**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 2015

## SUMMARY OF 2015 ANNUAL RESULTS

- Contracted sales amount was RMB7,491.9 million and contracted sales area was 925,140 square metres, representing increases of 12.4% and 14.4% respectively as compared to that of 2014, of which contracted sales amount for commercial property increased by 32.3% to RMB1,430.9 million
- Revenue decreased by 9.6% to RMB6,418.2 million
- Profit attributable to equity shareholders decreased by 21.6% to RMB600.6 million
- Basic and diluted earnings per share was RMB0.27
- Total assets increased by 23.0% to RMB43,138.9 million, and the total equity attributable to the equity shareholders of the Company was RMB6,196.1 million, representing an increase of 34.1% as compared to that of the end of 2014
- Attributable land reserves area reached 10.5 million square metres as of 31 December 2015
- The Board recommends the payment of a final dividend of RMB5.89 cents per share for the year ended 31 December 2015

The board of directors (the "**Board**") of Sunshine 100 China Holdings Ltd. (the "**Company**") is pleased to announce the annual audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2015 (the "**Reporting Period**") as compared to the corresponding period in 2014 as follows:

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
*for the year ended 31 December 2015*
*(Expressed in Renminbi)*

| | Note | 2015<br>RMB'000 | 2014<br>RMB'000 |
|---|---|---|---|
| **Revenue** | 4 | **6,418,190** | 7,103,681 |
| Cost of sales | | **(5,249,703)** | (5,598,150) |
| **Gross profit** | | **1,168,487** | 1,505,531 |
| Valuation gains on investment properties | | **578,179** | 387,763 |
| Other income | | **246,841** | 254,888 |
| Selling expenses | | **(576,032)** | (372,241) |
| Administrative expenses | | **(404,275)** | (406,326) |
| Other operating expenses | | **(47,486)** | (57,913) |
| **Profit from operations** | | **965,714** | 1,311,702 |
| Financial income | 5(a) | **86,528** | 68,946 |
| Financial expenses | 5(a) | **(171,212)** | (144,776) |
| Share of profits less losses of associates and a joint venture | | **121,522** | 73,797 |
| **Profit before taxation** | 5 | **1,002,552** | 1,309,669 |
| Income tax | 6 | **(389,593)** | (499,478) |
| **Profit for the year** | | **612,959** | 810,191 |
| **Other comprehensive income for the year (after tax and reclassification adjustments)** | | | |
| Items that may be reclassified to profit or loss: | | | |
| Exchange differences on translation of financial statements of overseas subsidiaries | | **(2,780)** | – |
| **Total comprehensive income for the year** | | **610,179** | 810,191 |

| | Note | 2015 | 2014 |
|---|---|---|---|
| | | **RMB'000** | *RMB'000* |
| **Profit attributable to:** | | | |
| Equity shareholders of the Company | | **600,591** | 766,543 |
| Non-controlling interests | | **12,368** | 43,648 |
| **Profit for the year** | | **612,959** | 810,191 |
| **Total comprehensive income attributable to:** | | | |
| Equity shareholders of the Company | | **597,811** | 766,543 |
| Non-controlling interests | | **12,368** | 43,648 |
| **Total comprehensive income for the year** | | **610,179** | 810,191 |
| **Basic and diluted earnings per share** *(RMB)* | *7* | **0.27** | 0.41 |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*at 31 December 2015*
*(Expressed in Renminbi)*

| | Note | **2015** | 2014 |
|---|---|---|---|
| | | ***RMB'000*** | *RMB'000* |
| **Non-current assets** | | | |
| Property and equipment | | **784,100** | 966,940 |
| Investment properties | | **7,964,552** | 5,946,189 |
| Restricted deposits | | **405,019** | 399,453 |
| Investments in associates and a joint venture | | **536,496** | 118,423 |
| Trade and other receivables | *9* | **294,300** | 54,705 |
| Deferred tax assets | | **730,423** | 500,725 |
| **Total non-current assets** | | **10,714,890** | 7,986,435 |
| **Current assets** | | | |
| Properties under development and completed properties held for sale | | **24,541,073** | 19,795,763 |
| Land development for sale | | **767,869** | 752,809 |
| Trade and other receivables | *9* | **5,091,648** | 3,249,831 |
| Restricted deposits | | **698,178** | 728,461 |
| Cash and cash equivalents | | **1,325,221** | 2,557,846 |
| **Total current assets** | | **32,423,989** | 27,084,710 |
| **Current liabilities** | | | |
| Loans and borrowings | | **7,577,551** | 8,003,546 |
| Trade and other payables | *10* | **6,166,680** | 6,736,907 |
| Contract retention payables | | **161,917** | 159,115 |
| Sales deposits | | **4,408,362** | 4,077,342 |
| Current tax liabilities | | **1,025,252** | 925,787 |
| **Total current liabilities** | | **19,339,762** | 19,902,697 |
| **Net current assets** | | **13,084,227** | 7,182,013 |
| **Total assets less current liabilities** | | **23,799,117** | 15,168,448 |

| | Note | **2015** | 2014 |
|---|---|---|---|
| | *Note* | ***RMB'000*** | *RMB'000* |
| **Non-current liabilities** | | | |
| Loans and borrowings | | **12,190,959** | 6,837,472 |
| Contract retention payables | | **216,139** | 224,009 |
| Trade and other payables | *10* | **880,943** | 1,281,930 |
| Deferred tax liabilities | | **3,008,661** | 1,309,009 |
| **Total non-current liabilities** | | **16,296,702** | 9,652,420 |
| **Net Assets** | | **7,502,415** | 5,516,028 |
| **Capital and reserves** | | | |
| Share capital | *11* | **18,718** | 15,760 |
| Reserves | | **6,177,367** | 4,604,115 |
| **Total equity attributable to equity shareholders of the Company** | | **6,196,085** | 4,619,875 |
| **Non-controlling interests** | | **1,306,330** | 896,153 |
| **Total Equity** | | **7,502,415** | 5,516,028 |

## 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 IFRSs, International Accounting Standards (IASs) and Interpretations issued by the International Accounting Standards Board (IASB), accounting principles generally accepted in Hong Kong 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 certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

## 2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and a joint venture.

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:

– investment property;

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

– derivative financial instruments; 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 recognized 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 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:

- Amendments to IAS 19, *Employee benefits: Defined benefit plans: Employee contributions*
- *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.

## 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:

| | **2015** | 2014 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Sale of properties | **5,983,945** | 6,747,117 |
| Property management and hotel operation income | **318,829** | 253,155 |
| Rental income from investment properties | **115,416** | 103,409 |
| | **6,418,190** | 7,103,681 |

## 5 PROFIT BEFORE TAXATION

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

### (a) Financial income and financial expenses

| | **2015** | 2014 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Financial income** | | |
| Interest income on financial assets not at fair value through profit or loss | **(71,504)** | (59,332) |
| Net change in fair value of the loans from Hangzhou Industrial and Commerce Trust | **(15,024)** | – |
| Net foreign exchange gain | **–** | (9,614) |
| | **(86,528)** | (68,946) |
| **Financial expenses** | | |
| Total interest expense on loans and borrowings not at fair value through profit or loss | **1,805,884** | 1,315,312 |
| Less: Interest expense capitalized into land development for sale, properties under development and investment properties under construction | **(1,675,192)** | (1,208,600) |
| | **130,692** | 106,712 |
| 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 | **–** | 960 |
| Net foreign exchange loss | **1,143** | – |
| Bank charges and others | **39,377** | 7,018 |
| | **171,212** | 144,776 |

### (b) Staff costs

| | 2015 | 2014 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Contributions to defined contribution retirement plan | **31,567** | 30,924 |
| Salaries, wages and other benefits | **411,178** | 393,666 |
| | **442,745** | 424,590 |

## 6 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | 2015 | 2014 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Provision for the year | | |
| – PRC Corporate Income Tax | **202,273** | 187,908 |
| – Land Appreciation Tax | **111,102** | 177,090 |
| Under-provision of PRC Corporate Income Tax in respect of prior years | **10,445** | – |
| Deferred tax | **65,773** | 134,480 |
| | **389,593** | 499,478 |

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 RMB600,591,000 (2014: RMB766,543,000) and the weighted average of 2,194,791,667 ordinary shares (2014: 1,879,023,235 shares after adjusting for the share split and capitalisation issue in 2014) in issue during the year, calculated as follows:

| | **2015** | 2014 |
|---|---|---|
| **Weighted average number of ordinary shares:** | | |
| Issued ordinary shares at 1 January | **2,000,000,000** | 50,000 |
| Issuance of shares | **194,791,667** | – |
| Effect of share split | **–** | 38,950,000 |
| Effect of capitalisation issue | **–** | 1,347,715,012 |
| Effect of initial public offering | **–** | 401,369,863 |
| Conversion of Loans from Riverside | **–** | 90,938,360 |
| **Weighted average number of ordinary shares at 31 December** | **2,194,791,667** | 1,879,023,235 |

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 2015 and 2014.

## 8 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

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

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 and income tax etc.

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 2015 and 2014 is set out below:

| | Year ended 31 December 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* |
| **Reportable segment revenue** | **549,942** | **5,434,003** | **115,416** | **359,482** | **6,458,843** |
| Cost of sales | (457,892) | (4,557,250) | – | (283,145) | (5,298,287) |
| **Reportable segment gross profit** | **92,050** | **876,753** | **115,416** | **76,337** | **1,160,556** |
| Valuation gains on investment properties | – | – | 578,179 | – | 578,179 |
| Net operating expenses | (143,538) | (770,646) | (12,540) | (53,036) | (979,760) |
| Financial income | 22,185 | 12,330 | 12 | 2,289 | 36,816 |
| Financial expenses | (50,576) | (6,327) | (1,219) | (32,879) | (91,001) |
| **Reportable segment (loss)/profit before taxation** | **(79,879)** | **112,110** | **679,848** | **(7,289)** | **704,790** |
| Income tax | (3,356) | (211,666) | (141,636) | (18) | (356,676) |
| **Reportable segment (loss)/profit** | **(83,235)** | **(99,556)** | **538,212** | **(7,307)** | **348,114** |

| | Year ended 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* |
| **Reportable segment revenue** | 1,286,500 | 5,460,617 | 103,409 | 284,964 | 7,135,490 |
| Cost of sales | (979,592) | (4,479,364) | – | (228,652) | (5,687,608) |
| **Reportable segment gross profit** | 306,908 | 981,253 | 103,409 | 56,312 | 1,447,882 |
| Valuation gains on investment properties | – | – | 387,763 | – | 387,763 |
| Net operating expenses | (127,722) | (495,385) | (36,121) | (28,395) | (687,623) |
| Financial income | 11,462 | 6,068 | 14 | 148 | 17,692 |
| Financial expenses | (12,632) | (29,380) | (2,084) | (8,037) | (52,133) |
| **Reportable segment profit before taxation** | 178,016 | 462,556 | 452,981 | 20,028 | 1,113,581 |
| Income tax | (110,409) | (208,821) | (116,338) | (64) | (435,632) |
| **Reportable segment profit** | 67,607 | 253,735 | 336,643 | 19,964 | 677,949 |

**(b) Reconciliations of reportable segment revenue and profit or loss**

| | **2015** | 2014 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| **Revenue** | | |
| Reportable segment revenue | **6,458,843** | 7,135,490 |
| Elimination of intra-group revenue | **(40,653)** | (31,809) |
| Consolidated revenue | **6,418,190** | 7,103,681 |
| **Profit** | | |
| Reportable segment profit | **348,114** | 677,949 |
| Elimination of intra-group loss | **15,359** | 15,828 |
| Unallocated head office and corporate income | **249,486** | 116,414 |
| Consolidated profit | **612,959** | 810,191 |

**(c) Geographical information**

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

## 9 TRADE AND OTHER RECEIVABLES

| | Note | 2015 RMB'000 | 2014 RMB'000 |
|---|---|---|---|
| Trade receivables, net of allowance for doubtful debts of RMB nil | *(i)* | **1,153,190** | 1,167,910 |
| Advances provided to third parties | | **2,282,067** | 903,869 |
| Amounts due from associates and a joint venture | | **404,849** | 20 |
| Other receivables | | **193,813** | 157,709 |
| | | **4,033,919** | 2,229,508 |
| Less: allowance for doubtful debts | | **8,675** | 45,000 |
| Loans and receivables | | **4,025,244** | 2,184,508 |
| Deposits and prepayments | | **1,360,704** | 1,120,028 |
| | | **5,385,948** | 3,304,536 |
| Less: non-current portion of trade receivables | | **16,661** | 54,705 |
| non-current portion of other receivables | | **277,639** | – |
| Sub-total | | **294,300** | 54,705 |
| | | **5,091,648** | 3,249,831 |

### (i) Ageing analysis

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

| | 2015 RMB'000 | 2014 RMB'000 |
|---|---|---|
| Current | **369,931** | 352,936 |
| 1 to 6 months past due | **34,161** | 196,525 |
| 6 months to 1 year past due | **28,214** | 12,793 |
| More than 1 year past due | **720,884** | 605,656 |
| Amounts past due | **783,259** | 814,974 |
| | **1,153,190** | 1,167,910 |

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. With respect to credit risk arising from trade receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. The Group generally would not release the property ownership certificates to the buyers before the buyers finally settle the selling price.

With respect to credit risk arising from advances to third parties and amounts due from associates and a joint venture, the Group's exposure to credit risk arising from default of the counterparty is limited as the counterparty has good history of repayment and has further business with the Group and the Group does not expect to incur a significant loss for uncollected advances to third parties.

## 10 TRADE AND OTHER PAYABLES

| | | **2015** | 2014 |
|---|---|---|---|
| | *Note* | ***RMB'000*** | *RMB'000* |
| Trade payables | *(i)* | **4,616,295** | 5,141,767 |
| Advances received from third parties | | **1,362,291** | 912,714 |
| Consideration payables | | **211,799** | 306,870 |
| Amounts due to related parties | | **84,828** | 4,783 |
| Other payables | | **683,001** | 430,086 |
| Financial liabilities measured at amortized cost | | **6,958,214** | 6,796,220 |
| Receipts in advance | | **37,354** | 1,144,739 |
| Other taxes payable | | **52,055** | 77,878 |
| | | **7,047,623** | 8,018,837 |
| Less: non-current portion of trade payables | | **880,943** | 1,177,106 |
| non-current portion of other payables | | **–** | 104,824 |
| | | **880,943** | 1,281,930 |
| | | **6,166,680** | 6,736,907 |

### (i) Ageing analysis

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

| | **2015** | 2014 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| Due within 1 year or on demand | **3,735,352** | 3,964,661 |
| Due after 1 year but within 2 years | **737,141** | 1,011,783 |
| Due after 2 years but within 5 years | **143,802** | 165,323 |
| | **4,616,295** | 5,141,767 |

## 11 CAPITAL AND DIVIDENDS

### (a) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

| | **2015** |
|---|---|
| | ***RMB'000*** |
| Final dividend proposed after the end of the reporting period of RMB5.89 cents per ordinary share (2014: RMB nil) | **139,910** |

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

The Company did not declare any interim dividends during the year ended 31 December 2015.

(ii) The Company did not declare any dividends for the year ended 31 December 2014.

### (b) Share capital

| | Note | 2015 No. of shares | 2015 HKD'000 | 2014 No. of shares | 2014 HKD'000 |
|---|---|---|---|---|---|
| **Authorised:** | | | | | |
| Ordinary shares | | **3,000,000,000** | **30,000** | 3,000,000,000 | 30,000 |

| | Note | 2015 No. of shares | 2015 RMB'000 | 2014 No. of shares | 2014 RMB'000 |
|---|---|---|---|---|---|
| **Ordinary shares, issued and fully paid:** | | | | | |
| At 1 January | | **2,000,000,000** | **15,760** | 50,000 | 376 |
| Issuance of 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 31 December | | **2,375,000,000** | **18,718** | 2,000,000,000 | 15,760 |

#### *(i) Issuance of shares*

During the year ended 31 December 2015, the Company issued 375,000,000 shares at Hong Kong Dollar ("HKD") 3.40 per share, and received a net proceeds of HKD1,240 million (equivalent to approximately RMB978 million).

## REVIEW OF 2015

### Operating results remained stable and healthy

In 2015, the overall economy of China was stable with reasonable fall and the real estate industry was in the adjustment period of a long cycle. On the one hand, since 2014, the real estate market had entered the downward adjustment period and the real estate industries of non-tier 1 cities of China were in the situation of continuous excess of supply over demand and depressed market context, which affected to a certain extent the sale in 2015 and caused some project cities to suffer from the pressure of destocking and decrease of residence price. Meanwhile, the central government and some local governments pushed forward a series of policies supporting the real estate market, including reserve requirement ratio cut, removal of purchase restriction, decrease of the proportion of down payment and optimization of loan conditions, providing an advantageous environment for the real estate market in general. Benefiting from the positive measures pushed forward by the government, together with the further promotion of the transformation and sale of main products, the increase in the proportion of commercial products, the enhancement of the sales team and the adoption of flexible sales policies, the Group achieved an overall stable performance.

In 2015, the contracted sales of the Group increased by 12.4% to RMB7,491.9 million, wherein the contracted sales of commercial projects increased by 32.3% to RMB1,430.9 million, and the proportion of the contracted sales of the commercial projects to the overall contracted sales further increased to 19%. Due to the fall of the overall market price and the delivered area being below expectation, the revenue of the Group decreased by 9.6% to RMB6,418.2 million. Affected by factors such as the decrease of gross profit, the increase of sales personnel and sales cost from the new projects, the profit attributable to the equity shareholders of the Company decreased by 21.6% to RMB600.6 million. Meanwhile, the financial condition of the Group remained stable and healthy. The total assets of the Group increased by 23.0% to RMB43,138.9 million, and the total equity attributable to equity shareholders increased by 34.1% to RMB6,196.1 million.

On the other hand, the Group commenced a number of new products and the newly-started GFA increased by 48.8% to 1.905 million square metres; and the GFA under construction as at the end of the Reporting Period increased by 56.5% to 3.43 million square metres. Moreover, as at 31 December 2015, the Company owned the land reserves with GFA of approximately 13.174 million square metres and the attributable land reserves area of approximately 10.492 million square metres. In 2015, the Group acquired four projects with the planned GFA of approximately 1.469 million square metres, wherein, Lijiang COART Village was approximately 0.204 million square metres as an experience commercial street combining the traditional and the modern, the national and the international, vacation and recreation; Saipan Project was approximately 0.12 million square metres; Wenzhou Center Project was approximately

0.481 million square metres, including an approximately 0.06 million square metres riverside commercial project, which was to be created as the street complex project with a social hub nature located in the city of Wenzhou; and Wenzhou Arles Project was approximately 0.664 million square metres.

**Continuously promoting product structural adjustment**

Adhering to the direction of transformation, the Group continued to adjust its product structure and expanded the proportion of commercial projects in the past year. On the one hand, the Group further consolidated the advantages of main commercial real estate product – commercial street complex – high profit, high turnover and low risk; on the other hand, the Group carried out the upgrade of residential products, expanded the focus from development to sale and service and stressed the provision of diverse added values for projects.

In respect of commercial products, all key commercial street complex projects went well: of which, one of the representative items, Liuzhou Sunshine 100 Yaobu Classic Town Project with total GFA of approximately 0.231 million square metres, currently continuously delivered excellent sales. Construction of Phases I through IV of the project had been completed. The tenant recruitment of the project was extensively carried out and there had been more than 180 tenants dwelling in Yaobu Classic Town since its opening for business last year, and it is expected that the project will continue to push forward the commercial operation of the street this year and continuously launch Phoenix Market and Trend Theme Commercial Street. The Yixing commercial street complex project, with total GFA of approximately 0.109 million square metres, located in the core of Dongjiu Wan District, Yixing, and backed up with the financial street, will be constructed to be a new commercial street toward the future, which will lead the new lifestyle and the upgrading of consumption. This project was commenced in the second half of 2015 and launched for sale in December 2015 and accomplished excellent sales result of RMB278 million within several days. The project has been awarded "the Commercial Real Estate Project of China with the Largest Growth Potential" by China Commercial Real Estate Industry Development Forum and it is predicted to be completed in mid-2017. Another project acquired in 2015, Lijiang COART Village, adjacent to the Shuhe Ancient Town, Lijiang, enjoys excellent geographical location with total GFA of approximately 0.204 million square metres and is planned to be developed into an integrated tourism commercial real estate project combining tourism, sightseeing, leisure and resort, and experience-based business elements. Part of Phase I has been completed and sold, and it is predicted that the remaining part in Phase I will be completed in 2016. Phases II through IV are under active planning and design and they will commence construction in 2017. The Chongqing Ciyun Temple commercial street project, with the aggregate planned GFA of approximately 0.115 million square metres, located in the prime area of Chongqing CBD where Yangtze River and Jialing River converge and as the largest and most perfectly preserved national historical and cultural street in Chongqing, will be constructed to be the city social hub and a centre for top international institutions of Chongqing. The construction of Phase I of this project commenced in 2015 and it is predicted to start presale in the second half of 2016 and the remaining part of the project is under design and planning. The riverside commercial part, the Phoenix Street of the Wenzhou Center project, with a planned GFA of approximately 0.06 million square metres, will rely on the high-quality landscape resources and integrate multiple commercial modes, develop Wenzhou Center to be the city social hub of Wenzhou. At present, this project is under design and planning and it is expected to start construction at the end of 2016.

In respect of residential products, we have further generalized the idea of the "Phoenix Community" products, satisfying the living needs of the young elites, especially young business entrepreneurs by providing high-quality and small-size residential properties. In 2015, we continuously rolled out the Phoenix Community in the cities where we operated. At present, the Phoenix Community has entered cities including Shenyang, Weifang, Wuhan, Changsha, Chengdu, Liuzhou and Qingyuan, which provided strong support for us to increase sell-through rate and avoid the further fall of residential product price. For example, the sell-through rate of the Phoenix Community project in Shenyang was up to 83% and its average price was approximately RMB300/square metres higher than those of our rivals; the sell-through rate of the Phoenix Community project in Changsha was up to 73% and its average price was about RMB1,000/square metres higher than those of our rivals. In addition, we will continue to promote the enhancement and external collaboration of Phoenix Community, developing quality residences and property management services so as to meet the delicate living needs of young elites, such as 24-hour keeper service system, automobile cleaning and care service, housekeeping service, booking service, asset management, community activities and logistic guarantee for self-service etc.. Moreover, the Phoenix Community is dedicated to providing the young generation with various platforms for their sociality and entrepreneurial demands via building spaces and supporting services; for example, the Changsha project has planned 1,200 square metres of Phoenix Community public spaces with such functions as coffee bar, book bar, public road show center, community kitchen, public AV room, entertainment corner, multi-functional meeting room, children's fairyland, pet hall and air garden for sociality etc. and it is expected to be opened in July 2016. The Villa Entrepreneurial Café of the Phoenix Community project in Wuhan has been opened for business and the shared spaces are under construction and expected to be completed and put into use at the end of April 2016. In addition, the Phoenix Community Villa plans to create a shared exchange platform for villa owners, Phoenix Community Entrepreneurs' Club, on basis of café and shared space, and will provide exclusive services and specific community activities.

**Obtaining high-quality land reserves by market acquisition**

In 2015, the Group further expanded the land reserves for core products and obtained quality project lands via low-cost equity investment or market acquisition, providing strong support for the Group to continue to promote its commercial projects and expand its business coverage. During the Reporting Period, the Group mainly acquired 51% equities in Saipan Wing Beach Project at a consideration of approximately US$5.95 million, and at present the project is under design and planning; it acquired 51% equities in Lijiang COART Village at a consideration of approximately RMB193.8 million, which is a commercial street complex project; part of Phase I of this project has been completed and sold and Phases II through IV are under design and planning; it acquired 51% equities in the Wenzhou Center project at a consideration of approximately RMB334.8 million, and this project is a composite city complex integrating high-end commerce, international fashion, high-end property, leisure and entertainment, shopping center, tourism and resort and consists of 3 super-rise landmark buildings, 3 riverside residences and approximately 0.06 million square metres riverside commercial plaza; the residences started presale at the end of last year and RMB400 million sales result was achieved within one month and the remaining parts will commence construction and start presale by the end of 2016; in addition, it also acquired 51% equities in the Wenzhou Arles project at a consideration of approximately RMB570.5 million; this project, as a villa and residence project, is planned to start construction in the first half of 2016 and start presale at the end of 2016.

**Innovating sales strategy**

The Group has unique internal bidding agency system and together with the mode of gradual launching at small quantity, it can fully activate the enthusiasm of the sales team and they can enjoy larger commission incentive while taking the bidding and sales risk. In addition, the flat sales team structure can realize delegation of pricing right so that the team can be more sensitive and quicker to respond to changes of market demand. In 2015, in a relatively difficult market context, the contracted sales of the Group increased by 12.4% from that of the previous year. It is predicted that the effect of such innovative sales strategy will continuously appear in the next three years, speeding up the increasing of sales and sell-through rate, which will further decrease the proportion of sales and administrative costs.

**Expanding diverse strategic cooperation**

In June 2015, the Company introduced the investment financial group led by EBA Investments (Advisory) Limited ("**EBA Investments**") of China Everbright Limited as the second largest shareholder of the Company who held 9.03% shares in the Company and established the multiplex strategic cooperation with the Group. By virtue of the resource advantage of EBA Investments in real estate and finance etc., the Group will seek for the opportunity to get high quality projects in the core market and further enhance market competitiveness. Besides, the Group also cooperated with Mao Daqing's "UR Work" aiming at the start-up customers to jointly operate the Sunshine 100 UR Work project at Guanghua Road, Beijing; at present, the overall strategic cooperation agreement has been reached and the Yantai project of UR Work at the Group will commence. The Group is seeking for more projects suitable to be commenced. Moreover, we established a strategic alliance with a new venture capital organization, "Shao Chuang Pai", in Wuhan to launch the entrepreneurial villas, "Phoenix Community Villa", the largest in Wuhan. We cooperated with Beijing Zhongshu Investment Holdings Co., Ltd under Li Yapeng to develop Lijiang COART Village, Yunnan and also promoted the cooperation of both parties in other projects with a view to building a commercial ecological environment with cultural and art features to enhance the project value. We will continue to seek for multiplex 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.

**Continuously optimizing financial structure**

During the first half of 2015, the Company conducted a top-up placement of 375 million shares of the Company and raised HK$1.275 billion of gross proceeds (net proceeds: HK$1.240 billion). This placing exercise helped the Company expand its equity capital, introduced quality strategic investors and further diversified the shareholder structure of the Company. From the second half of 2015 to the beginning of 2016, Guangxi Wantong Real Estate Co., Ltd, a subsidiary of the Company, successfully issued non-public domestic corporate bonds of RMB3.50 billion with annual coupon rate of no more than 8% and public domestic corporate bonds of RMB1.46 billion with annual coupon rate of 6.9%, which not only injected new capital for the business expansion of the Company, but also benefited the optimization of financial structure and lowered financing cost.

As at the end of 2015, the proportion of the short-term liabilities to total interest-bearing liabilities of the Group decreased to 38% from 54% in 2014; the proportion of trust loans decreased from 48% in 2014 to 38% in 2015. In addition, the successful stock placement and bond issue promoted the recognition and influence of the Company in the domestic and overseas capital market and had positive effects on the multi-channel financing and continuous optimization of financial structure in the future.

## BUSINESS OUTLOOK

Looking into the future, although the urbanization of China is still underway, the replacement of the scale expansion by the updating and upgrading of quality has become the development trend in the future, which has brought the challenges and opportunities for the new development of the real estate industry of China. On the other hand, the support from macro policies and the loose fund control will provide real estate enterprises, especially small and middle-sized ones, with an excellent window and development opportunities for transition; however, the speed at which the merger and reorganization of enterprises in the industry is higher than expected, and the overall market risk is increasing significantly. To find breakthroughs in the new market context, real estate enterprises need to shift from development with investment to the creation and innovation of products and should have the capability of sustainable development and operating core products in addition to having competitive core products.

In 2016, we will pay attention to and adapt to the latest trends in the real estate industry of China. By virtue of the real estate development capability of more than 20 years and the advantage in land size and land cost of the Group, we will capture every new market opportunity and promote industrial competitiveness. We will pay utmost attention to market trends and seize the window period to speed up destocking. On the one hand, we will further perfect the marketing system and enhance marketing. On the basis of the reform of the marketing team in the previous two years, we will continue to carry forward mechanism reform, team training and expansion, ensure strong support from marketing, further enhance the competitive advantage over the rivals in the industry and further arouse the enthusiasm and cohesive force of the staff. On the other hand, in addition to enhancing marketing, we will speed up project development, quickly destock and dispose of low-efficiency assets so as to ensure the limited funds can be optimized to the development of core products. Moreover, for products, we will specifically increase the sell-through rate of common residences, stocks, commercial projects and high-end products in order to increase the overall sell-through rate and sales volume of all the projects in multiple directions, and we will put in effort to differentiate from the traditional mode of simple price cut promotion by product innovation.

Meanwhile, we will continuously enhance and promote the core competitiveness and commercial operation capability of core products, reinforce their advantages and enlarge and strengthen the brand Sunshine 100. For example, we will establish supporting facilities and service standards for the street complexes of the Group, build good reputation and form competition threshold. The street complex products of the Group have almost taken shape and have been successful in some cities; in the future, we will continuously enhance their operation capability and build good customer recognition, further explore and realize product standardization. In the meantime, we plan to promote these products quickly in other cities around China, and further enhance their competitiveness and brand influence. Looking into the future, we believe that, the two core products have a broad development prospect. The street complex has a very high competitive threshold by virtue of its own features of satisfying investment demand, and "Phoenix Community" project has a clear and outstanding project positioning, closely focusing on the market demand and development of the times. We will spare no effort to promote these two core products around China and find a series of close and win-win partners.

Meanwhile, the Group will further perfect the internal management mechanism, optimize corporate organizational structure and management mode so as to promote its own comprehensive operation capability and efficiency; in addition, it stays open to cooperation, introducing the cooperator to optimize structural system so as to realize the complementation of advantages and a win-win situation. The Group will further promote the merger and reorganization of optimal projects, and take multiple modes to activate the development of new projects. Except for the core products like commercial street complex projects which are controlled by the Group, we make full use of our sales capability to adopt the way of "obtaining operation right with minority shareholding" on residential products.

Besides, the Group will always pay attention to customers' demands, try to provide its staff with more competitive benefits, seek to realize the cooperation of common win with suppliers, actively perform the social responsibility of a corporate citizen and deliver better returns for its shareholders and society.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

#### *Contracted Sales*

During the Reporting Period, the Group realized contracted sales in the amount of RMB7,491.9 million, representing an increase of 12.4% from 2014, and contracted sales area in the amount of 925,140 square metres, representing an increase of 14.4% from 2014. Among which, contracted sales generated from commercial properties amounted to RMB1,430.9 million, representing an increase of 32.3% from 2014, and the contracted sales area amounted to 86,984 square metres, representing an increase of 33.0% from 2014. The regions where contracted sales were generated from were evenly distributed, among which, contributions from Qingyuan, Shenyang, Wuxi, Jinan and Wuhan projects were more significant, with the contracted sales being RMB1,160.5 million, RMB1,120.9 million, RMB1,054.8 million, RMB912.5 million and RMB879.9 million respectively, accounting for 15.5%, 15.0%, 14.1%, 12.2% and 11.7% of the total contracted sales, respectively. Moreover, the Group's average unit price for contracted sales was RMB7,918/square metre, a decrease of 2.9% from 2014.

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

| Economic area | City | Project | For the year ended 31 December | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | **Contracted sales area** *(square metres)* [1] | | **Contracted sales amount** *(RMB million)* [2] | | **Unit selling price** *(RMB/square metre)* [1] | |
| | | | **2015** | 2014 | **2015** | 2014 | **2015** | 2014 |
| Bohai Rim | Shenyang | Shenyang Sunshine 100 International New Town | **168,642** | 142,628 | **1,121** | 1,031 | **6,558** | 7,130 |
| | | Shenyang Sunshine 100 Golf Mansion | **21,140** | 26,524 | **101** | 132 | **4,730** | 4,901 |
| | Jinan | Jinan Sunshine 100 International New Town | **81,004** | 113,128 | **912** | 1,140 | **10,851** | 9,944 |
| | Dongying | Dongying Sunshine 100 City Garden | **40,454** | 47,054 | **254** | 294 | **6,279** | 6,248 |
| | Weifang | Weifang Sunshine 100 City Plaza | **21,361** | 22,849 | **120** | 143 | **5,477** | 5,952 |
| | Tianjin | Tianjin Sunshine 100 International New Town | **221** | – | **38** | – | **22,624** | – |
| | **Sub-total** | | **332,822** | 352,183 | **2,546** | 2,740 | **7,394** | 7,672 |
| Midwest | Wuhan | Wuhan Sunshine 100 Lakeside Residence | **117,774** | 110,519 | **880** | 724 | **7,387** | 6,542 |
| | Changsha | Changsha Sunshine 100 International New Town | **39,828** | 33,411 | **417** | 322 | **10,068** | 9,248 |
| | Chengdu | Chengdu Sunshine 100 Mia Centre | **21,149** | 50,992 | **263** | 569 | **11,774** | 11,119 |
| | Liuzhou | Liuzhou Sunshine 100 Yaobu Classic Town | **7,945** | 37,988 | **251** | 897 | **30,963** | 23,613 |
| | | Liuzhou Sunshine 100 City Plaza | **217** | – | **12** | 7 | **18,433** | – |
| | Chongqing | Chongqing Sunshine 100 International New Town | **10,119** | – | **118** | 9 | **10,871** | – |
| | Lijiang | Lijiang COART Village | **3,481** | – | **68** | – | **19,535** | – |
| | Guilin | Guilin Lijiang River Town | **3,612** | 1,006 | **32** | 9 | **8,859** | 8,946 |
| | Nanning | Nanning Sunshine 100 Upper East Side International | **156** | – | **11** | – | **–** | – |
| | **Sub-total** | | **204,281** | 233,916 | **2,052** | 2,537 | **9,693** | 10,709 |
| Yangtze River Delta | Wuxi | Wuxi Sunshine 100 International New Town | **153,230** | 99,705 | **1,055** | 743 | **6,885** | 7,432 |
| | Wenzhou | Wenzhou Center | **21,546** | – | **401** | – | **18,611** | – |
| | Yixing | Yixing Sunshine 100 Phoenix Street (former name: "**Yixing Dongjiu Commercial Street**") | **8,655** | – | **278** | – | **32,120** | – |
| | **Sub-total** | | **183,431** | 99,705 | **1,734** | 743 | **9,453** | 7,432 |
| Pearl River Delta | Qingyuan | Qingyuan Mango Town | **204,606** | 122,722 | **1,160** | 647 | **5,621** | 5,248 |
| | **Sub-total** | | **204,606** | 122,722 | **1,160** | 647 | **5,621** | 5,248 |
| **Total** | | | **925,140** | 808,526 | **7,492** | 6,667 | **7,918** | 8,153 |

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

| | For the year ended 31 December | | | | | |
|---|---|---|---|---|---|---|
| | Contracted sales area *(square metres)* (1) | | Contracted sales amount *(RMB million)* (2) | | Unit selling price *(RMB/square metre)* (1) | |
| **Type** | **2015** | 2014 | **2015** | 2014 | **2015** | 2014 |
| Commercial properties | **86,984** | 65,413 | **1,431** | 1,082 | **16,451** | 16,541 |
| Residential and car parks | **838,156** | 743,113 | **6,061** | 5,585 | **7,032** | 7,414 |
| **Total** | **925,140** | 808,526 | **7,492** | 6,667 | **7,918** | 8,153 |
| **Proportion** | | | | | | |
| Commercial properties | **9%** | 8% | **19%** | 16% | | |
| Residential and car parks | **91%** | 92% | **81%** | 84% | | |
| **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 GFA was 1,905,060 square metres, representing an increase of 48.8% from 2014. The completed GFA was 715,417 square metres, representing a decrease of 51.1% from 2014, mainly due to the fact that the Company promoted the scope of operation steadily, accelerated the turnover of assets, and that certain projects started in the second half of 2015.

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

| | | 2015 | | |
|---|---|---|---|---|
| **Economic area** | **City** | **Newly-started total GFA** | **Completed total GFA** | **Total GFA under construction as at the end of the period** |
| | | *(square metres)* | *(square metres)* | *(square metres)* |
| Bohai Rim | Shenyang | 244,718 | 408,558 | 361,040 |
| | Jinan | – | 42,671 | 262,672 |
| | Weifang | 155,867 | – | 155,867 |
| | Dongying | 79,095 | 32,369 | 145,011 |
| | **Sub-total** | **479,680** | **483,598** | **924,590** |
| Midwest | Wuhan | 120,372 | – | 433,211 |
| | Chengdu | – | – | 143,978 |
| | Chongqing | – | – | 141,161 |
| | Changsha | 117,000 | 19,542 | 117,000 |
| | Lijiang | – | – | 79,511 |
| | Liuzhou | – | – | 60,327 |
| | Guilin | 28,560 | – | 51,343 |
| | **Sub-total** | **265,932** | **19,542** | **1,026,531** |
| Yangtze River Delta | Wenzhou | 480,593 | – | 480,593 |
| | Wuxi | 327,469 | 185,653 | 325,322 |
| | Yixing | 109,472 | – | 109,472 |
| | **Sub-total** | **917,534** | **185,653** | **915,387** |
| Pearl River Delta | Qingyuan | 241,914 | 26,624 | 563,168 |
| | **Sub-total** | **241,914** | **26,624** | **563,168** |
| **Total** | | **1,905,060** | **715,417** | **3,429,676** |

***Land Acquisition***

During the Reporting Period, the Group paid an aggregate amount of RMB712.0 million for various land acquisitions, which included the land payments for Shenyang Sunshine 100 International New Town in the amount of RMB119.4 million and Chongqing Sunshine 100 International New Town in the amount of RMB168.9 million, as well as the consideration of RMB193.8 million paid for Lijiang COART Village.

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

| Economic area | City | Total GFA | Proportion | Attributable GFA | Proportion |
|---|---|---|---|---|---|
| | | *(square metres)* | | *(square metres)* | |
| Bohai Rim | Weifang | 1,586,973 | 12% | 1,586,973 | 15% |
| | Shenyang | 1,164,945 | 9% | 1,092,145 | 10% |
| | Jinan | 618,156 | 5% | 302,897 | 3% |
| | Yantai | 404,613 | 3% | 404,613 | 4% |
| | Dongying | 214,408 | 2% | 214,408 | 2% |
| | Tianjin | 201,717 | 1% | 173,477 | 2% |
| | **Sub-total** | **4,190,812** | **32%** | **3,774,513** | **36%** |
| Midwest | Chongqing | 886,665 | 7% | 886,665 | 8% |
| | Wuhan | 500,558 | 4% | 500,558 | 5% |
| | Guilin | 383,650 | 3% | 347,502 | 3% |
| | Changsha | 336,408 | 3% | 336,408 | 3% |
| | Liuzhou | 290,658 | 2% | 256,579 | 2% |
| | Nanning | 213,231 | 2% | 173,232 | 2% |
| | Chengdu | 206,327 | 1% | 206,327 | 2% |
| | Lijiang | 204,168 | 1% | 104,126 | 1% |
| | **Sub-total** | **3,021,665** | **23%** | **2,811,397** | **26%** |
| Yangtze River Delta | Wuxi | 1,445,584 | 11% | 1,445,584 | 14% |
| | Wenzhou | 1,144,770 | 8% | 583,833 | 6% |
| | Yixing | 109,472 | 1% | 87,577 | 1% |
| | **Sub-total** | **2,699,826** | **20%** | **2,116,994** | **21%** |
| Pearl River Delta | Qingyuan | 3,142,139 | 24% | 1,728,176 | 16% |
| | **Sub-total** | **3,142,139** | **24%** | **1,728,176** | **16%** |
| Northern Mariana Islands | Saipan | 120,000 | 1% | 61,200 | 1% |
| | **Sub-total** | **120,000** | **1%** | **61,200** | **1%** |
| **Total** | | **13,174,442** | **100%** | **10,492,280** | **100%** |

***Investment properties***

During the Reporting Period, the GFA of the Group's new investment properties completed and under construction was 144,861 square metres and the planned GFA of the new investment properties used for future development was 120,000 square metres. The GFA of investment properties decreased by 15,109 square metres. As at 31

December 2015, the GFA of investment properties completed and under construction held by the Group was 529,766 square metres and the planned GFA of the investment properties used for future development was 120,000 square metres. Moreover, during the Reporting Period, the rental income was RMB115.4 million, representing an increase of 11.6% as compared to 2014.

***Major investments, acquisitions and disposals***

*Obtaining 51% equity interest in two project companies in Wenzhou by way of capital injection and acquisition of 49% equity interest in another project company in Wenzhou*

Sunshine 100 Real Estate Group Co., Ltd. ("**Sunshine 100 Group**") (a wholly-subsidiary of the Company) entered into the Capital Injection Agreement Regarding the Wenzhou Zhongxin Project with Sichuan Zhonghang Haoyuan Investment Co., Ltd. ("**Zhonghang Haoyuan**"), controlling shareholders Mr. Liu Jie and Mr. Zhang Bing (the "**Controlling Shareholders**") and Wenzhou Zhongxin Tower Construction and Development Co., Ltd. ("**Wenzhou Zhongxin**") on 1 September 2015 and entered into a supplementary agreement to the Capital Injection Agreement Regarding the Wenzhou Zhongxin Project with the same parties on 30 October 2015. Pursuant to the Capital Injection Agreement Regarding the Wenzhou Zhongxin Project dated on 1 September 2015, Sunshine 100 Group agreed to inject capital of RMB104.08 million as the new registered capital of Wenzhou Zhongxin. It also agreed to provide a shareholders' loan of approximately RMB145.81 million to Wenzhou Zhongxin for the settlement of part of intra-group balances of Wenzhou Zhongxin. In addition, pursuant to the supplementary agreement to the Capital Injection Agreement Regarding the Wenzhou Zhongxin Project dated 30 October 2015, Sunshine 100 Group agreed to further provide a shareholders' loan of RMB84.93 million at the request of Wenzhou Zhongxin. After capital injection, Sunshine 100 Group will hold 51% registered capital of Wenzhou Zhongxin.

Sunshine 100 Group entered into the Capital Injection Agreement Regarding the Wenzhou Shengtaicheng Project and a supplementary agreement thereto with Chongqing Shihe Tongsheng Investment Co., Ltd. ("**Chongqing Shihe**"), controlling shareholders and Wenzhou Shihe Shengtaicheng Development Co., Ltd. ("**Wenzhou Shengtaicheng**") on 30 October 2015, pursuant to which, Sunshine 100 Group agreed to inject capital of RMB104.08 million as the new registered capital of Wenzhou Shengtaicheng and to provide a shareholders' loan of approximately RMB423.6 million to Wenzhou Shengtaicheng for the settlement of part of intra-group balances of Wenzhou Shengtaicheng and further shareholders' loan of RMB42,860,000 at the request of Wenzhou Shengtaicheng. After capital injection, Sunshine 100 Group will hold 51% registered capital of Wenzhou Shengtaicheng.

Sunshine 100 Group entered into the Equity Transfer Agreement Regarding the Wenzhou Zhongxin Haoyuan Project and a supplementary agreement thereto with Shanghai Haoming Equity Investment and Fund Management Co., Ltd. ("**Shanghai Haoming**"), the guarantor Mr. Zhang Bing and Wenzhou Zhongxin Haoyuan

Investment Co., Ltd. ("**Wenzhou Zhongxin Haoyuan**") on 30 October 2015, pursuant to which, Shanghai Haoming agreed to sell and Sunshine 100 Group agreed to acquire 49% equity interest in Wenzhou Zhongxin Haoyuan with a consideration of RMB49 million and to provide a further shareholders' loan of RMB108.95 million at the request of Wenzhou Zhongxin Haoyuan. For further details on the capital injection and acquisition, please refer to the announcement of the Company dated 1 November 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.

*Acquisition of shares 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 Real Estate Development Co., Ltd. ("**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 (limited partnership) (北京東方卓昶投資管理中心(有限合夥)), 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 10 February 2015 and 17 February 2015.

*Repurchase 72% equity interest in Chongqing Yuneng 100*

On 13 January 2015, Sunshine 100 Group entered into an early repayment agreement with Sunshine 100 Real Estate (Liaoning) Co., Ltd., Zhongrong International Trust Co., Ltd. ("**Zhongrong International Trust**") and Chongqing Yuneng 100, pursuant to which, (i) Sunshine 100 Group would repurchase, and Zhongrong International Trust would transfer, 72% of Chongqing Yuneng 100's equities for a consideration of approximately RMB517.9 million; and (ii) Sunshine 100 Group would repay the Chongqing Yuneng 100's outstanding loan (principle of RMB300 million plus gross interest of approximately RMB64.3 million) due to Zhongrong International Trust. For further details on the repurchase, please refer to the announcement of the Company dated 13 January 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 Group's revenue decreased by 9.6% to RMB6,418.2 million in 2015 from RMB7,103.7 million in 2014 mainly due to a decrease in our income from sale of properties.

*Income from sale of properties*

During the Reporting Period, revenue generated from the sale of properties decreased by 11.3% to RMB5,984.0 million from RMB6,747.1 million in 2014, mainly due to the lower average selling price of properties delivered in 2015 as compared to 2014, and the floor area delivered was below expectation.

*Income from property management and hotel operation*

During the Reporting Period, revenue generated from property management and hotel operation increased by 25.9% to RMB318.8 million from RMB253.2 million in 2014, primarily due to an increase in the area under property management of the Group.

*Rental income from investment properties*

During the Reporting Period, rental income from investment properties of the Group increased by 11.6% to RMB115.4 million from RMB103.4 million in 2014, primarily due to the increase of average rental rate and leaseable area.

***Cost of sales***

During the Reporting Period, the cost of sales of the Group decreased by 6.2% to RMB5,249.7 from RMB5,598.2 million in 2014. Cost of sales of properties decreased by 7.5% to RMB4,937.6 million from RMB5,338.5 million in 2014, primarily due to the decrease of the average unit cost of the delivered properties. Cost of property management and hotel operation increased by 20.2% to RMB312.1 million from RMB259.7 million in 2014, primarily due to an increase in the area under property management of the Group.

***Gross profit***

As a result of the foregoing, during the Reporting Period, our gross profit decreased by 22.4% to RMB1,168.5 million from RMB1,505.5 million in 2014. Our gross profit margin decreased by 3 percentage points to 18.2% from 21.2% in 2014 primarily 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 49.1% to RMB578.2 million from RMB387.8 million in 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 54.8% to RMB576.0 million from RMB372.2 million in 2014, mainly attributable to an increase in advertisement expenses and incentives for the sales team, as the Group increased efforts in promotion and the development of an internal sale as agent system.

***Administrative expenses***

During the Reporting Period, the administrative expenses of the Group decreased by 0.5% to RMB404.3 million from RMB406.3 million in 2014.

*Financial expenses*

During the Reporting Period, financial expenses of the Group increased by 18.2% to RMB171.2 million from RMB144.8 million in 2014, mainly attributable to an increase in the total scale of interest bearing liabilities of the Group.

*Income tax*

During the Reporting Period, the income tax expenses of the Group decreased by 22.0% to RMB389.6 million from RMB499.5 million in 2014, mainly attributable to a decrease in the profit of the Group.

*Profit for the year*

During the Reporting Period, the profit for the year of the Group decreased by 24.3% to RMB613.0 million from RMB810.2 million in 2014.

*Profit attributable to equity shareholders of the Company*

Based on the above mentioned factors, the profit attributable to equity shareholders of the Company decreased by 21.6% to RMB600.6 million from RMB766.5 million in 2014.

**Working capital, finance and capital resources**

*Cash and cash equivalents*

As at 31 December 2015, the Group had approximately RMB1,325.2 million in cash and cash equivalents, representing a decrease of RMB1,232.6 million as compared to that of 2014. The decrease was mainly due to an increase in the construction payments during the Reporting Period.

*Current ratio, gearing ratio and net gearing ratio*

As at 31 December 2015, the Group's current ratio increased to 167.7% from 136.1% in 2014. As at 31 December 2015, the Group's current assets increased from RMB27,084.7 million in 2014 to RMB32,424.0 million, while current liabilities amounted to RMB19,339.8 million decreased from RMB19,902.7 million as of 2014.

As at 31 December 2015, the Group's gearing ratio increased to 45.8% from 42.3% in 2014. Net gearing ratio increased by approximately 27 percentage points to 236.5% from 209.5% in 2014, mainly attributable to an increase in interest bearing liabilities of the Group.

### *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 31 December 2015, the Group provided guarantees for mortgage loans in an amount of RMB5,317.6 million (31 December 2014: RMB5,180.1 million) to banks in respect of such agreements.

### *Loans and borrowings and pledged assets*

As at 31 December 2015, the Group had total loans and borrowings of RMB19,768.5 million, of which RMB7,577.5 million, RMB6,037.9 million, RMB5,860.1 million and RMB293.0 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.

For the year ended 31 December 2015, the Group had issued two tranches of domestic corporate bonds. Guangxi Vantone Real Estate Co., Ltd. (the "**Issuer**" or "**Guangxi Vantone**"), a subsidiary of the Company, completed a non-public issuance of a tranche of domestic corporate bonds of RMB2 billion. This tranche of bonds comprised of two series, among which Series 1 amounts to RMB1 billion and is issued with a term of 4 years and an annual coupon rate of 7.85%. The Issuer has the option to adjust the coupon rate and the investors can exercise the put option at the end of the 2.5th year. Series 2 amounts to RMB1 billion and is issued with a term of 5 years with an annual coupon rate of 7.95%. The Issuer has an option to adjust the coupon rate and the investors can exercise the put option at the end of the 3rd year. The Issuer also completed a non-public issuance of another tranche of domestic corporate bonds of RMB1.5 billion. This tranche of bonds is issued with a term of 3 years and an annual coupon rate of 7.99%. The Issuer has the option to raise the coupon rate and the investors can exercise the put option at the end of the 2nd year. For further details on these issuances, please refer to the announcements of the Company dated 30 September 2015 and 20 October 2015.

As at 31 December 2015, the Group had pledged properties and restricted deposits with a carrying value of RMB12,514.7 million (2014: RMB9,268.8 million) to secure banking facilities granted to the Group.

### *Capital commitment*

As at 31 December 2015, the Group's contracted capital commitments for properties under development and investment properties under construction not provided for in the financial statements was approximately RMB2,686.0 million (2014: approximately RMB1,566.7 million). Approved but not contracted for capital commitment of the Group was approximately RMB4,300.2 million as at 31 December 2015 (2014: approximately RMB5,301.3 million).

### *Human resource*

As at 31 December 2015, the Group employed a total of 4,511 employees (2014: 3,882 employees). The staff costs of the Group were RMB442.7 million for the year ended 31 December 2015 (2014: RMB424.6 million). The Group has adopted a performance-based reward 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 training programs to improve employees' skills and develop their respective expertise.

## Final dividends

The Board recommends the payment of dividend at RMB5.89 cents per share (the "**Final Dividends**") totaling RMB139,910,000 for the year ended 31 December 2015. The Final Dividends to be distributed is subject to approval by shareholders at the forthcoming annual general meeting of shareholders (the "**AGM**"). The Final Dividends will be declared in Renminbi and paid in Hong Kong Dollars based on an exchange rate to be announced in due course. The Final Dividends will be distributed and paid on or around 19 July 2016.

## Annual General Meeting

The AGM will be held on Tuesday, 28 June 2016, while the notice convening the AGM will be published and dispatched to the Company's shareholders in the form required in 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 Friday, 24 June 2016 to Tuesday, 28 June 2016, both days inclusive. In order to qualify for attending and voting at the AGM, all transfer documents together with the relevant share certificate must be lodged with the Company's Hong Kong branch share registrar for registration, 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 Thursday, 23 June 2016.

For the purpose of determining the shareholders who are entitled to the right of the Final Dividends, the register of members of the Company will be closed from Tuesday, 5 July 2016 to Thursday, 7 July 2016, both days inclusive. Only those shareholders whose names appear on the register of members of the Company on Thursday, 7 July 2016 will be entitled to the right of the Final Dividends. In order to qualify for receiving the Final Dividends, which must be approved by shareholders in the AGM, all completed transfer documents together with the relevant share certificate must be returned to the Company's Hong Kong branch share registrar for registration, 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 Monday, 4 July 2016.

**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 year ended 31 December 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 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 (the "**Audit Committee**") in compliance with the Listing Rules to fulfil the functions of reviewing and monitoring the financial reporting and internal control of the Company. Currently, the Audit Committee comprised three independent non-executive Directors, including Mr. Ng Fook Ai, Victor, Mr. Gu Yunchang and Mr. Wang Bo. Mr. Ng Fook Ai, Victor was 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 procedures.

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 annual results of the Group in 2015).

**Remuneration committee**

The Company has established a remuneration committee (the "**Remuneration Committee**") in compliance with the Listing Rules. Currently, the Remuneration Committee comprised an executive Director, Mr. Fan Xiaochong, and two independent non-executive Directors, Mr. Wang Bo and Mr. Gu Yunchang. Mr. Wang Bo was the chairman of the Remuneration Committee.

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

**Nomination committee**

The Company has established a nomination committee (the "**Nomination Committee**") in compliance with the Listing Rules. Currently, the Nomination Committee comprised one executive Director, Mr. Yi Xiaodi, and two independent non-executive Directors, Mr. Gu Yunchang and Mr. Wang Bo. Mr. Yi Xiaodi was 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 the Company issues two reminders each year thereafter, being 30 days prior to the Board meeting approving the interim results of the Company and 60 days prior to the Board meeting approving the annual results, 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 as at 31 December 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 year ended 31 December 2015.

**Changes in the share capital of the company and use of proceeds**

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 (including the investment financial group led by EBA Investments) 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. For further details on the subscription, please refer to the announcements of the Company dated 12 June 2015 and 23 June 2015.

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$3.31 per new share. The net proceeds of the subscription was approximately HK$1,240 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 year ended 31 December 2015.

**Events after the Reporting Period**

***Public offering of the first tranche domestic corporate bonds in China***

On 21 January 2016, the Issuer completed the book building for the offering of domestic corporate bonds (the "**Domestic Bonds**") at the total par value of no more than RMB2 billion in China. According to results of book building, the actual amount of the issue of this tranche of the Domestic Bonds is RMB1.46 billion. This tranche of Domestic Bonds is issued with a term of 5 years and an annual coupon rate of 6.9%. The Issuer has the option to raise the coupon rate and the investors have the option to sell back at the end of the third year. The Domestic Bonds issued by the Issuer are secured by a guarantee provided by the Company. The Issuer issued the Domestic Bonds to qualified investors from 22 January 2016 to 25 January 2016. For further details on this offering, please refer to the announcement of the Company dated 5 November 2015 and 22 January 2016.

***Sale of 100% equity interest in Yantai Sunshine Shengtong Investment Co., Ltd. ("Yantai Shengtong")***

On 22 January 2016, Guangxi Vantone and Yantai Shengtong, each a subsidiary of the Company, entered into the Equity Transfer Agreement with Guangxi Xinheyun Aged Care Industry Investment Co., Ltd. ("**Guangxi Xinheyun**"), pursuant to which, Guangxi Vantone agreed to sell and Guangxi Xinheyun agreed to acquire 100% equity interest in Yantai Shengtong at a total consideration of RMB400 million (including the cash consideration of approximately RMB192.56 million and assumption of shareholders' loan of approximately RMB207.44 million). Yantai Shengtong holds 100% equity interest in Guilin Sunshine 100 Real Estate Co., Ltd. (which is the developer of Guilin Scape project). For further details on the sale, please refer to the announcement of the Company dated 25 January 2016.

***Deemed acquisition of a subsidiary***

On 21 March 2016, a shareholders' resolution of Chongqing Jiadao Real Estate Development Co., Ltd. ("**Chongqing Jiadao**") was passed to amend the articles of association of Chongqing Jiadao such that Sunshine 100 Group will be entitled to appoint three out of five directors of the board of directors of Chongqing Jiadao. Further, pursuant to the shareholders' resolution, one additional director nominated by Sunshine 100 Group was appointed to the board of directors of Chongqing Jiadao. Upon the appointment of the additional director by Sunshine 100 Group, the Group will control the composition of the majority of the board of Chongqing Jiadao. As a result, Chongqing Jiadao will become a subsidiary of the Company, and it constitutes a deemed acquisition of the Group under the Listing Rules. For further details on the deemed acquisition, please refer to the announcement of the Company dated 21 March 2016.

**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 figures in related notes for the year ended 31 December 2015 published by the Group in this annual results announcement are consistent with the amounts as set out in the consolidated financial statement of the Group for the year.

## PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORTS ON THE WEBSITES OF STOCK EXCHANGE AND THE COMPANY

The annual results announcement has been published on the websites of the Stock Exchange at www.hkexnews.com.hk and our Company at www.ss100.com.cn. The annual report of the Company for the year ended 31 December 2015, which contains all information required by the Listing Rules, will be dispatched to the Company's shareholders and published on the websites mentioned above in due course.

On behalf of the Board
**Sunshine 100 China Holdings Ltd**
**Yi Xiaodi**
*Chairman and Executive Director*

Beijing, the PRC
28 March 2016

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