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**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 2017**

**HIGHLIGHTS OF INTERIM RESULTS**

- Contracted sales amounted to RMB4,843.4 million, representing an increase of 12.8% from the corresponding period of 2016, and average unit price for contracted sales significantly increased by 33.6% to RMB10,656/square metre
- Revenue amounted to RMB3,455.1 million, representing a significant increase of 66.0% from the corresponding period of 2016
- Profit for the period amounted to RMB455.4 million, in which profit attributable to equity shareholders of the Company amounted to RMB380.2 million, representing increases of 403.8% and 341.1%, respectively, as compared to the corresponding period of 2016
- Basic and diluted earnings per share was RMB0.16 and RMB0.11, respectively
- Total assets amounted to RMB52,827.5 million, remaining relatively stable as compared to 31 December 2016. The total equity attributable to equity shareholders of the Company amounted to RMB6,624.8 million, representing an increase of 6.2% as compared to 31 December 2016
- As of 30 June 2017, our land reserves amounted to approximately 12.7 million square metres and 9.6 million square metres in terms of GFA and attributable GFA, respectively
- The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2017

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 2017 (the “**Reporting Period**”), together with the comparative figures for the corresponding period of 2016. The interim results of the Group for the six months ended 30 June 2017 had been reviewed by the Audit Committee of the Company (the “**Audit Committee**”) and approved by the Board on 29 August 2017. 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 2017 – unaudited

(Expressed in Renminbi)

		Six months ended 30 June	
		2017	2016
	Note	RMB'000	RMB'000
<b>Revenue</b>	4	<b>3,455,079</b>	2,081,359
Cost of sales		<u>(2,718,259)</u>	<u>(1,702,851)</u>
<b>Gross profit</b>		<b>736,820</b>	378,508
Valuation gains on investment properties		<b>286,546</b>	423,392
Other income		<b>17,779</b>	5,670
Selling expenses		<b>(325,349)</b>	(334,710)
Administrative expenses		<b>(215,781)</b>	(203,701)
Other operating expenses		<u><b>(22,101)</b></u>	<u>(56,253)</u>
<b>Profit from operations</b>		<b>477,914</b>	212,906
Financial income	5(a)	<b>272,199</b>	76,678
Financial costs	5(a)	<b>(141,348)</b>	(124,728)
Share of profits less losses of associates and a joint venture		<u><b>573</b></u>	<u>8,197</u>
<b>Profit before taxation</b>	5	<b>609,338</b>	173,053
Income tax	6	<u><b>(153,949)</b></u>	<u>(82,655)</u>
<b>Profit for the period</b>		<b>455,389</b>	90,398

		<b>Six months ended 30 June</b>	
		<b>2017</b>	<b>2016</b>
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Other comprehensive income for the period (after tax and reclassification adjustments):</b>			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		<u>5,510</u>	<u>(3,429)</u>
<b>Total comprehensive income for the period</b>		<u><b>460,899</b></u>	<u><b>86,969</b></u>
<b>Profit attributable to:</b>			
Equity shareholders of the Company		<u>380,209</u>	<u>86,201</u>
Non-controlling interests		<u>75,180</u>	<u>4,197</u>
<b>Profit for the period</b>		<u><b>455,389</b></u>	<u><b>90,398</b></u>
<b>Total comprehensive income attributable to:</b>			
Equity shareholders of the Company		<u>385,719</u>	<u>82,772</u>
Non-controlling interests		<u>75,180</u>	<u>4,197</u>
<b>Total comprehensive income for the period</b>		<u><b>460,899</b></u>	<u><b>86,969</b></u>
<b>Earnings per share (RMB)</b>	<b>7</b>		
Basic		<u><b>0.16</b></u>	<u><b>0.04</b></u>
Diluted		<u><b>0.11</b></u>	<u><b>0.04</b></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2017– unaudited

(Expressed in Renminbi)

		At 30 June 2017 <i>RMB'000</i>	At 31 December 2016 <i>RMB'000</i>
<b>Non-current assets</b>			
Property and equipment		801,714	745,980
Investment properties		9,323,760	9,111,522
Restricted deposits		141,686	338,871
Investments in associates and a joint venture		638,545	642,004
Trade and other receivables	8	160,422	137,348
Deferred tax assets		1,057,195	1,010,103
<b>Total non-current assets</b>		<b>12,123,322</b>	<b>11,985,828</b>
<b>Current assets</b>			
Properties under development and completed properties held for sale		28,404,447	28,362,478
Land development for sale		788,774	784,398
Trade and other receivables	8	6,741,767	5,531,218
Restricted deposits		1,259,890	1,956,703
Cash and cash equivalents		3,366,082	4,467,731
Trading securities		143,203	–
<b>Total current assets</b>		<b>40,704,163</b>	<b>41,102,528</b>

		At 30 June 2017 <i>RMB'000</i>	At 31 December 2016 <i>RMB'000</i>
	<i>Note</i>		
<b>Current liabilities</b>			
Loans and borrowings		8,528,320	8,551,448
Trade and other payables	9	5,509,472	6,714,767
Contract retention payables		223,696	253,256
Sales deposits		8,141,172	6,615,966
Current tax liabilities		1,047,978	1,020,852
<b>Total current liabilities</b>		<u>23,450,638</u>	<u>23,156,289</u>
<b>Net current assets</b>		<u>17,253,525</u>	<u>17,946,239</u>
<b>Total assets less current liabilities</b>		<u>29,376,847</u>	<u>29,932,067</u>
<b>Non-current liabilities</b>			
Loans and borrowings		16,930,048	18,201,011
Contract retention payables		217,247	235,268
Trade and other payables	9	678,265	463,996
Deferred tax liabilities		3,405,700	3,350,153
<b>Total non-current liabilities</b>		<u>21,231,260</u>	<u>22,250,428</u>
<b>NET ASSETS</b>		<u>8,145,587</u>	<u>7,681,639</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		18,718	18,718
Reserves		6,606,053	6,220,334
<b>Total equity attributable to equity shareholders of the Company</b>		<u>6,624,771</u>	<u>6,239,052</u>
<b>Non-controlling interests</b>		<u>1,520,816</u>	<u>1,442,587</u>
<b>TOTAL EQUITY</b>		<u>8,145,587</u>	<u>7,681,639</u>

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

*(Expressed in Renminbi unless otherwise indicated)*

### 1 BASIS OF PREPARATION

This interim financial report of 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**”).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2016 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2017 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 policies and reported 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 several amendments to International Financial Reporting Standards (“**IFRSs**”) that are first effective for the current accounting period of the Group. None of these developments has had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented in this interim financial report.

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

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below :

	Six months ended 30 June 2017				
	Mixed-use business complexes <i>RMB'000</i>	Multi- functional residential communities <i>RMB'000</i>	Investment properties <i>RMB'000</i>	Property management and hotel operation <i>RMB'000</i>	Total <i>RMB'000</i>
Reportable segment revenue	944,130	2,273,588	52,472	222,493	3,492,683
Reportable segment gross profit	108,823	497,681	52,472	60,157	719,133
Reportable segment (loss)/profit	(5,074)	(12,585)	293,473	8,959	284,773



	Six months ended 30 June 2016				
	Mixed-use business complexes <i>RMB'000</i>	Multi- functional residential communities <i>RMB'000</i>	Investment properties <i>RMB'000</i>	Property management and hotel operation <i>RMB'000</i>	Total <i>RMB'000</i>
Reportable segment revenue	922,055	931,313	52,756	211,413	2,117,537
Reportable segment gross profit	147,898	88,611	52,756	57,721	346,986
Reportable segment profit/(loss)	44,503	(281,611)	362,811	889	126,592
	At 30 June 2017				
	Mixed-use business complexes <i>RMB'000</i>	Multi- functional residential communities <i>RMB'000</i>	Investment properties <i>RMB'000</i>	Property management and hotel operation <i>RMB'000</i>	Total <i>RMB'000</i>
Loans and borrowings	3,992,488	17,275,146	–	644,447	21,912,081
Reportable segment assets	11,799,088	29,184,480	9,597,660	1,488,340	52,069,568
Reportable segment liabilities	12,540,907	30,465,796	358,252	826,536	44,191,491
	At 31 December 2016				
	Mixed-use business complexes <i>RMB'000</i>	Multi- functional residential communities <i>RMB'000</i>	Investment properties <i>RMB'000</i>	Property management and hotel operation <i>RMB'000</i>	Total <i>RMB'000</i>
Loans and borrowings	4,201,498	17,268,645	–	728,170	22,198,313
Reportable segment assets	11,425,130	28,786,048	9,433,109	1,082,233	50,726,520
Reportable segment liabilities	12,203,037	29,427,459	375,439	789,089	42,795,024

(b) Reconciliations of reportable segment revenue and profit

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue</b>		
Reportable segment revenue	3,492,683	2,117,537
Elimination of intra-group revenue	<u>(37,604)</u>	<u>(36,178)</u>
Consolidated revenue	<u><b>3,455,079</b></u>	<u><b>2,081,359</b></u>
<b>Profit</b>		
Reportable segment profit	284,773	126,592
Elimination of intra-group profit	(4,724)	(260)
Unallocated head office and corporate income/(expenses)	<u>175,340</u>	<u>(35,934)</u>
Consolidated profit for the period	<u><b>455,389</b></u>	<u><b>90,398</b></u>

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	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
Sale of properties	3,217,718	1,853,368
Rental income from investment properties	52,472	52,756
Property management and hotel operation income	<u>184,889</u>	<u>175,235</u>
	<u><b>3,455,079</b></u>	<u><b>2,081,359</b></u>

## 5 PROFIT BEFORE TAXATION

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

### (a) Financial income and financial costs

	Six months ended 30 June	
	2017	2016
	RMB'000	RMB'000
<b>Financial income</b>		
Interest income on financial assets not at fair value through profit or loss	(112,775)	(76,678)
Net foreign exchange gain	(30,590)	–
Net change in fair value of the derivative components of convertible bonds	(118,790)	–
Net change in fair value of trading securities	(10,044)	–
	<u>(272,199)</u>	<u>(76,678)</u>
<b>Financial costs</b>		
Interest on loans and borrowings not at fair value through profit or loss	1,236,442	1,059,915
Less: Interest expense capitalized into land development for sale, properties under development and investment properties under construction	<u>(1,099,036)</u>	<u>(991,093)</u>
	137,406	68,822
Net foreign exchange loss	–	17,408
Bank charges and others	<u>3,942</u>	<u>38,498</u>
	<u>141,348</u>	<u>124,728</u>

(b) Other items

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
Depreciation	21,415	28,275
Impairment loss of trade and other receivables	74	3,416
Properties under development and completed properties held for sale write-down net of reversal	(66,681)	22,837

6 INCOME TAX

	Six months ended 30 June	
	2017	2016
	<i>RMB'000</i>	<i>RMB'000</i>
Provision for the period		
– PRC Corporate Income Tax	68,557	65,157
– Land Appreciation Tax	76,937	23,542
Over-provision of PRC Corporate Income Tax in respect of prior years	–	(18,730)
Deferred tax	8,455	12,686
	<u>153,949</u>	<u>82,655</u>

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 3% to 7% based on types of properties.

## 7 EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB380,209,000 for the six months ended 30 June 2017 (six months ended 30 June 2016: RMB86,201,000) and the weighted average of 2,375,000,000 ordinary shares (six months ended 30 June 2016: 2,375,000,000 ordinary shares) in issue during the interim period.

### (b) Diluted earnings per share

For the six months ended 30 June 2017, the calculation of diluted earnings per share is based on the adjusted profit attributable to equity shareholders of the Company of RMB312,555,000 and the weighted average number of ordinary shares of 2,795,406,000, after adjusting for convertible bonds. There was no difference between basic and diluted earnings per share for the six months ended 30 June 2016, since the convertible bonds did not have diluted effect.

## 8 TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade debtors based on the revenue recognition date and net of allowance for doubtful debts, is as follows:

	At 30 June 2017 <i>RMB'000</i>	At 31 December 2016 <i>RMB'000</i>
Within 6 months	115,617	159,637
6 months to 1 year	37,249	26,081
Over 1 year	751,844	748,652
Trade receivables, net of allowance for doubtful debts of RMB Nil	904,710	934,370
Advances provided to third parties	3,648,128	2,743,437
Amounts due from associates	3,000	1,500
Other receivables	385,194	300,917
	4,941,032	3,980,224
Less: allowance for doubtful debts	9,610	9,536

	At 30 June 2017 <i>RMB'000</i>	At 31 December 2016 <i>RMB'000</i>
Loans and receivables	4,931,422	3,970,688
Deposits and prepayments	<u>1,970,767</u>	<u>1,697,878</u>
	6,902,189	5,668,566
Less: Non-current portion of other receivables	<u>160,422</u>	<u>137,348</u>
Total	<u><u>6,741,767</u></u>	<u><u>5,531,218</u></u>

## 9 TRADE AND OTHER PAYABLES

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

	At 30 June 2017 <i>RMB'000</i>	At 31 December 2016 <i>RMB'000</i>
Due within 1 year or on demand	3,278,435	4,358,278
Due after 1 year but within 2 years	436,015	235,072
Due after 2 years but within 5 years	<u>242,250</u>	<u>228,924</u>
Trade payables	3,956,700	4,822,274
Advances received from third parties	903,947	898,502
Consideration payables	6,000	114,226
Amounts due to related parties	128,982	147,614
Other payables	<u>1,010,521</u>	<u>1,022,852</u>
Financial liabilities measured at amortized cost	6,006,150	7,005,468
Receipts in advance	130,238	118,272
Other taxes payable	<u>51,349</u>	<u>55,023</u>
	6,187,737	7,178,763
Less: Non-current portion of trade payables	<u>678,265</u>	<u>463,996</u>
Total	<u><u>5,509,472</u></u>	<u><u>6,714,767</u></u>

## 10 DIVIDENDS

(i) **Dividends payable to equity shareholders attributable to the interim period**

The Company did not declare any dividends for the six months ended 30 June 2017 and 2016.

(ii) **Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period**

	<b>Six months ended 30 June</b>	
	<b>2017</b>	<b>2016</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of RMB Nil (six months ended 30 June 2016: RMB5.89 cents per ordinary share)	-	139,910
	<u>                    </u>	<u>                    </u>

## **REVIEW ON THE FIRST HALF OF 2017**

In the first half of 2017, despite tightened financial regulations, China's GDP growth were still better than the market expectation and the national economy presented a more remarkable trend of improvement amidst stabilization. As the "service + consumption" in the economic growth model became further mature, the overall economic stability was also improving. In respect of the real estate industry, with the stress on adherence to the residential attribute of housing, local regulatory policies varied greatly in the first half of the year. The real estate trading market maintained stable operation as a whole. Driven by the continuous improvement of sales performance of real estate, in particular the "destocking" policy in third and fourth-tier cities, the sales grew at obviously faster pace.

## **RESULTS**

In the first half of 2017, the Group realized contracted sales in the amount of RMB4,843.4 million, representing an increase of 12.8% from the corresponding period of 2016 and average price for contracted sales of RMB10,656/square metre, representing an increase of 33.6% over the corresponding period of 2016. Approximately 21 projects had recorded sales, among which, contributions from the four projects including Chongqing Sunshine 100 International New Town, Changzhou Sunshine 100 Zone 7 Upper East Side, Qingyuan Sunshine 100 Arles and Wenzhou Sunshine 100 Arles were relatively significant. Driven by significant increase in property delivery income and rise in relevant gross profit margin as well as stable administrative expenses and selling expenses, gross profit surged by 94.7% to RMB736.8 million, gross profit margin climbed to 21.3% and profit attributable to equity shareholders of the Company increased sharply by 341.1% to RMB380.2 million.



## **Continuously promoted the development of key products and established landmark urban cultural platforms**

The Group, adhering to the direction of transformation, further developed themed town projects. The Sunshine 100 Arles Town brand has been established in the markets of certain regions, thus gradually expanding our market influence. In the operation of the town projects, the Group, upholding the positioning of “China-France Exchange, Parent-Child Friendly Community”, continued to exert great efforts on community operation, establish brand image and improve customer experience, thus winning enthusiastic feedback from the market. The contracted sales of Qingyuan Sunshine 100 Arles amounted to approximately RMB730 million. For this project, the Group centered on the operation idea of “town upgrade” and vigorously built the Arles Sunflower Festival to highlight the urban recreational travel function. A warm festival atmosphere was created with the elements including Phoenix Market, Southern France Parade Team, art exhibition and parent-child classroom, forming a grand town party with characteristics at the boundary of Guangzhou and Qingyuan, which realized the happy gathering of neighbours and attracted citizens from Guangzhou and Qingyuan for visit. Chongqing Sunshine 100 Arles recorded a contracted sales of approximately RMB190 million in the first half of the year, and, in cooperation with Brain Cube Mental Enlightenment Lecturer Mission, held large public benefit lectures themed by parent-child and Sinology interesting camps. Meanwhile, eight communities covering sports, entertainment, culture, cate, health preservation, etc. also maintained operation in the long term. In the first half of the year, Wenzhou Sunshine 100 Arles achieved a contracted sales of approximately RMB560 million and cooperated with the local parent-child forum in holding various parent-child activities at weekends. The facilities in the community including Arles Life School, Kids’ Picture Book Library and Kids’ Playground contributed to a friendly parent-child community with a beautiful environment.

Meanwhile, we further gave play to the market advantages of its main product – Commercial Street Complex, and set up the urban cultural campaigns with the distinct characteristics of Sunshine 100 to bolster such project’s position as the city’s living room and cultural highland. We carried out the upgrade of residential products through extending business focus from development and sale to operation and service, and laid emphasis on the provision of diversified added value for projects.

The development, sale and commercial operation of all key Commercial Street Complex projects of the Group advanced orderly as scheduled. In particular, in terms of commercial operation, “Phoenix Market”, the landmark urban cultural campaign of Sunshine 100, was launched in a number of projects to present the local customers a number of “Share of Beauty” themed large-scale city parties integrating local traditional culture and international fashionable life style. In the first half of the year, the Phoenix Market was held at Yaobu TOWN project which accumulatively attracted 150,000 tourists during the holidays of May Day. In addition, the opener in China of the World Triathlon was also held at the project and accumulatively received nearly 170,000 tourists. The anniversary party of Phoenix Market was held at Shenyang Project in late June with over 5,000 participants, which had further enriched the original culture features of Phoenix Market and established its popular commercial project position as the local venue for Phoenix Market. Moreover, a series of Phoenix Market campaigns were held at Changsha Project, which not only boosted the popularity of the commercial street, but also facilitated the building of cultural and creative communities and the provision of platform and service, so as to earn a positive image and make full preparations for the subsequent operation of such commercial street. At the “Second Yixing International Yacht Festival” held by Yixing Project in the first half of the year, a number of campaigns including exhibition of international fashionable yachts and sightseeing on yachts were organized and conducted in Dongjiu water area. The festival has become one of the themed campaigns in the travel season proposed by the government, gradually establishing its positioning as an urban landmark commercial project. Associated with Shuhe Ancient Town, Lijiang COART Village formed the “Shuhe Naxi Culture Town” to apply for being a state-level characteristic town and has been shortlisted. As the positioning of the project was further strengthened, in April this year, the “Snow Mountain International Youth Art Season” themed by “Bizarre and Motley” was organized and held, and the “Snow Mountain Youth Art Studio” was established, with a view to building the never-ending artistic creation scenes in Lijiang. Such campaigns had attracted 40 groups of young artists from home and abroad to reside and create for three months, which established and upgraded the culture value connotation of the project.

The Group further promoted “Phoenix Community”, the key residential product of Sunshine 100 by continuously propelling the development and sales of existing Phoenix Community products in a number of cities including Qingyuan, Changsha, Shenyang, Weifang and Wuhan. Meanwhile, the Group further deepened the community operation concept of Phoenix Community to provide space and services satisfying the demands of the new generation of young customers and create the communities and campaigns with contemporary characteristics. In particular, nearly 20 “Phoenix Parties” were held at Qingyuan Phoenix Community in the first half of the year to set up an online communication platform and offline social platform with rich activities of Phoenix Community for customers, continuously winning public praise in the local market. Weifang Phoenix Community continuously carried out the building of its two campaign brands, namely, Phoenix Parties and Phoenix Workshops, and organized a number of big international and national events to consolidate Weifang Project’s image and position as the best commercial complex in Weifang. Moreover, from 29 June 2017 to 2 July 2017, the Phoenix Community products of Dongying and Weifang projects were delivered to owners, and the delivery rate of both projects was above 90%.

### **Acquired high quality projects to further strengthen land reserves**

The Group acquired Zone 7 Upper East Side Project in Changzhou at the end of 2016. The project covers an area of approximately 73,300 square metres and has a total GFA of approximately 244,283 square metres. Positioned to be the “Central Metropolis in Eastern Changzhou”, the project integrates leisure, entertainment, catering, shopping and other businesses, which can satisfy consumers’ demand for delicate life and provide all-rounded and convenient services. In March this year, Changzhou Sunshine 100 City Club was officially opened. In May, the project was launched for the first time, achieving a contracted sales of approximately RMB480 million on the same date. At the end of June, the project was launched for the second time and all the products launched were sold out within one hour. In the first half of the year, the project realized an aggregate contracted sales of approximately RMB780 million. The Group acquired Tai Lake New Town Project in Wuxi in January this year. The project, located at a superior geographic location, has a site area of approximately 13,942 square metres and a total GFA of approximately 101,548 square metres. The land is planned for commercial finance use and further enriches the Group’s land reserves.

## **Achieved initial results in light-asset operation mode through export of brand and sales**

In May 2017, the Group acquired the minority interests of the Fujian Putian Project and carried out cooperation with the original shareholders of the project through brand management output in the early stage and sharing value appreciation realised by salesforce in the later stage. The project was positioned as “the City’s Living Room in Putian”. All 500 houses of such project had been sold out on the first day of launch, outshining its competitors in the same region. It recorded a contracted sales of approximately RMB510 million in the first half of the year. As a benchmark light-asset operation project of Sunshine 100, such project made full use of our brand value and sales capacity. Being different from the traditional property development business model, it developed an innovative profit-making mode through export and sharing of advantageous resources. In the first half of the year, the Group entered into strategic cooperation agreement with Guangxi Communications Investment Group, planning to further expand the scope of cooperation projects under light-asset operation.

## **FUTURE OUTLOOK**

In the second half of the year, it is expected that China’s economy may grow at slightly slower pace due to the slower investment in infrastructure construction and other factors. However, the trend of stabilization will remain unchanged. Given the accelerated advancement of structural reform and financial deleveraging, higher quality growth is expected for real economy. The real estate industry is expected to face more growth pressure as a result of the continued effects of industry policies, market adjustment, uncertainties in global economic development and other factors. At the same time, the competition in respect of common products will be intensified, resulting in great challenges over real estate enterprises. Therefore, the enterprises need to develop and consolidate differentiated competitive advantage.

Looking into the second half of 2017, the Group will continue to impel the strategic deployment of differentiated real estate projects including Commercial Street Complex, Phoenix Community and Themed Towns being flagship products of the Group, to build real estate projects with characteristics that can satisfy consumer demand in the new era. In the meantime, cultural elements will be effectively intergrated in our business. The culture orientation of projects will be enhanced through the specially established Cultural Tourism Business Division and Cultural Creativity Development Company of the Group, and projects will gain their distinct features relying on the influential campaigns and brands and based on local special characteristics. The future management focus of the Group will be on transformation from a development company into an operation and service company for continuous creation of high-quality commercial real estate operation to provide brand new social scenes for cities through operation. We will also continue to press ahead the light-asset operation cooperation mode, capitalize on our own brand and sales advantages and continually enhance our management operation and resource integration capabilities through projects with minority interests.

The Group will further conduct reform and innovation in respect of internal mechanism to divide large projects into different segments and delegate decision-making powers to relevant managers while streamlining performance appraisal in respect of indicators and time. Apart from continued advancement of the newly implemented project co-investment mechanism in the Group, the Group will further increase efforts for marketing and system reform to enhance management's enthusiasm and performance from a number of perspectives. Furthermore, the Group will vigorously promote talent cultivation and construction of talent team to continuously consolidate corporate soft power, and it will encourage the business innovation and offer internal platform to foster and motivate the awareness of independent operation.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Business Review**

#### ***Contracted sales***

During the Reporting Period, the Group (including a light-asset operation project) realized contracted sales in the amount of RMB4,843.4 million, representing an increase of 12.8% from the corresponding period of 2016, and an aggregate contracted sales area in the amount of 423,540 square metres, representing a decrease of 16.4% from the corresponding period of 2016. Moreover, the Group's average unit price for contracted sales was RMB10,656/square metre, representing a significant increase of 33.6% over the corresponding period of 2016. Particularly, contracted sales generated from residential properties amounted to RMB3,753.4 million, representing a slight increase of 1.3% from the corresponding period of 2016. Contracted sales were evenly distributed across the sales regions, while the proportion of the Yangtze River Delta and Pearl River Delta experienced a sustained increase, among which, contributions from the four projects including Chongqing Sunshine 100 International New Town, Changzhou Sunshine 100 Zone 7 Upper East Side, Qingyuan Sunshine 100 Arles and Wenzhou Sunshine 100 Arles were relatively significant, with the contracted sales being RMB858.9 million, RMB783.2 million, RMB734.1 million and RMB554.7 million respectively, accounting for 17.7%, 16.2%, 15.2% and 11.5% of the total contracted sales respectively.

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

Economic area	City	Project name	For the six months ended 30 June					
			Contracted sales area (square metres) <sup>(1)</sup>		Contracted sales amount (RMB million) <sup>(2)</sup>		Unit selling price (RMB/square metre) <sup>(1)</sup>	
			2017	2016	2017	2016	2017	2016
Bohai Rim	Shenyang	Shenyang Sunshine 100 International New Town	35,251	51,622	251	333	6,979	6,393
		Shenyang Sunshine 100 Golf Mansion	11,810	7,374	63	42	5,165	5,696
	Dongying	Dongying Sunshine 100 City Garden	20,429	12,520	128	85	6,168	6,709
	Weifang	Weifang Sunshine 100 City Plaza	11,941	3,339	76	18	6,365	5,391
	Tianjin	Tianjin Sunshine 100 International New Town	-	-	62	40	-	-
	Jinan	Jinan Sunshine 100 International New Town	-	6,872	55	198	-	11,205
	<b>Sub-total</b>		<b>79,431</b>	<b>81,727</b>	<b>635</b>	<b>716</b>	<b>6,408</b>	<b>6,742</b>
Yangtze River Delta	Changzhou	Changzhou Sunshine 100 Zone 7 Upper East Side	90,390	-	783	-	8,607	-
		Wenzhou	Wenzhou Sunshine 100 Arles Sunshine 100 Wenzhou Center	54,154	-	555	-	9,547
	Wuxi	Wuxi Sunshine 100 International New Town	848	23,817	25	464	29,481	19,482
	Yixing	Yixing Sunshine 100 Phoenix Street	16,087	116,854	190	810	11,749	6,932
			4,436	2,078	131	61	29,531	29,355
<b>Sub-total</b>		<b>165,915</b>	<b>142,749</b>	<b>1,684</b>	<b>1,335</b>	<b>9,885</b>	<b>9,352</b>	
Pearl River Delta	Qingyuan Putian	Qingyuan Sunshine 100 Arles Putian Sunshine 100 Phoenix Plaza <sup>(3)</sup>	67,790	135,165	734	841	9,529	6,089
			35,870	-	514	-	14,330	-
<b>Sub-total</b>		<b>103,660</b>	<b>135,165</b>	<b>1,248</b>	<b>841</b>	<b>11,190</b>	<b>6,089</b>	

Economic area	City	Project name	For the six months ended 30 June					
			Contracted sales area (square metres) <sup>(1)</sup>		Contracted sales amount (RMB million) <sup>(2)</sup>		Unit selling price (RMB/square metre) <sup>(1)</sup>	
			2017	2016	2017	2016	2017	2016
Midwest	Chongqing	Chongqing Sunshine 100 International New Town	42,078	2,560	859	52	20,367	19,141
		Chongqing Sunshine 100 Arles	18,095	11,711	191	111	9,671	8,795
	Changsha	Changsha Sunshine 100 International New Town	8,471	28,797	114	244	10,270	8,022
	Wuhan	Wuhan Sunshine 100 Lakeside Residence	2,590	97,586	48	872	11,969	8,731
	Chengdu	Chengdu Sunshine 100 Mia Centre	2,302	3,307	40	50	15,639	12,700
	Liuzhou	Liuzhou Sunshine 100 Yaobu Classic Town	998	2,265	18	45	18,269	19,868
		Liuzhou Sunshine 100 City Plaza	-	-	3	9	-	-
	Nanning	Nanning Sunshine 100 Upper East Side International	-	-	3	10	-	-
	Guilin	Guilin Sunshine 100 Lijiang Project	-	88	-	1	-	11,364
	Lijiang	Lijiang COART Village	-	374	-	8	-	21,390
		<b>Sub-total</b>	<b>74,534</b>	146,688	<b>1,276</b>	1,402	<b>16,157</b>	9,074
		<b>Total</b>	<b>423,540</b>	506,329	<b>4,843</b>	4,294	<b>10,656</b>	7,979

*Notes:*

- (1) Excluding car parks
- (2) Including car parks
- (3) A light-asset operation project

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

Type	For the six months ended 30 June					
	Contracted sales area (square metres) <sup>(1)</sup>		Contracted sales amount (RMB million) <sup>(2)</sup>		Unit selling price (RMB/square metre) <sup>(1)</sup>	
	2017	2016	2017	2016	2017	2016
Residential properties	<b>352,900</b>	484,823	<b>3,753</b>	3,705	<b>10,635</b>	7,642
Commercial properties and car parks	<b>70,640</b>	21,506	<b>1,090</b>	589	<b>10,759</b>	15,577
<b>Total</b>	<b><u>423,540</u></b>	<b><u>506,329</u></b>	<b><u>4,843</u></b>	<b><u>4,294</u></b>	<b><u>10,656</u></b>	<b><u>7,979</u></b>
<b>Proportion</b>						
Residential properties	<b>83%</b>	96%	<b>77%</b>	86%		
Commercial properties and car parks	<b>17%</b>	4%	<b>23%</b>	14%		
<b>Total</b>	<b><u>100%</u></b>	<b><u>100%</u></b>	<b><u>100%</u></b>	<b><u>100%</u></b>		

Notes:

(1) Excluding car parks

(2) Including car parks

### ***Property Construction***

During the Reporting Period, the total GFA of the Group's newly commenced construction was 601,305 square metres, representing a decrease of 34.4% from the corresponding period of 2016. The completed GFA was 427,359 square metres, representing a decrease of 45.1% from the corresponding period of 2016, mainly because in accordance with the project development timeline of the Company, a large number of projects which commenced construction in prior years were completed in 2016.



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

		<b>For the six months ended 30 June 2017</b>		
<b>Economic area</b>	<b>City</b>	<b>Newly-started</b>	<b>Completed</b>	<b>Total GFA under</b>
		<b>total GFA</b>	<b>total GFA</b>	<b>construction</b>
		<i>(square metres)</i>	<i>(square metres)</i>	<b>as at the end</b>
				<b>of the period</b>
				<i>(square metres)</i>
Bohai Rim	Jinan	122,608	115,701	122,608
	Shenyang	37,765	51,482	273,016
	Dongying	–	20,919	59,289
	Weifang	–	75,426	76,401
	<b>Sub-total</b>	<b>160,373</b>	<b>263,528</b>	<b>531,314</b>
Yangtze River Delta	Wuxi	–	–	363,651
	Wenzhou	192,332	–	1,339,276
	Changzhou	202,444	–	202,444
	<b>Sub-total</b>	<b>394,776</b>	<b>–</b>	<b>1,905,371</b>
Pearl River Delta	Qingyuan	–	–	713,261
	Putian	–	–	337,278
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>1,050,539</b>
Midwest	Wuhan	–	120,316	–
	Chongqing	44,136	–	218,450
	Changsha	2,020	42,373	78,202
	Guilin	–	1,142	40,974
	Lijiang	–	–	32,932
<b>Sub-total</b>	<b>46,156</b>	<b>163,831</b>	<b>370,558</b>	
<b>Total</b>		<b>601,305</b>	<b>427,359</b>	<b>3,857,782</b>

## ***Investment Properties***

During the Reporting Period, the GFA of the completed investment properties sold by the Group amounted to 2,576 square metres and the GFA of the completed investment properties transferred to fixed assets amounted to 6,284 square metres. As at 30 June 2017, the GFA of investment properties completed and under construction held by the Group was 516,136 square metres and the planned GFA of investment properties held for future development was approximately 120,000 square metres. Moreover, during the Reporting Period, the rental income was RMB52.5 million, remaining relatively stable as compared with the corresponding period of 2016.

## ***Land Acquisition***

During the Reporting Period, the Group paid an aggregate amount of approximately RMB243.4 million for various land acquisitions and equity transfers in project acquisitions, which included the land payment for Changzhou Sunshine 100 Zone 7 Upper East Side project in the amount of RMB57.6 million, the payment for equity transfer consideration of Wuxi Tai Lake New Town project in the amount of RMB57.0 million and the payment for equity transfer consideration of Putian Sunshine 100 Phoenix Plaza in the amount of RMB50.0 million.

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	1,535,232	12%	1,535,232	16%
	Shenyang	982,234	8%	911,234	10%
	Yantai	403,028	3%	403,028	4%
	Jinan	400,286	3%	196,140	2%
	Tianjin	125,712	1%	108,113	1%
	Dongying	101,404	1%	101,403	1%
	<b>Sub-total</b>	<b>3,547,896</b>	<b>28%</b>	<b>3,255,150</b>	<b>34%</b>

Economic area	City	Total GFA	Proportion	Attributable GFA	Proportion
		<i>(square metres)</i>		<i>(square metres)</i>	
Midwest	Chongqing	1,162,450	9%	997,968	10%
	Guilin	374,421	3%	340,582	3%
	Changsha	279,542	2%	279,541	3%
	Liuzhou	279,430	2%	246,535	3%
	Nanning	213,953	2%	169,299	2%
	Wuhan	125,440	1%	125,440	1%
	Chengdu	103,260	1%	103,260	1%
	Lijiang	200,306	2%	102,156	1%
	<b>Sub-total</b>	<b>2,738,802</b>	<b>22%</b>	<b>2,364,781</b>	<b>24%</b>
Yangtze River Delta	Wenzhou	1,517,715	12%	774,035	8%
	Wuxi	1,231,969	10%	1,231,970	13%
	Changzhou	248,321	2%	126,644	1%
	Yixing	96,535	0%	77,228	1%
	<b>Sub-total</b>	<b>3,094,540</b>	<b>24%</b>	<b>2,209,877</b>	<b>23%</b>
Pearl River Delta	Qingyuan	2,876,699	22%	1,582,184	16%
	Putian	337,278	3%	165,266	2%
	<b>Sub-total</b>	<b>3,213,977</b>	<b>25%</b>	<b>1,747,450</b>	<b>18%</b>
Northern Mariana Islands	Saipan	120,000	1%	61,200	1%
	<b>Sub-total</b>	<b>120,000</b>	<b>1%</b>	<b>61,200</b>	<b>1%</b>
<b>Total</b>		<b>12,715,215</b>	<b>100%</b>	<b>9,638,458</b>	<b>100%</b>

## **Financial Performance**

### ***Revenue***

During the Reporting Period, the revenue of the Group increased by 66.0% to RMB3,455.1 million from RMB2,081.4 million in the corresponding period of 2016, mainly attributable to the significant increase in income from sale of properties.

### ***Income from sale of properties***

During the Reporting Period, revenue generated from the sale of properties increased by 73.6% to RMB3,217.7 million from RMB1,853.4 million in the corresponding period of 2016, mainly attributable to the significant increase in the delivered area of properties.

### ***Property management and hotel operation income***

During the Reporting Period, the revenue generated from property management and hotel operation of the Group increased by 5.5% to RMB184.9 million from RMB175.2 million in the corresponding period of 2016, mainly attributable to the 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 decreased by 0.5% to RMB52.5 million from RMB52.8 million in the corresponding period of 2016, remaining relatively stable over the same period of last year.

### ***Cost of sales***

During the Reporting Period, the cost of sales of the Group increased by 59.6% to RMB2,718.3 million from RMB1,702.9 million in the corresponding period of 2016. Particularly, the cost of property sales increased by 66.6% to RMB2,556.0 million from RMB1,533.9 million in the corresponding period of 2016, mainly attributable to the significant increase in the delivery area of properties.

### ***Gross profit***

As a result of the above factors, during the Reporting Period, the gross profit of the Group increased by 94.7% to RMB736.8 million from RMB378.5 million in the corresponding period of 2016, and the gross profit margin increased to 21.3% from 18.2% in the corresponding period of 2016.

### ***Valuation gains on investment properties***

During the Reporting Period, valuation gains on investment properties of the Group decreased by 32.3% to RMB286.5 million from RMB423.4 million in the corresponding period of 2016, mainly attributable to the lower completion progress of properties under construction in 2017.

### ***Selling expenses***

During the Reporting Period, the Group's selling expenses decreased by 2.8% to RMB325.3 million from RMB334.7 million in the corresponding period of 2016, mainly attributable to relatively stable selling expenses due to that the amount of contracted sales (excluding a light-asset operation project) remains the same as compared with the corresponding period of last year in general.

### ***Administrative expenses***

During the Reporting Period, the administrative expenses of the Group increased by 5.9% to RMB215.8 million from RMB203.7 million in the corresponding period of 2016, mainly attributable to the increase in staff remuneration and benefits paid by the Group as a result of the commencement of operation for newly-acquired projects in the first half of 2017.

### ***Financial income***

During the Reporting Period, financial income of the Group increased by 255.0% to RMB272.2 million from RMB76.7 million in the corresponding period of 2016, mainly attributable to fair value gain of derivative components of convertible bonds.

### ***Financial costs***

During the Reporting Period, financial costs of the Group increased by 13.3% to RMB141.3 million from RMB124.7 million in the corresponding period of 2016, mainly attributable to the increase in interest-bearing liabilities of the Group over the corresponding period of last year.

### ***Income tax***

During the Reporting Period, the income tax expenses of the Group increased by 86.3% to RMB153.9 million from RMB82.7 million in the corresponding period of 2016, mainly attributable to the increase in the profit before taxation of the Group.

## ***Profit***

During the Reporting Period, the profit of the Group increased significantly by 403.8% to RMB455.4 million from RMB90.4 million in the corresponding period of 2016.

## ***Profit attributable to equity shareholders of the Company***

Based on the abovementioned factors, the profit attributable to equity shareholders of the Company significantly increased by 341.1% to RMB380.2 million from RMB86.2 million in the corresponding period of 2016.

## **Working capital, finance and capital resources**

### ***Cash and cash equivalents***

As at 30 June 2017, the Group had RMB3,366.1 million of cash and cash equivalents, representing a decrease of RMB1,101.6 million as compared to 31 December 2016, mainly due to the repayment of loans and borrowings by the Group in the first half of 2017.

### ***Current ratio, gearing ratio and net gearing ratio***

As at 30 June 2017, the Group's current ratio was 173.6%, remaining stable as compared with that as at 31 December 2016. As at 30 June 2017, the Group's current assets and current liabilities amounted to RMB40,704.2 million and RMB23,450.6 million, respectively.

As at 30 June 2017, the Group's gearing ratio (which is total loans and borrowings divided by total assets) decreased to 48.2% from 50.4% as at 31 December 2016. Net gearing ratio (which is total loans and borrowings minus cash and cash equivalents and current restricted deposits, divided by total equity) decreased to 255.8% from 264.6% as at 31 December 2016, mainly attributable to the decrease in total loans and borrowings as compared with that as at 31 December 2016.

### ***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 2017, the Group provided guarantees for mortgage loans in an amount of RMB7,859.1 million (31 December 2016: RMB5,774.2 million) to banks in respect of such agreements.

### ***Loans and borrowings and pledged assets***

As at 30 June 2017, the Group's total loans and borrowings amounted to RMB25,458.4 million. In particular, RMB8,528.3 million, RMB6,580.8 million, RMB7,895.1 million and RMB2,454.2 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 2017, the Group's pledged properties and restricted deposits with a carrying value of RMB13,662.9 million (31 December 2016: RMB14,789.0 million) to secure banking facilities granted to the Group.

### ***Capital commitments***

As at 30 June 2017, the Group's contracted capital commitment for properties under development and investment properties under construction not provided for in the financial statements amounted to RMB4,233.7million (31 December 2016: RMB3,355.9 million). As at 30 June 2017, the Group's capital commitment approved but not contracted for amounted to RMB5,940.7 million (31 December 2016: RMB5,939.0 million).

### ***Foreign exchange exposure***

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

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

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

The Company had no major investments, acquisitions and disposals during the Reporting Period.

## **Human resources**

As at 30 June 2017, the Group employed a total of 4,491 employees (corresponding period of 2016: 4,520 employees). The staff costs of the Group were RMB246.0 million during the Reporting Period (corresponding period of 2016: RMB216.8 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 2017, we made contributions in an aggregate of approximately RMB16.6 million to the employee retirement scheme.

## **INTERIM DIVIDEND**

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2017.

## **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 2017, 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**”).

## **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. Gu Yunchang and Mr. Wang Bo. 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, risk management and internal control procedures; and (iv) to perform the Company's corporate governance functions.

The Audit Committee has reviewed the accounting standards and practices adopted by the Group and discussed the internal control and financial reporting matters of the Group (including reviewing the interim results of the Group for the six months ended 30 June 2017).

## **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. Gu Yunchang and Mr. Wang Bo. Mr. Wang Bo 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. Gu Yunchang and Mr. Wang Bo. Mr. Yi Xiaodi was 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 2017.

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

During the Reporting Period, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company’s listed shares.

## **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 2017.

## **EVENTS AFTER THE REPORTING PERIOD**

From 30 June 2017 to the date of this announcement, there were no events after the Reporting Period which have material effect on the Group.

**PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This results announcement has been published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.ss100.com.cn](http://www.ss100.com.cn). The interim report of the Company for the six months ended 30 June 2017 containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and published on the above-mentioned websites in due course.

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

Beijing, the PRC  
29 August 2017

*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.*