dongguan	–	–	31,106
	Sub-total	**–**	**26,447**	**352,537**
Midwest	Wuhan	120,316	–	433,155
	Chengdu	–	–	143,978
	Chongqing	–	–	141,165
	Changsha	79,540	–	99,082
	Lijiang	–	–	79,511
	Guilin	39,170	–	61,593
	Liuzhou	–	–	60,327
	Sub-total	**239,026**	**–**	**1,019,171**
Total		**728,074**	**441,106**	**2,561,357**

Land Acquisition

During the Reporting Period, the Group paid an aggregate amount of RMB283.9 million for various land acquisitions, which included the land payment for Shenyang Sunshine 100 International New Town in the amount of RMB99.7 million and the consideration of RMB118.0 million paid for the acquisition of the COART Village, Lijiang.

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

Economic area	City	Total GFA	Percentage	Attributable GFA	Percentage
		(square metres)		*(square metres)*	
Bohai Rim	Jinan	618,156	5%	302,896	3%
	Shenyang	1,424,691	11%	1,341,551	13%
	Tianjin	212,298	2%	182,576	2%
	Dongying	214,408	2%	214,408	2%
	Weifang	1,587,551	12%	1,587,551	15%
	Yantai	426,466	3%	426,466	4%
	Subtotal	**4,483,570**	**35%**	**4,055,448**	**39%**
Midwest	Wuhan	504,820	4%	504,820	5%
	Chongqing	888,623	7%	888,623	8%
	Chengdu	208,568	2%	208,568	2%
	Changsha	360,057	3%	360,057	3%
	Guilin	369,100	3%	169,249	2%
	Liuzhou	305,518	2%	270,645	3%
	Nanning	213,231	2%	164,961	2%
	Lijiang	204,168	1%	104,126	1%
	Subtotal	**3,054,085**	**24%**	**2,671,049**	**26%**
Yangtze River Delta	Wuxi	1,462,598	11%	1,462,598	14%
	Yixing	111,400	0%	89,120	1%
	Subtotal	**1,573,998**	**11%**	**1,551,718**	**15%**
Pearl River Delta	Qingyuan	3,484,113	27%	1,916,262	18%
	Dongguan	258,339	2%	232,763	2%
	Subtotal	**3,742,452**	**29%**	**2,149,025**	**20%**
Northern Mariana Islands	Saipan	120,000	1%	61,200	0%
	Subtotal	**120,000**	**1%**	**61,200**	**0%**
Total		**12,974,105**	**100%**	**10,488,440**	**100%**

Investment Properties

During the Reporting Period, the GFA of the Group's new investment properties under construction was 32,566 square metres, and the planned GFA of investment properties held for future development was 120,000 square metres. The GFA of investment properties decreased by 1,256 square metres. As at 30 June 2015, the GFA of investment properties completed and under construction held by the Group was 431,324 square metres and the planned GFA of investment properties held for future development was 120,000 square metres. Moreover, during the Reporting Period, the rental income was RMB50.7 million, representing an increase of 37.0% as compared to the corresponding period of 2014.

Major investments, acquisitions and disposals

*Repurchase of 72% equity interest in Chongqing Yuneng 100 Real Estate Development Co., Ltd. ("**Chongqing Yuneng 100**")*

On 13 January 2015, Sunshine 100 Real Estate Group Co., Ltd., a wholly-owned subsidiary of the Company ("**Sunshine 100 Group**"), entered into the early repayment agreement with Sunshine 100 Real Estate (Liaoning) Co., Ltd., Zhongrong International Trust Co., Ltd. ("**Zhongrong International Trust**") and Chongqing Yuneng 100 Real Estate Development Co., Ltd., pursuant to which (i) Sunshine 100 Group would repurchase, and Zhongrong International Trust would transfer, 72% of the equity interest in Chongqing Yuneng 100 for a consideration of approximately RMB517,900,000; and (ii) Sunshine 100 Group would repay Chongqing Yuneng 100's outstanding loan (principal of RMB300,000,000 plus the total interest of approximately RMB64,300,000) owed to Zhongrong International Trust. For further details on the repurchase, please refer to the announcement of the Company dated 13 January 2015.

*Acquisition of interest in and shareholders' loan of Sunshine 100 Resort Development Company Limited ("**Sunshine 100 Resort Development**")*

On 10 February 2015, Sunmode Limited, a wholly-owned subsidiary of the Company entered into a share purchase agreement, pursuant to which Sunmode Limited agreed to purchase 510,000 shares and the shareholders' loan of US$4,335,000 of Sunshine 100 Resort Development from Wayfine Holdings Limited and Zhongran Investments Company Limited at an aggregate consideration of US$5,951,821. Upon completion of the transaction, Sunshine 100 Resort Development would be held by Sunmode Limited, Tan Holdings Corporation and Zhongran Investments Company Limited as to 51%, 30% and 19%, respectively. For further details of the acquisition, please refer to the announcement of the Company dated 10 February 2015.

Transfer of 49% equity interest in Chongqing Yuneng 100 and the equity repurchase agreement

On 10 February 2015, Sunshine 100 Group entered into the equity transfer agreement with Beijing Dongfang Zhuochang Investment Management Center (北京東方卓昶投資管理中心) (limited partnership), pursuant to which 49% equity interest in Chongqing Yuneng 100 will be transferred by Sunshine 100 Group to Beijing Dongfang Zhuochang Investment Management Center (limited partnership) for a consideration of RMB49,000,000.

On 10 February 2015, Sunshine 100 Group entered into an equity repurchase agreement with Beijing Dongfang Zhuochang Investment Management Center (limited partnership), pursuant to which, Beijing Dongfang Zhuochang Investment Management Center (limited partnership) shall have the right to return the 49% equity interest in Chongqing Yuneng 100 to Sunshine 100 Group at a consideration of RMB49,000,000 according to the terms of the equity repurchase agreement. For further details on the transfer and repurchase, please refer to the announcements of the Company dated 11 February 2015 and 17 February 2015.

*Acquisition of shares in Lijiang Snow Mountain Investment Co., Ltd. ("**Lijiang Snow Mountain**")*

On 10 June 2015, Sunshine 100 Group, and Wuxi Suyuan Real Estate Co., Ltd. entered into an equity purchase agreement with Mr. Li Yapeng, Beijing Zhongshu Investment Holdings Co., Ltd. and Lijiang Snow Mountain to acquire 51% equity interest in Lijiang Snow Mountain at a total consideration of RMB193.8 million. The purpose of the acquisition is to develop the Lijiang COART Village project located in Shuhe Ancient Town, Lijiang. For further details of the acquisition, please refer to the announcement of the Company dated 10 June 2015.

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

Financial Performance

Revenue

During the Reporting Period, the revenue of the Group increased by 176.2% to RMB2,363.8 million from RMB855.7 million in the corresponding period of 2014, mainly attributable to the increase in revenue from our property sales.

Income from sale of properties

During the Reporting Period, revenue generated from the sale of properties increased by 205.4% to RMB2,143.3 million from RMB701.9 million in the corresponding period of 2014, mainly attributable to an increase in the total GFA delivered.

Property management and hotel operation income

During the Reporting Period, the revenue generated from property management and hotel operation of the Group increased by 45.3% to RMB169.8 million from RMB116.9 million in the corresponding period of 2014, mainly attributable to an increase in the area under property management by the Group.

Rental income from investment properties

During the Reporting Period, the rental income from investment properties of the Group increased by 37.0% to RMB50.7 million from RMB37.0 million in the corresponding period of 2014, mainly attributable to an increase in the unit rental level and an increase in the GFA for rental.

Cost of sales

During the Reporting Period, the cost of sales of the Group increased by 260.0% to RMB2,040.2 million from RMB566.7 million in the corresponding period of 2014. The cost of property sales increased by 327.1% to RMB1,853.8 million from RMB434.0 million in the corresponding period of 2014, mainly attributable to an increase in GFA of properties delivered (excluding car parks). Cost of property management and hotel operation increased by 40.5% to RMB186.4 million from RMB132.7 million in the corresponding period of 2014, mainly attributable to an increase in the area under property management of the Group.

Gross profit

As a result of the above factors, during the Reporting Period, the gross profit of the Group increased by 12.0% to RMB323.6 million from RMB289.0 million in the corresponding period of 2014, and the gross profit margin decreased to 13.7% from 33.8% in the corresponding period of 2014. If the non-recurring inventory impairment loss provided for during the Reporting Period in the amount of RMB128.4 million was excluded, the adjusted gross profit margin of the Group would be 19.1%, representing a decrease of 14.7 percentage points as compared to 33.8% in the corresponding period of 2014, mainly due to an increase in the proportion of delivered properties with lower gross profit margin.

Valuation gains on investment properties

During the Reporting Period, valuation gains on investment properties of the Group increased by 128.9% to RMB264.8 million from RMB115.7 million in the corresponding period of 2014, mainly attributable to the newly added investment properties during the Reporting Period and the increase in the valuation of existing investment properties under construction as they progressed to completion.

Selling expenses

During the Reporting Period, the Group's selling expenses increased by 90.3% to RMB266.1 million from RMB139.8 million in the corresponding period of 2014, mainly attributable to an increase in advertisement expenses and incentives for the sales team due to the Group's increased efforts in promotion and the development of an internal sales agent system.

Administrative expenses

During the Reporting Period, the administrative expenses of the Group increased by 17.1% to RMB177.4 million from RMB151.5 million in the corresponding period of 2014, mainly attributable to an increase in expenses such as staff remuneration, consultancy fee and property tax.

Financial expenses

During the Reporting Period, financial expenses of the Group increased by 74.8% to RMB111.7 million from RMB63.9 million in the corresponding period of 2014, mainly attributable to an increase in the scale of interest bearing liabilities of the Group.

Income tax

During the Reporting Period, the income tax expenses of the Group increased by 16.7% to RMB91.4 million from RMB78.3 million in the corresponding period of 2014, mainly attributable to an increase in valuation gains on investment properties during the period which led to an increase in deferred income tax charges.

Profit

During the Reporting Period, the profit of the Group increased by 345.5% to RMB54.8 million from RMB12.3 million in the corresponding period of 2014.

Profit attributable to equity shareholders of the Company

Based on the above mentioned factors, the profit attributable to equity shareholders of the Company increased by 228.4% to RMB71.6 million from RMB21.8 million in the corresponding period of 2014.

Working capital, finance and capital resources

Cash and cash equivalents

As at 30 June 2015, the Group had RMB1,742.3 million of cash and cash equivalents, representing a decrease of RMB815.6 million as compared to 31 December 2014, mainly due to an increase in the payments as consideration for project acquisitions during the Reporting Period.

Current ratio, gearing ratio and net gearing ratio

As at 30 June 2015, the Group's current ratio increased to 158.6% from 136.1% as at 31 December 2014. As at 30 June 2015, the Group's current assets and current liabilities amounted to RMB27,379.5 million and RMB17,266.1 million, respectively.

As at 30 June 2015, the Group's gearing ratio increased slightly to 42.8% from 42.3% as at 31 December 2014. Net gearing ratio decreased to 197.5% from 209.5% as at 31 December 2014, mainly attributable to an increase in net assets due to placing of existing shares and subscription of new shares, while partly being offset by an increase in interest bearing liabilities.

Contingent liabilities

During the Reporting Period, the Group entered into agreements with certain banks to provide guarantees for the mortgage loans of purchasers of its properties. As at 30 June 2015, the Group provided guarantees for mortgage loans in an amount of RMB4,604.1 million (31 December 2014: RMB5,180.1 million) to banks in respect of such agreements.

Loans and borrowings and pledged assets

As at 30 June 2015, the Group's total loans and borrowings amounted to RMB15,697.0 million. In particular, RMB6,204.6 million, RMB4,417.4 million, RMB4,823.0 million and RMB252.0 million were repayable within one year or on demand, after one year but within two years, after two years but within 5 years and after five years, respectively.

As at 30 June 2015, the Group's pledged properties and restricted deposits with a carrying value of RMB10,667.5 million (31 December 2014: RMB9,268.8 million) to secure banking facilities granted to the Group.

Capital commitments

As at 30 June 2015, the Group's contracted capital commitment for properties under development and investment properties under construction not provided for in the financial statements amounted to RMB2,633.6 million (31 December 2014: RMB1,566.7 million). As at 30 June 2015, the Group's capital commitment approved but not contracted for amounted to RMB5,246.4 million (31 December 2014: RMB5,301.3 million).

Human resources

As at 30 June 2015, the Group employed a total of 3,979 employees (same period of 2014: 3,594 employees). The staff costs of the Group were RMB195.0 million during the Reporting Period (corresponding period of 2014: RMB167.0 million). The Group has adopted a performance-based rewarding 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. We have established a regular assessment mechanism to assess the performance of our employees. The assessment results are used as the basis for determining salary increment, bonuses and promotions. As required by laws and regulations in China, we make 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 our employees in China. For the six months ended 30 June 2015, we made contributions in an aggregate of approximately RMB16.5 million to the employee retirement scheme.

INTERIM DIVIDENDS

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2015.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability of the Company. For the six months ended 30 June 2015, the Company has adopted and complied with all applicable code provisions (the "**Code Provisions**") under the Corporate Governance Code (the "**CG Code**") in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), except for the following deviation:

Code Provision A.2.1 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 calibre individuals and meets regularly to discuss issues affecting the operations of the Group. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Group to make and implement timely and effective decisions. The Board has full confidence in Mr. Yi and believes that his concurrent position as Chairman and Chief Executive Officer is beneficial to the business prospects of the Group.

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. At the time when this announcement was approved by the Board, the Audit Committee comprised three independent non-executive Directors, including Mr. Ng Fook Ai, Victor, Mr. Chen Jinsong and Mr. Gu Yunchang. Mr. Ng Fook Ai, Victor was at such time 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 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 and financial reporting matters of the Group (including reviewing the interim results of the Group for the six months ended 30 June 2015).

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the "**Remuneration Committee**") in compliance with the Listing Rules. At the time when this announcement was approved by the Board, the Remuneration Committee comprised an executive Director, Mr. Fan Xiaochong, and two independent non-executive Directors, Mr. Chen Jinsong and Mr. Gu Yunchang. Mr. Chen Jinsong was at such time 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 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. At the time when this announcement was approved by the Board, the Nomination Committee comprised one executive Director, Mr. Yi Xiaodi, and two independent non-executive Directors, Mr. Chen Jinsong and Mr. Gu Yunchang. Mr. Yi Xiaodi at such time 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 as set out in Appendix 10 to the Listing Rules (the "**Model Code**"). Each Director had been given a copy of the code of conduct regarding security transactions upon his/her appointment, and we issue 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, 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 in 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 six months ended 30 June 2015.

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

Save as the changes in share capital as mentioned below, neither the Company nor any of its subsidiaries purchased, sold or redeemed the Company's listed securities during the six months ended 30 June 2015.

CHANGES IN THE SHARE CAPITAL OF THE COMPANY

Pursuant to the placing agreement and subscription agreement entered into by the Company dated 12 June 2015, Joywise Holdings Limited ("**Joywise**"), the controlling shareholder of the Company, placed 375,000,000 existing shares in aggregate of HK$0.01 each to no less than six independent placees at a placing price of HK$3.40 per placing share, and the Company also allotted and issued 375,000,000 new shares in aggregate to Joywise at a subscription price of HK$3.40 per new share. The authorised share capital of the Company has not increased as a result of the placing and subscription.

USE OF PROCEEDS

After deducting placing commission, professional fees, stamp duties, the Stock Exchange trading fee, the Securities and Futures Commission transaction levy and other expenses related to the placing incurred by the seller and subscription related expenses (as adjusted by the amount of interest earned from the net proceeds from placing during the period from completion of placing to completion of subscription), the net subscription price for the above placing was approximately HK$3.37 per new share. The net proceeds of the subscription was approximately HK$1,262 million, which has been applied in accordance with the fund raising purposes for the repayment of loans, development of new real estate-related business and general corporate purpose (including property development and project acquisition).

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 for the six months ended 30 June 2015.

EVENTS AFTER THE REPORTING PERIOD

From 30 June 2015 to the date of this announcement, there were no events after the Reporting Period which have material effect on the Group.

AUDITOR

KPMG, the Group's auditor, has agreed that the figures of the Group contained in the consolidated statement of comprehensive income, consolidated statement of financial position and related notes for the six months ended 30 June 2015 in this interim results announcement are consistent with the amounts as set out in the unaudited consolidated financial statements of the Group for the six months ended 30 June 2015.

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

This results announcement has been published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.ss100.com.cn. The interim report of the Company for the six months ended 30 June 2015 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.

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

In order to devote more time and energy to other work, Mr. Chen Jinsong resigned from the positions of independent non-executive Director, the chairman of the Remuneration Committee, member of the Audit Committee and member of the Nomination Committee of the Company with immediate effect after the end of the Board meeting on 27 August 2015. Mr. Chen Jinsong confirmed that, he has no disagreement with the Board and no other matter related to his resignation needs to be brought to the attention of the shareholders of the Company or the Stock Exchange.

The Board would like to take this opportunity to express its sincere gratitude to Mr. Chen Jinsong for his valuable contribution to the Company and the Board during his tenure of office.

Further to the resignation of Mr. Chen Jinsong, the Board announced that Mr. Wang Bo, an independent non-executive Director, has been appointed as a member of the Audit Committee and the Nomination Committee and the chairman of the Remuneration Committee of the Company with immediate effect, to take over from Mr. Chen Jinsong.

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

Beijing, the PRC
27 August 2015

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. Wang Bo.