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 2018

HIGHLIGHTS OF INTERIM RESULTS

- Contracted sales amounted to RMB4,410.2 million, representing a decrease of 8.9% from the corresponding period of 2017, and average unit price for contracted sales increased by 13.5% to RMB12,097/square metre
- Revenue amounted to RMB3,704.1 million, representing an increase of 7.2% from the corresponding period of 2017
- Profit for the period amounted to RMB447.0 million, representing a decrease of 1.8% as compared to the corresponding period of 2017
- Basic and diluted earnings per share was RMB0.12 and RMB0.08, respectively
- Total assets amounted to RMB56,775.7 million, representing an increase of 1.8% as compared to 31 December 2017. The total equity attributable to equity shareholders of the Company amounted to RMB7,822.0 million, representing an increase of 5.0% as compared to 31 December 2017
- As of 30 June 2018, our land reserves amounted to approximately 14.73 million square metres and 9.68 million square metres in terms of GFA and attributable GFA, respectively

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 2018 (the "**Reporting Period**"), together with the comparative figures for the corresponding period of 2017. The interim results of the Group for the six months ended 30 June 2018 had been reviewed by the Audit Committee of the Company (the "**Audit Committee**") and approved by the Board on 27 August 2018. 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 2018 – unaudited
(Expressed in Renminbi)

		Six months ended 30 June	
		2018	2017
			(Note)
	Note	***RMB'000***	*RMB'000*
Revenue	3	**3,704,103**	3,455,079
Cost of sales		**(3,029,410)**	(2,718,259)
Gross profit		**674,693**	736,820
Valuation gains on investment properties	7	**554,002**	286,546
Other income		**8,667**	17,779
Selling expenses		**(277,498)**	(325,349)
Administrative expenses		**(260,013)**	(215,781)
Other operating expenses		**(16,564)**	(22,101)
Profit from operations		**683,287**	477,914
Financial income	4	**291,408**	272,199
Financial costs	4	**(280,334)**	(141,348)
Share of profits less losses of associates		**2,553**	573
Profit before taxation		**696,914**	609,338
Income tax	5	**(249,888)**	(153,949)
Profit for the period		**447,026**	455,389

	Note	Six months ended 30 June 2018 RMB'000	2017 (Note) RMB'000
Other comprehensive income for the period (after tax and reclassification adjustments):			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		**(10,818)**	5,510
Total comprehensive income for the period		**436,208**	460,899
Profit attributable to:			
Equity shareholders of the Company		**311,356**	380,209
Non-controlling interests		**135,670**	75,180
Profit for the period		**447,026**	455,389
Total comprehensive income attributable to:			
Equity shareholders of the Company		**300,538**	385,719
Non-controlling interests		**135,670**	75,180
Total comprehensive income for the period		**436,208**	460,899
Earnings per share *(RMB)*	6		
Basic		**0.12**	0.16
Diluted		**0.08**	0.11

Note: The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 2.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2018 – unaudited
(Expressed in Renminbi)

	Note	**At 30 June 2018** *RMB'000*	At 31 December 2017 *(Note)* *RMB'000*
Non-current assets			
Property and equipment		**699,954**	718,429
Investment properties		**11,357,688**	10,757,187
Restricted deposits		**39,217**	62,335
Investments in associates		**759,797**	757,016
Trade and other receivables	8	**460,629**	338,948
Deferred tax assets		**1,191,549**	1,071,458
		14,508,834	13,705,373
Current assets			
Properties under development and completed properties held for sale		**28,119,893**	28,180,123
Land development for sale		**1,216,182**	1,136,350
Contract assets		**183,339**	–
Trade and other receivables	8	**8,273,913**	7,079,906
Restricted deposits		**903,620**	887,778
Cash and cash equivalents		**3,411,802**	4,654,189
Financial assets at fair value through profit or loss		**158,130**	136,594
		42,266,879	42,074,940
Current liabilities			
Loans and borrowings		**7,841,986**	8,823,334
Trade and other payables	9	**5,516,906**	5,299,267
Contract liabilities		**8,705,101**	–
Contract retention payables		**242,499**	232,874
Sales deposits		**–**	9,355,100
Current tax liabilities		**992,935**	964,966
		23,299,427	24,675,541
Net current assets		**18,967,452**	17,399,399
Total assets less current liabilities		**33,476,286**	31,104,772

	Note	At 30 June 2018 RMB'000	At 31 December 2017 (Note) RMB'000
Non-current liabilities			
Loans and borrowings		**19,443,609**	17,941,805
Contract retention payables		**145,771**	154,213
Trade and other payables	9	**309,808**	316,914
Deferred tax liabilities		**3,766,405**	3,529,507
		23,665,593	21,942,439
NET ASSETS		**9,810,693**	9,162,333
CAPITAL AND RESERVES	10		
Share capital		**20,700**	20,700
Reserves		**7,801,281**	7,426,158
Total equity attributable to equity shareholders of the Company		**7,821,981**	7,446,858
Non-controlling interests		**1,988,712**	1,715,475
TOTAL EQUITY		**9,810,693**	9,162,333

Note: The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information is not restated. See Note 2.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT
(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

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

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2017 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2018 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 judgments, 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

(a) Overview

The IASB has issued a number of new International Financial Reporting Standards ("**IFRSs**") and amendments to IFRSs that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- IFRS 9, *Financial instruments*

- IFRS 15, *Revenue from contracts with customers*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The Group has been impacted by IFRS 9 in relation to classification of financial assets and measurement of credit losses, and impacted by IFRS 15 in relation to timing of revenue recognition, capitalisation of contract costs and presentation of contract assets and contract liabilities. Details of the changes in accounting policies are discussed in Note 2(b) for IFRS 9 and Note 2(c) for IFRS 15.

Under the transition methods chosen, the Group recognises cumulative effect of the initial application of IFRS 15 as an adjustment to the opening balance of equity at 1 January 2018, and there is no material cumulative impact for the initial application of IFRS 9. Comparative information is not restated. The following table gives a summary of the opening balance adjustments recognized for each line item in the consolidated statement of financial position that has been impacted by IFRS 15:

	At 31 December 2017	**Impact on initial application of IFRS 15** *Note 2(c)*	**At 1 January 2018**
	RMB'000	*RMB'000*	*RMB'000*
Properties under development and completed properties held for sale	28,180,123	(427,628)	27,752,495
Contract assets	–	204,399	204,399
Total current assets	42,074,940	(223,229)	41,851,711
Contract liabilities	–	(8,784,647)	(8,784,647)
Trade and other payables	(5,299,267)	(53,885)	(5,353,152)
Sales deposits	(9,355,100)	9,355,100	–
Total current liabilities	(24,675,541)	516,568	(24,158,973)
Net current assets	17,399,399	293,339	17,692,738
Total assets less current liabilities	31,104,772	293,339	31,398,111
Deferred tax liabilities	(3,529,507)	(74,153)	(3,603,660)
Total non-current liabilities	(21,942,439)	(74,153)	(22,016,592)
Net assets	9,162,333	219,186	9,381,519
Reserves	(7,426,158)	(164,665)	(7,590,823)
Total equity attributable to equity shareholders of the company	(7,446,858)	(164,665)	(7,611,523)
Non-controlling interests	(1,715,475)	(54,521)	(1,769,996)
Total equity	(9,162,333)	(219,186)	(9,381,519)

Further details of these changes are set out in sub-section (c) of this note.

(b) IFRS 9, *Financial instruments*

IFRS 9 replaces IAS 39, *Financial instruments: recognition and measurement*. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

(i) Classification of financial assets and financial liabilities

IFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL). These supersede IAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under IFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

(ii) Credit losses

IFRS 9 replaces the "incurred loss" model in IAS 39 with the expected credit loss ("ECL") model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in IAS 39.

The adoption of IFRS 9 does not have any material impact on the financial position and the financial result of the Group.

(c) IFRS 15, *Revenue from contracts with customers*

IFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. IFRS 15 replaces IAS 18, *Revenue*, which covered revenue arising from sale of goods and rendering of services, and IAS 11, *Construction contracts*, which specified the accounting for construction contracts.

The Group has elected to use the cumulative effect transition method and has recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2018. Therefore, comparative information has not been restated and continues to be reported under IAS 11 and IAS 18. As allowed by IFRS 15, the Group has applied the new requirements only to contracts that were not completed before 1 January 2018.

The following table summarises the impact of transition to IFRS 15 on retained earnings and the related tax impact at 1 January 2018:

	RMB'000
Retained earnings	
Earlier revenue and profit recognition for sales of properties	64,530
Capitalisation of sales commissions	163,660
Related tax impact	(63,525)
Net increase in retained earnings at 1 January 2018	164,665
Non-controlling interests	
Net increase in non-controlling interests at 1 January 2018	54,521

Further details of the nature and effect of the changes on previous accounting policies are set out below:

(i) Timing of revenue recognition

Previously, revenue arising from sales of properties was generally recognised at a point in time when the risks and rewards of ownership of the properties had passed to the customers.

Under IFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. IFRS 15 identifies the following three situations in which control of the promised good or service is regarded as being transferred over time:

A. When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;

B. When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;

C. When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under IFRS 15 the entity recognises revenue for the sale of that property at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs.

The timing of revenue recognition for sales of properties is affected as follows:

- Currently the Group's property development activities are mainly carried out in the PRC. Taking into account the contract terms, the Group's business practice and the legal and regulatory environment in the PRC, the property sales contracts that require advance payment in full of the total consideration qualify for recognising revenue over time. Before the adoption of IFRS 15, revenue from sale of properties under all contracts in the ordinary course of business is recognised when the construction of respective properties have been completed and the significant risks and rewards of ownership of the properties are transferred to the customers, that is when the customers completed the necessary procedures to acknowledge receipts of delivery of properties in accordance with the terms under the respective sales and purchases agreements, which is taken to be the point in time when the risks and rewards of ownership of the property have been transferred to the customer. Under the transfer-of-control approach in IFRS 15, for sales of properties with full payment in advance before the construction of respective properties are completed, the management determined that the customers obtain control of the corresponding property development activities upon settlement of the total consideration. This is because under those circumstances, properties are made to a customer's specification as detailed in the terms of the agreements. The adoption of IFRS 15 has no impact on the timing of revenue recognition for sales of properties other than those with full payment in advance.

- Therefore, revenue from those contracts that require advance payment in full of the total consideration and the associated costs are recognised over time, which would result in revenue and the associated costs for these agreements being recognised in profit or loss earlier under IFRS 15 than under IAS18.

- As a result of this change in accounting policy, the Group has made adjustments to the opening balances at 1 January 2018 which increased retained earnings by RMB41,920,000, increased non-controlling interests by RMB16,695,000, decreased sales deposits by RMB9,355,100,000, increased trade and other payables by RMB53,885,000, increased contract liabilities by RMB8,784,647,000, increased deferred tax liabilities by RMB20,629,000, decreased contract assets 9,696,000 and decreased properties under development for sale by RMB427,628,000.

(ii) Significant financing component

IFRS 15 requires an entity to adjust the transaction price for the time value of money when a contract contains a significant financing component, regardless of whether the payments from customers are received significantly in advance of revenue recognition or significantly deferred.

In assessing whether advance payments include a significant financing component, the Group has considered the difference between the length of time between the payment date and the date when the customers obtain control of the properties based on the typical arrangements entered into with the customers.

Where payment schemes include a significant financing component, the transaction price is adjusted to separately account for this component. In the case of payments in advance, such adjustment results in interest expense being accrued by the Group to reflect the effect of the financing benefit obtained by the Group from the customers during the period between the payment date and the completion date of legal assignment. This accrual increases the amount of the contract liability during the period of construction, and therefore increases the amount of revenue recognised when control of the completed property is transferred to the customer. The interest is expensed as accrued unless it is eligible to be capitalised under IAS 23, *Borrowing costs*, if significant.

(iii) Sales commissions payable related to property sales contracts

The Group previously recognised sales commissions payable related to property sales contracts as selling expenses when they were incurred. Under IFRS 15, the Group is required to capitalise these sales commissions as costs of obtaining contracts when they are incremental and are expected to be recovered, unless the expected amortisation period is one year or less from the date of initial recognition of the asset, in which case the sales commissions can be expensed when incurred. Capitalised commissions are charged to profit or loss when the revenue from the related property sale is recognised and are included as selling expenses at that time.

As a result of this change in accounting policy, the Group has capitalised sales commissions payable related to property sales contracts amounting to RMB214,095,000, increased deferred tax liabilities by RMB53,524,000, increased retained earnings by RMB122,745,000 and increased non-controlling interests by RMB37,826,000 at 1 January 2018.

(iv) Presentation of contract assets and liabilities

Under IFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue before being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset. Similarly, a contract liability, rather than a payable, is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

Previously, the Group's properties under development and properties held for sale were included within "properties under development for sale" or "properties held for sale" until customers complete the necessary procedures to acknowledge receipts of delivery of properties and the revenue was recognised for the reasons explained in paragraph (i) above.

To reflect these changes in presentation, the Group has made the following adjustments at 1 January 2018, as a result of the adoption of IFRS 15:

a. "Sales deposit" amounting to RMB8,784,647,000, are now reclassified to contract liabilities; and

b. As explained in (i) above, adjustments to opening balances have been made to increase contract liabilities by RMB8,784,647,000 and decrease sales deposit by RMB8,784,647,000 in respect of the Group's revenue recognised over time.

3 REVENUE AND 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, property management and hotel operation and light-asset operation. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has presented the following five reportable segments:

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

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

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

(d) The property management and hotel operation segment that provides property management service and hotel accommodation services; and

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

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

a) **Disaggregation of revenue**

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

	Six months ended 30 June	
	2018	2017
		(Note)
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Sale of properties	**3,391,702**	3,217,718
Property management and hotel operation income	**219,099**	184,889
Rental income from investment properties	**71,676**	52,472
Light-asset operation income	**21,626**	–
	3,704,103	3,455,079
Disaggregated by timing of revenue recognition		
Point in time	**3,274,860**	3,455,079
Over time	**429,243**	–
	3,704,103	3,455,079

Note: The Group has initially applied IFR15 using the cumulative effect method. Under this method, the comparative information is not restated and was prepared in accordance with IAS 18 and IAS11 (see Note 2(c))

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

b) Information about profit or loss, assets and liabilities

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below:

For the six months ended 30 June	**Mixed-use business complexes**		**Multi-functional residential communities**		**Investment properties**		**Property management and hotel operation**		**Light-asset operation**		**Total**	
	2018	2017 *(Note)*	**2018**	2017 *(Note)*	**2018**	2017 *(Note)*	**2018**	2017 *(Note)*	**2018**	2017 *(Note)*	**2018**	2017 *(Note)*
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Disaggregated by timing of Revenue recognition												
Point in time	**802,640**	944,130	**2,159,819**	2,273,588	**71,676**	52,472	**219,099**	184,889	**21,626**	–	**3,274,860**	3,455,079
Over time	**96,645**	–	**332,598**	–	**–**	–	**–**	–	**–**	–	**429,243**	–
Revenue from external customers	**899,285**	944,130	**2,492,417**	2,273,588	**71,676**	52,472	**219,099**	184,889	**21,626**	–	**3,704,103**	3,455,079
Inter-segment revenue	**–**	–	**–**	–	**–**	–	**32,031**	37,604	**–**	–	**32,031**	37,604
Reportable segment revenue	**899,285**	944,130	**2,492,417**	2,273,588	**71,676**	52,472	**251,130**	222,493	**21,626**	–	**3,736,134**	3,492,683
Reportable segment gross (loss)/profit	**(115,117)**	108,823	**664,727**	497,681	**71,676**	52,472	**44,065**	60,157	**17,583**	–	**682,934**	719,133
Reportable segment (loss)/profit	**(221,781)**	(5,074)	**50,497**	(12,585)	**460,690**	293,473	**(6,403)**	8,959	**14,161**	–	**297,164**	284,773
As at 30 June/31 December												
Loans and borrowings	**5,025,218**	5,664,218	**17,119,011**	17,277,253	**–**	–	**621,927**	611,427	**–**	–	**22,766,156**	23,552,898
Reportable segment assets	**12,346,158**	12,165,995	**31,370,515**	30,437,018	**11,677,375**	11,074,957	**1,233,824**	1,203,057	**254,455**	169,196	**56,882,327**	55,050,223
Reportable segment liabilities	**12,344,260**	12,989,434	**30,952,519**	30,997,300	**259,899**	282,736	**999,046**	965,549	**179,828**	110,740	**44,735,552**	45,345,759

Note: The Group has initially applied IFRS 15 using cumulative effect method. Under this method, the comparative information is not restated and was prepared in accordance with IAS 18 and IAS 11 (See Note 2(c)).

(c) Reconciliations of reportable segment profit

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Profit		
Reportable segment profit	**297,164**	284,773
Elimination of intra-group loss/(profit)	**8,079**	(4,724)
Unallocated head office and corporate income	**141,783**	175,340
Consolidated profit for the period	**447,026**	455,389

4 FINANCIAL INCOME AND FINANCIAL COSTS

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Financial income		
Interest income on financial assets not at fair value through profit or loss	**(178,851)**	(112,775)
Net foreign exchange gain	**–**	(30,590)
Net change in fair value of the derivative components of convertible bonds	**(112,557)**	(118,790)
Net change in fair value of financial assets at fair value through profit or loss	**–**	(10,044)
	(291,408)	(272,199)
Financial costs		
Total interest expense on loans and borrowings	**1,371,586**	1,236,442
Less: Interest expense capitalized into land development for sale, properties under development and investment properties under construction	**(1,154,821)**	(1,099,036)
	216,765	137,406
Net foreign exchange loss	**50,897**	–
Net change in fair value of financial assets at fair value through profit or loss	**9,405**	–
Bank charges and others	**3,267**	3,942
	280,334	141,348

5 INCOME TAX

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
Current tax		
– PRC Corporate Income Tax	**113,298**	68,557
– Land Appreciation Tax	**93,936**	76,937
Deferred taxation	**42,654**	8,455
	249,888	153,949

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

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

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

6 EARNINGS PER SHARE

(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 RMB311,356,000 for the six months ended 30 June 2018 (six months ended 30 June 2017: RMB380,209,000) and the weighted average of 2,611,737,000 ordinary shares (six months ended 30 June 2017: 2,375,000,000 ordinary shares) in issue during the interim period.

(b) Diluted earnings per share

For the six months ended 30 June 2018, the calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB230,185,000 (six months ended 30 June 2017: RMB312,555,000) and the weighted average number of ordinary shares of 3,033,907,000 (six months ended 30 June 2017: 2,795,406,000 shares).

7 INVESTMENT PROPERTIES

The valuations of investment properties carried at fair value were updated at 30 June 2018 by CHFT Advisory and Appraisal Ltd ("CHFT"), the Group's independent valuer, using the same valuation techniques as were used when carrying out the valuations as at 31 December 2017. As a result of the update, a net gain of RMB554,002,000 (six months ended 30 June 2017: RMB286,546,000), and deferred tax thereon of RMB137,329,000 (six months ended 30 June 2017: RMB29,100,000), has been recognized in profit or loss for the period in respect of investment properties.

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:

	Note	**At 30 June 2018** *RMB'000*	At 31 December 2017 *RMB'000*
Within 6 months		**56,099**	128,331
6 months to 1 year		**114,598**	43,698
Over 1 year	(i)	**724,641**	758,553
Trade receivables, net of allowance for doubtful debts of RMB Nil		**895,338**	930,582
Bill receivables		**4,650**	–
Advances provided to third parties		**5,311,156**	4,270,640
Amounts due from related parties		**60,806**	54,103
Other receivables		**320,009**	233,288
		6,591,959	5,488,613
Less: allowance for doubtful debts		**11,209**	9,619
Loans and receivables		**6,580,750**	5,478,994
Deposits and prepayments		**2,153,792**	1,939,860
		8,734,542	7,418,854
Less: non-current portion of other receivables		**460,629**	338,948
		8,273,913	7,079,906

(i) Receivables that were past due but not impaired mainly included revenue from land development for sale of RMB581,089,000 as at 30 June 2018 and 31 December 2017 from the government of Chenghua District, Chengdu. Based on a series of agreements entered into by the Group and the government of Chenghua District, Chengdu, the Group is entitled to receive RMB581,089,000 and the government issued a notice to confirm this amount on 2 July 2013. Considering the long ageing of the receivables, in February 2015, the Group sued and asked for the repayment of RMB581,089,000 as well as a penalty of RMB15,000,000. During the trial, the Group had negotiated with the government of Chenghua District for several times in hope of reaching a settlement. Recently, the negotiations between the two parties have made certain positive progress. As part of the settlement agenda, the Group filed an application for withdrawal of the trial (the "**Withdrawal Application**") to the Sichuan Higher People's Court (the "**Higher Court**") on 24 July 2018, and the Higher Court has accepted and approved the Withdrawal Application. Both parties wish to reach a settlement agreement in receivables as soon as possible.

As at 30 June 2018, the directors of the Group were of the opinion that no provision on the receivables of RMB581,089,000 due from the government of Chenghua District, Chengdu was required, as the Group has consulted its legal adviser and understood that if the parties could not reach an agreement on the settlement agreement, the Group may reinstate the trial and there is no indication that the government of Chenghua District, Chengdu will not, or will have financial difficulties to fulfil its obligation to settle the balance.

Accordingly, the management believes that no impairment allowance is necessary in respect of these balances and the balances are still considered fully recoverable.

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 invoice date, is as follows:

	At 30 June 2018 *RMB'000*	At 31 December 2017 *RMB'000*
Within 1 year	**3,624,397**	3,558,571
1 year to 2 years	**106,745**	153,557
2 years to 5 years	**203,063**	163,357
Trade payables	**3,934,205**	3,875,485
Advances received from third parties	**495,339**	490,162
Consideration payables	**6,000**	6,000
Amounts due to related parties	**33,894**	32,676
Other payables	**946,446**	992,408
Financial liabilities measured at amortized cost	**5,415,884**	5,396,731
Receipts in advance	**230,517**	146,252
Other taxes payable	**180,313**	73,198
	5,826,714	5,616,181
Less: Non-current portion of trade payables	**309,808**	316,914
	5,516,906	5,299,267

10 DIVIDENDS

The Company did not declare any dividends for the six months ended 30 June 2018 and 2017.

CHAIRMAN'S STATEMENT

I am pleased to present the business review for the Reporting Period and outlook of Sunshine 100 China Holdings Ltd (the "**Company**" or "**Sunshine 100**", together with its subsidiaries collectively the "**Group**") to the shareholders of the Company.

RESULTS

In the first half of 2018, the Group's contracted sales amounted to RMB4,410.2 million, and the average price for contracted sales increased by approximately 13.5% to RMB12,097 per square metre. The Group's revenue was RMB3,704.1 million, representing an increase of 7.2% as compared with the corresponding period of the previous year. Despite a decrease in the gross profit of 8.4% to RMB674.7 million as compared with the corresponding period of the previous year due to delivery of certain properties with lower gross profit margin during the Reporting Period, the Group's net profit remained relatively stable at RMB447.0 million as compared with the corresponding period of the previous year through reasonable control over various expenses, as well as resulting from the appreciation of investment properties held by the Group.

REVIEW ON THE FIRST HALF OF 2018

In the first half of 2018, China's economic situation remained stable overall and the economic transformation realised remarkable achievements. In respect of the real estate market, the central government has repeatedly emphasized that "houses are for living in, not for speculation", and the "four limits" were escalated at the provincial and municipal level and the property regulation in hot-spot cities was tightened continuously. In the first half of 2018, in light of the continuously tightening financial trend, more housing enterprises begun to emphasize operations and transform into comprehensive developers and enterprises with diversified business.

In the challenging external environment, we consistently pursue business transformation within real estate industry, steadily transformed from a residential developer to an enterprise specialised in the development of Commercial Street Complexes, Serviced Apartments, and large-scale Multi-functional Residential Communities, and strived to become a high value-added operating service provider. Upholding the principle of maintaining the professionalism in the industry, we focused on the products with future market growth potential, aimed to upgrade our products and business model, and continued to improve our capabilities in platform resource integration and market innovation. In the first half of 2018, the Group achieved good operating results overall.

CONTINUOUSLY ENHANCED AND UPGRADED THE THREE HIGHLY DIFFERENTIATED CORE PRODUCT LINES

Currently, the Group's presence has reached all central cities within the core economic circles in China. We have three product lines: original Commercial Street Complexes, Serviced Apartments represented by Hima Alaya series and Arles Themed Towns.

- **Strong advantage of Commercial Street Complex as an innovative business model**

  In the first half of this year, Sunshine 100 Commercial Street Complexes continued to expand operations in Liuzhou, Changsha, Weifang, Chongqing and other places, and achieved good results. Liuzhou Yaobu held 40 activities with a total of 1.65 million tourists; Yixing Sunshine 100 Phoenix Street held 32 activities with a total of 1.3 million visitors; and Shenyang Phoenix Street and Wuxi Sunshine Lane received a total of 600,000 and 145,000 visitors, respectively. While enhancing popularity for the streets by operating featured activities in cities, we were committed to upgrading our products of "development + operation + original IP" through cultural upgrading with an aim to establish our own thematic features and cultural attributes. In the first half of this year, Chongqing Ciyun Temple Old Street project signed a contract with Gugong Institute (Chongqing) and held a series of Palace Museum cultural heritage activities. By seizing the opportunity to develop deep cooperation with the Palace Museum, Chongqing Ciyun Temple Old Street project will become a new cultural landmark and urban reception hall of Chongqing. The newly launched commercial products continued to gain market recognition. Changsha Phoenix Street was launched for sale in April with sales amount of RMB177 million, which was still at the top of the commercial sales list in Changsha. The selling price and de-stocking rate of the Commercial Street Complex products higher than the market level demonstrated the value of the business circles and the investment value of Phoenix Street.

- **Accelerated the expansion of Hima Alaya product line**

  The Group further stressed the positioning of the Hima Alaya product line, and overset the traditional hardware marketing ideas in real estate industry in terms of product logic and business model. Focusing on the needs of mobile business trip, the Group created new scenes and new experiences with unique cultural characteristics. We are accelerating the deployment of this product line and have received positive responses from certain local markets. Under the strict purchase restriction of residential products, apartment products with stable returns have become more and more popular among investors.

Currently, we have deployed a total of five Hima Alaya projects in Chongqing, Wenzhou, Tianjin and Wuxi, which have entered the sales phase and achieved expected results. Most of these projects are located in the downtown area of the city and were obtained through acquisition. At the beginning of acquisitions, we proposed the "Hima Alaya standard", and made overall planning and transformation or redesign according to local characteristics. Additionally, the acquired projects can be pre-sold to the market in about four months after acquisition. As an open operating platform, Hima Alaya broadly links the primary content resources to provide high-end services and create social circles according to customer's needs. We addressed the issue of establishing the source of rent income at the beginning of a new project to ensure the subsequent continuous operations. As a flagship project of the Hima Alaya product line, among the total 535 units of Chongqing Hima Alaya Serviced Apartment project, 511 units were delivered in the first batch at the end of June, representing a total delivery rate of 95.51%.

In respect of the service apartment product line, we are currently developing more than 10,000 apartments and expect that we will have a capacity of 30,000 apartments in three years. As the scale expands, the Hima Alaya will also establish an online chain operation service system to capture the top position in the high-end business apartment market.

- **Arles Towns cultivated community operations**

  The large-scale Multi-Functional Community project represented by "Arles Towns" is one of the Group's three core product lines, which aims to build stylish, modern and friendly Complex Residential Communities through diversified functional facilities and community operations. Currently, this project has been implemented in Qingyuan of Guangdong Province, Chongqing, Wenzhou, Wuxi, Wuming of Nanning City and other places. The Group continued to focus on operation and service upgrades by extensively replicating and promoting the branding activities such as "Arles Music Festival", "Arles Life School" and "Yuedong π" under the "Friendly Neighbors Community" to build a community culture featured by warmness and happiness, and received market recognition.

  In the first half of this year, several projects in the Arles product line were launched for sale and achieved desired results, and received market recognition for its unique products and services. In May, Nanning Sunshine 100 Nine Peninsulas project was launched for the first time with 180 houses being sold, representing a de-stocking rate of 100%. In June, the project was launched for the second time with all houses being sold out. Wuxi Sunshine 100 Arles project was launched for the first time in May and realised sales amount of RMB230 million, representing a de-stocking rate of 91.5%. In June, the project was launched again and realised sales amount of RMB220 million, representing a de-stocking rate of 92.3%. The Arles project has adhered to the differentiated route and created a favorable brand image in the market through product innovation and cultivation of community operations.

Implemented co-investment mechanism and other internal system reforms

The Group officially introduced the co-investment mechanism by launching asset packages at the end of last year. The asset packages are designed based on the land and inventory reserves of the various projects of the Group to build a United Task Force, create synergy, share risks, create value together and achieve win-win results, thereby accelerating the existing land development and asset turnover of the Group. The Group has launched several asset packages for different projects including Wuxi Sunshine 100 International New Town project, Qingyuan Sunshine 100 Arles project and Wenzhou Sunshine 100 Arles project, in which the co-investment mechanism was implemented to allow their respective teams to participate in and promote the development and sales of new projects. Since the beginning of this year, we have further launched commercial asset packages for more than ten projects such as Weifang Sunshine 100 City Plaza project, Chongqing Sunshine 100 International New Town project, Chengdu project and Yixing Sunshine 100 Phoenix Street project, in which their respective teams can co-invest in the commercial operations and share the rental returns, thereby enriching the types and models of the asset packages to which the co-investment mechanism is applicable.

Steadily expanded high-quality land reserve

In the first half of this year, the Group further expanded our land reserve and acquired high-quality project land by way of acquiring shareholdings at low cost or acquiring projects, which provided strong support for the Group to continue the expansion of our core product lines and extend our footprint. Up to the date of this announcement, we mainly acquired Qingyuan Yingde Project , Tianjin Yihao Mansion Project and Xi'an Napa Project. Particularly, the Yihao Mansion Project which is located in the core area of Tianjin Radio and Television Tower, is the second Hima Alaya project the Group deployed in Tianjin in 2018, further strengthening the presence of Hima Alaya product line which is one of the Group's core product lines.

The Group will continuously focus on the quality projects with fast turnover and high growth potential in the radiation areas of the core economic zones including the Yangtze River Delta region, the Pearl River Delta region and the Capital Economic Circle. As at the end of the first half of this year, the Group has a total attributable land reserve of 9.68 million square metres, mainly distributed in Qingyuan, Weifang, Wuxi and Chongqing.

The Group's primary development project in Xinglong County in the northern suburbs of Beijing is in smooth progress. It is expected that hundreds of acres of land will be launched into the secondary market this year. The Group will speed up the development of Art Village Project and High-speed Rail New Town Project in Xinglong County in the north of Beijing in the next five years.

FUTURE OUTLOOK

Looking forward to the second half of this year, the overall regulatory stance is to stabilize the real estate market. It is expected that the restrictions on sales and price will be the normal measures for the regulation of the local property markets in the future. On the other hand, the rental market such as that of long-term rental apartments has risen rapidly and drawn remarkable attentions, which will also bring opportunities for the industry. No matter in what kind of market environment, we always believe that adhering to innovation and a differentiated route is essential for the development of real estate enterprises, and also is crucial for real estate enterprises to maintain their own vitality and competitiveness. Looking ahead, the Group will promote business development by adopting the following strategies:

I. Continue to promote internal operation reform

The Group will further implement business transformation, speed up turnover and revitalize inventory, and strengthen financing channels and external cooperation. For the next step, the Group will accelerate the expansion and supply of new projects and effectively enhance the management of each asset package. We will also activate the vitality of basic units through management power delegation. In the future, the Group will reinforce the establishment of a common service platform in respect of capital, brand, property and quality to prioritize the realization of product competitiveness, such as product features and customer needs, so as to release their innovation ability and pressure. The Group, regional centres and primary development projects will review experiences and set benchmarks, we will realise rapid turnover and execution through the way of asset packages. We will further improve asset efficiency and simultaneously expand external cooperation.

II. Strengthen cultural upgrade of core products and increase their added value

In adherence to the reform of the asset package operating mechanism, the Group will strengthen the business and cultural upgrades of the three core product lines, and create high value-added products in order to form a unique competitive edge in the industry. We will strive to realise cultural upgrading for all of the core products including Commercial Street Complex products, Hima Alaya products and Arles Towns, considering the future industry development cannot rely on scale expansion any longer, but through the culture upgrading of products to achieve profit growth, which is the core of our transformation and upgrading. The Group has changed part of the original regional management to product line management in order to forge a group of model projects in the above core product lines, and create core competitiveness with core products, driving the Group to move forward rapidly and establishing industry barriers.

In the near future, the high-end apartments in the Hima Alaya product line will be a special edge of the Group, as well as a core product with the fastest growth and better profitability.

III. Continue to promote product and model innovation

The Group believes that only new direction and thinking can lead to a breakthrough of the real estate industry in the future. The Group will focus on the research and deployment of the business model of Hima Alaya Serviced Apartments. High-income, highly educated and younger businessmen are the core ultimate customers of Hima Alaya Serviced Apartments. In view of this, we will focus on and strengthen the concept of sharing to build a powerful brand, and optimise our products and services to sharpen our brand image on the market. Meanwhile, we will create value through operations, and enhance software and content development, rather than merely providing more hardware. While continuously focusing on the hardware deficiency, we will devote ourselves to quality enhancement and improve the cultural and artistic quality of our products.

The traditional real estate development model has encountered a bottleneck, and the competition in residential property market has also been intensifying. However, since the beginning of 2018, the sales market of non-residential products in Mainland China has exceeded RMB2 trillion, and has shown an accelerated growth momentum. In the competition among non-residential products, Sunshine 100 has accumulated years of experience and operational advantages in respect of Serviced Apartments, Cultural Blocks and other similar products. With the expansion of market share, I believe that we will find our own “blue ocean space” in the new era, and will gradually create the brand name of Sunshine 100 in specific markets.

With new products enjoying a promising market prospect, we emphasize more on the excellent talents and effective incentive mechanism. Sunshine 100 will continue to improve the “co-investment” mechanism, bravely promote young leaders, and build an innovative team featured with integrity and vigour guided by corporate culture, so as to achieve great results step by step in the new era!

Last but not least, on behalf of the Board of the Company, I would like to express my sincere gratitude to all our colleagues, clients, shareholders and all friends who provided support to Sunshine 100 in this year.

Yi Xiaodi
Chairman and Executive Director

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Contracted sales

During the Reporting Period, the Group (including light-asset operation projects) realized contracted sales in the amount of RMB4,410.2 million, representing a decrease of 8.9% from the corresponding period of 2017, and an aggregate contracted sales area in the amount of 349,418 square metres, representing a decrease of 17.5% from the corresponding period of 2017. The Group's average unit price for contracted sales was RMB12,097/square metre, representing an increase of 13.5% over the corresponding period of 2017. Particularly, the sales of commercial properties and car parks increased significantly thanks to the improvement of commercial operations, hot sale of Hima Alaya Apartment products and more efforts in de-stocking of car parks. The contracted sales generated from commercial properties and car parks amounted to RMB1,228.6 million, representing an increase of 12.7% from the corresponding period of 2017. The contracted sales generated from residential properties amounted to RMB3,181.6 million, representing a decrease of 15.2% from the corresponding period of 2017. Nearly 50% of the contracted sales derived from the Yangtze River Delta, among which, contributions from the four projects including Wuxi Sunshine 100 International New Town, Wenzhou Sunshine 100 Arles, Jinan Sunshine 100 International New Town and Changsha Sunshine 100 International New Town were relatively significant, with the contracted sales being RMB971.5 million, RMB676.4 million, RMB484.3 million and RMB404.3 million respectively, accounting for 22.0%, 15.3%, 11.0% and 9.2% of the total contracted sales respectively.

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

			For the six months ended 30 June					
			Contracted sales area *(square metres)*(1)		Contracted sales amount *(RMB million)*(2)		Unit selling price *(RMB/square metre)*(1)	
Economic area	**City**	**Project name**	**2018**	2017	**2018**	2017	**2018**	2017
Bohai Rim	Shenyang	Shenyang Sunshine 100 International New Town	**14,062**	35,251	**148**	251	**9,174**	6,979
		Shenyang Sunshine 100 Golf Mansion	**1,033**	11,810	**8**	63	**6,776**	5,165
	Dongying	Dongying Sunshine 100 City Garden	**11,426**	20,429	**111**	128	**9,365**	6,168
	Weifang	Weifang Sunshine 100 City Plaza	**18,130**	11,941	**135**	76	**7,446**	6,365
	Tianjin	Tianjin Sunshine 100 International New Town	**–**	–	**8**	62	**–**	–
		Tianjin Lijin Mansion	**2,156**	–	**72**	–	**33,395**	–
	Jinan	Jinan Sunshine 100 International New Town	**22,131**	–	**484**	55	**21,237**	–
	Sub-total		**68,938**	79,431	**966**	635	**13,345**	6,408
Yangtze River Delta	Changzhou	Changzhou Sunshine 100 Zone 7 Upper East Side	**4,513**	90,390	**92**	783	**20,386**	8,607
	Wenzhou	Wenzhou Sunshine 100 Arles	**61,430**	54,154	**676**	555	**10,809**	9,547
		Sunshine 100 Wenzhou Center	**2,593**	848	**58**	25	**22,368**	29,481
	Wuxi	Wuxi Sunshine 100 International New Town	**80,177**	16,087	**972**	190	**12,061**	11,749
		Wuxi Sunshine 100 Hima Alaya	**12,454**	–	**201**	–	**16,139**	–
	Yixing	Yixing Sunshine 100 Phoenix Street	**1,719**	4,436	**44**	131	**25,596**	29,531
	Sub-total		**162,886**	165,915	**2,043**	1,684	**12,438**	9,885

Economic area	City	Project name	For the six months ended 30 June Contracted sales area *(square metres)*[1] 2018	 2017	Contracted sales amount *(RMB million)*[2] 2018	 2017	Unit selling price *(RMB/square metre)*[1] 2018	 2017
Pearl River Delta	Qingyuan	Qingyuan Sunshine 100 Arles	**20,687**	67,790	**265**	734	**11,892**	9,529
	Putian	Putian Sunshine 100 Phoenix Plaza[3]	**5,269**	35,870	**99**	514	**16,322**	14,330
	Sub-total		**25,956**	103,660	**364**	1,248	**12,791**	11,190
Midwest	Chongqing	Chongqing Sunshine 100 International New Town	**5,273**	42,078	**109**	859	**19,533**	20,367
		Chongqing Sunshine 100 Arles	**4,192**	18,095	**57**	191	**11,689**	9,671
	Changsha	Changsha Sunshine 100 International New Town	**20,430**	8,471	**404**	114	**19,432**	10,270
	Wuhan	Wuhan Sunshine 100 Lakeside Residence	**–**	2,590	**–**	48	**–**	11,969
	Chengdu	Chengdu Sunshine 100 Mia Centre	**157**	2,302	**4**	40	**19,108**	15,639
	Liuzhou	Liuzhou Sunshine 100 Yaobu TOWN	**64**	998	**2**	18	**31,250**	18,269
		Liuzhou Sunshine 100 City Plaza	**–**	–	**2**	3	**–**	–
	Lijiang	Lijiang COART Village	**211**	–	**2**	–	**9,479**	–
	Nanning	Nanning Sunshine 100 Upper East Side International	**–**	–	**55**	3	**–**	–
		Nanning Sunshine 100 Nine Peninsulas[3]	**55,408**	–	**347**	–	**6,263**	–
	Wuzhou	Wuzhou Sunshine 100 Sankee City[3]	**5,903**	–	**55**	–	**7,793**	–
	Sub-total		**91,638**	74,534	**1,037**	1,276	**10,356**	16,157
	Total		**349,418**	423,540	**4,410**	4,843	**12,097**	10,656

Notes:

(1) Excluding car parks

(2) Including car parks

(3) Being light-asset operation projects

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

	For the six months ended 30 June					
Type	Contracted sales area *(square metres)*[(1)]		Contracted sales amount *(RMB million)*[(2)]		Unit selling price *(RMB/square metre)*[(1)]	
	2018	2017	**2018**	2017	**2018**	2017
Residential properties	**285,830**	352,900	**3,182**	3,753	**11,132**	10,635
Commercial properties and car parks	**63,588**	70,640	**1,228**	1,090	**16,434**	10,759
Total	**349,418**	423,540	**4,410**	4,843	**12,097**	10,656
Proportion						
Residential properties	**82%**	83%	**72%**	77%		
Commercial properties and car parks	**18%**	17%	**28%**	23%		
Total	**100%**	100%	**100%**	100%		

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 696,191 square metres, representing an increase of 15.8% from the corresponding period of 2017. The completed GFA was 513,464 square metres, representing an increase of 20.1% from the corresponding period of 2017, mainly because some new projects acquired at the end of 2017 commenced construction during the Reporting Period and some projects acquired in previous years were completed during the Reporting Period.

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

		For the six months ended 30 June 2018		
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	Jinan	103,743	–	226,351
	Shenyang	63,483	26,201	157,596
	Dongying	4,124	15,497	8,888
	Weifang	4,699	4,699	76,401
	Tianjin	94,911	–	125,986
	Sub-total	**270,960**	**46,397**	**595,222**
Yangtze River Delta	Wuxi	245,235	–	629,164
	Wenzhou	–	82,909	1,246,789
	Changzhou	1,119	–	249,440
	Sub-total	**246,354**	**82,909**	**2,125,393**
Pearl River Delta	Qingyuan	36,001	73,396	477,182
	Putian	–	173,751	163,527
	Sub-total	**36,001**	**247,147**	**640,709**
Midwest	Chongqing	20,202	137,011	97,636
	Changsha	3,077	–	241,255
	Guilin	–	–	43,269
	Nanning	–	–	158,369
	Wuzhou	117,831	–	451,554
	Lijiang	1,766	–	34,698
	Sub-total	**142,876**	**137,011**	**1,026,781**
Total		**696,191**	**513,464**	**4,388,105**

Investment Properties

During the Reporting Period, the Group had new investment properties with a GFA of 30,128 square metres. In the meantime, the GFA of investment properties in the previous year decreased by 22,461 square metres. As at 30 June 2018, the GFA of investment properties completed and under construction held by the Group was 586,971 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 RMB71.7 million, representing an increase of 36.6% as compared with the corresponding period of 2017.

Land Acquisition

During the Reporting Period, the Group paid an aggregate amount of approximately RMB184.8 million for various land acquisitions and equity transfers in project acquisitions, which included the land premium of Wenzhou Sunshine 100 Arles in the amount of RMB91.6 million, the land premium of Chongqing Sunshine 100 Arles in the amount of RMB26.0 million, the land premium of Wuxi Sunshine 100 International New Town in the amount of RMB22.9 million and the land premium of Chongqing Sunshine 100 International New Town in the amount of RMB20.6 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	1,234,694	8%	1,234,693	13%
	Shenyang	789,022	5%	723,731	7%
	Yantai	455,883	3%	455,883	5%
	Jinan	339,749	2%	166,477	2%
	Tianjin	243,367	2%	151,004	2%
	Dongying	51,272	0%	51,272	0%
	Sub-total	**3,113,987**	**20%**	**2,783,060**	**29%**

Economic area	City	Total GFA	Proportion	Attributable GFA	Proportion
		(square metres)		*(square metres)*	
Midwest	Chongqing	1,100,653	8%	931,651	10%
	Nanning	1,661,724	11%	603,774	6%
	Wuzhou	1,498,145	10%	415,735	4%
	Guilin	374,422	3%	340,582	4%
	Changsha	286,079	2%	286,080	3%
	Liuzhou	276,738	2%	244,126	2%
	Wuhan	111,111	1%	111,111	1%
	Chengdu	98,074	1%	98,073	1%
	Lijiang	196,956	1%	100,448	1%
	Sub-total	**5,603,902**	**39%**	**3,131,580**	**32%**
Yangtze River Delta	Wenzhou	1,509,721	10%	769,958	8%
	Wuxi	1,154,515	8%	1,154,516	12%
	Changzhou	249,440	2%	127,214	1%
	Yixing	89,568	1%	71,655	1%
	Sub-total	**3,003,244**	**21%**	**2,123,343**	**22%**
Pearl River Delta	Qingyuan	2,706,477	18%	1,488,562	15%
	Putian	183,806	1%	90,065	1%
	Sub-total	**2,890,283**	**19%**	**1,578,627**	**16%**
Northern Mariana Islands	Saipan	120,000	1%	61,200	1%
	Sub-total	**120,000**	**1%**	**61,200**	**1%**
Total		**14,731,416**	**100%**	**9,677,810**	**100%**

Financial Performance

Revenue

During the Reporting Period, the revenue of the Group increased by 7.2% to RMB3,704.1 million from RMB3,455.1 million in the corresponding period of 2017, mainly attributable to the upward adjustment to the income from sale of properties for the period as a result of the application of new accounting standards on the revenue by the Group during the Reporting Period.

Income from sale of properties

During the Reporting Period, revenue generated from the sale of properties increased by 5.4% to RMB3,391.7 million from RMB3,217.7 million in the corresponding period of 2017, mainly attributable to the upward adjustment to the income from sale of properties for the period as a result of the application of new accounting standards on the revenue by the Group during the Reporting Period.

Income from property management and hotel operation

During the Reporting Period, the revenue generated from property management and hotel operation of the Group increased by 18.5% to RMB219.1 million from RMB184.9 million in the corresponding period of 2017, 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 increased by 36.6% to RMB71.7 million from RMB52.5 million in the corresponding period of 2017, mainly due to an increase in the rentable area of the Group and the increased unit rental, which resulted in an increase in rental income.

Light-asset operation income

During the Reporting Period, the Group participated in certain Complex projects by way of light-asset operation and provided property selling agency and brand-use services to the projects, thus recording light-asset operation income of RMB21.6 million.

Cost of sales

During the Reporting Period, the cost of sales of the Group increased by 11.4% to RMB3,029.4 million from RMB2,718.3 million in the corresponding period of 2017. Particularly, the cost of property sales increased by 6.5% to RMB2,791.8 million from RMB2,622.6 million in the corresponding period of 2017, mainly attributable to the upward adjustment to the cost of sales of properties for the period as a result of the application of new accounting standards on the revenue by the Group during the Reporting Period, and delivery of certain properties with higher cost during the Reporting Period.

Gross profit

As a result of the above factors, during the Reporting Period, the gross profit of the Group decreased by 8.4% to RMB674.7 million from RMB736.8 million in the corresponding period of 2017, and the gross profit margin decreased to 18.2% from 21.3% in the corresponding period of 2017.

Valuation gains on investment properties

During the Reporting Period, valuation gains on investment properties of the Group increased by 93.3% to RMB554.0 million from RMB286.5 million in the corresponding period of 2017, mainly attributable to the increase in the valued unit price of the original investment properties and the increase in the area of new investment property as compared with last year.

Selling expenses

During the Reporting Period, the Group's selling expenses decreased by 14.7% to RMB277.5 million from RMB325.3 million in the corresponding period of 2017, mainly attributable to the substantial decrease in commission and advertising expenses as a result of enhanced cost control and adjustment to commission policy, as well as the capitalisation of commission due to the application of new accounting standards on the revenue by the Group.

Administrative expenses

During the Reporting Period, the administrative expenses of the Group increased by 20.5% to RMB260.0 million from RMB215.8 million in the corresponding period of 2017, mainly attributable to the increase in the number of employees and changes in the remuneration payment policy, resulting in an increased remuneration, as well as the Company's active development of new projects, resulting in increased relevant expenses.

Financial income

During the Reporting Period, financial income of the Group increased by 7.1% to RMB291.4 million from RMB272.2 million in the corresponding period of 2017, mainly attributable to the increase in interest income.

Financial costs

During the Reporting Period, financial costs of the Group increased by 98.4% to RMB280.3 million from RMB141.3 million in the corresponding period of 2017, mainly attributable to the increase in interest-bearing liabilities of the Group over the corresponding period of last year, the negative impact of changes in the exchange rate of RMB against the US dollar in the first half of 2018 on the Company's offshore bonds denominated in US dollar, and the effect of loss on fair value change of the financial assets at fair value through profit or loss.

Income tax

During the Reporting Period, the income tax expenses of the Group increased by 62.3% to RMB249.9 million from RMB153.9 million in the corresponding period of 2017, mainly attributable to the increase in the profit before taxation and the land value-added tax of the Group.

Profit

During the Reporting Period, the profit of the Group decreased by 1.8% to RMB447.0 million from RMB455.4 million in the corresponding period of 2017.

Profit attributable to equity shareholders of the Company

Based on the abovementioned factors, the profit attributable to equity shareholders of the Company decreased by 18.1% to RMB311.4 million from RMB380.2 million in the corresponding period of 2017.

Working capital, finance and capital resources

Cash and cash equivalents

As at 30 June 2018, the Group had RMB3,411.8 million of cash and cash equivalents, representing a decrease of RMB1,242.4 million as compared to 31 December 2017, mainly due to the repayment of principal and interest of borrowings and outward investments.

Current ratio, gearing ratio and net gearing ratio

As at 30 June 2018, the Group's current ratio increased to 181.4% from 170.5% as at 31 December 2017. As at 30 June 2018, the Group's current assets and current liabilities amounted to RMB42,266.9 million and RMB23,299.4 million, respectively.

As at 30 June 2018, the Group's gearing ratio (which is total loans and borrowings divided by total assets) was 48.1%, remaining stable as compared with that as at 31 December 2017. Net gearing ratio (which is total loans and borrowings minus cash and cash equivalents and current restricted deposits, divided by total equity) was 234.1%, remaining relatively stable as compared with that as at 31 December 2017.

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 2018, the Group provided guarantees for mortgage loans in an amount of RMB7,257.6 million (31 December 2017: RMB6,562.9 million) to banks in respect of such agreements.

Loans and borrowings and pledged assets

As at 30 June 2018, the Group's total loans and borrowings amounted to RMB27,285.6 million. In particular, RMB7,637.0 million, RMB6,286.5 million, RMB11,450.1 million and RMB1,912.0 million were repayable within one year or on demand, after one year but within two years, after two years but within 5 years and after five years, respectively.

As at 30 June 2018, the Group's pledged properties and restricted deposits with a carrying value of RMB14,237.2 million (31 December 2017: RMB14,146.2 million) to secure banking facilities granted to the Group.

Capital commitments

As at 30 June 2018, the Group's contracted capital commitment for properties under development and investment properties under construction not provided for in the financial statements amounted to RMB3,987.0 million (31 December 2017: RMB4,302.7 million). As at 30 June 2018, the Group's capital commitment approved but not contracted for amounted to RMB5,834.5 million (31 December 2017: RMB5,973.3 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

Acquisition of the Entire Equity Interest of Tianjin Zhisheng Xinlian Trading Co., Ltd.

On 25 June 2018, Sunshine 100 Real Estate Group Co., Ltd. ("**Sunshine 100 Group**"), Mr. Zhu Zhi (諸志) and Mr. Zhao Zhenping (趙振平) (both being independent third parties) (the "**Vendors**") and Tianjin Zhisheng Xinlian Trading Co., Ltd. (the "**Target Company**") entered into the Equity Transfer Agreement pursuant to which the Vendors agreed to sell, and Sunshine 100 Group agreed to purchase, the entire equity interest of the Target Company at nil cash consideration but Sunshine 100 Group will guarantee the payment obligations of the Target Company under the Second Asset Transfer Agreement (as defined below).

On 29 September 2017, Tianjin Lijin Jiaye Real Estate Co., Ltd. ("**Lijin Jiaye**"), an indirect wholly-owned subsidiary of the Company, entered into the First Asset Transfer Agreement with Tianjin Wangdingdi Industry and Trade Group Co.,Ltd. ("**Wangdingdi Group**"), pursuant to which Lijin Jiaye purchased from Wangdingdi Group all property interests of Lijin Building aside from the first and second floors at a consideration of RMB360.0 million.

On 30 January 2018, the Target Company (owned by the Vendors as to 90% by Mr. Zhu Zhi(諸志) and 10% by Mr. Zhao Zhenping(趙振平)) entered into the Second Asset Transfer Agreement with Wangdingdi Group pursuant to which Wangdingdi Group conditionally agreed to sell, and the Target Company conditionally agreed to purchase, the Target Properties at a consideration of RMB40.0 million. As of 25 June 2018, the Target Company has not made any payment pursuant to the Second Asset Transfer Agreement and the transactions contemplated thereunder have not been completed.

As the transactions contemplated under the First Asset Transfer Agreement and the Second Asset Transfer Agreement are in relation to acquisition of property interests in Lijin Building by the Group from Wangdingdi Group, thus the transactions contemplated under the Equity Transfer Agreement, the Second Asset Transfer Agreement and the First Asset Transfer Agreement shall be aggregated pursuant to Rule 14.22 of the Listing Rules, and each constitutes a discloseable transaction of the Company. For details, please refer to the announcement of the Company dated 25 June 2018.

Provision of Shareholder's Loan and Additional Paid-up Capital to a Project Company and Grant of Put and Call Options Regarding Equity Interest in a Project Company

On 27 June 2018, Sunshine 100 Group, a wholly owned subsidiary of the Company, entered into the Joint Venture Agreement with Shanghai Youngor Property Development Co., Ltd. ("**Shanghai Youngor**"), Ningbo Hongyi Equity Investment Partnership (Limited Partnership) ("**Ningbo Hongyi**") and Suzhou Langyida Business Management Co., Ltd. (the "**Project Company**"), pursuant to which Sunshine 100 Group, Shanghai Youngor and Ningbo Hongyi granted the Shareholders' Loan and agreed to make the Capital Contribution to jointly develop the Project. The Project Company has a registered capital of RMB100,000,000 and a paid-up capital of RMB100,000, and is owned by Sunshine 100 Group, Shanghai Youngor and Ningbo Hongyi as to 20%, 40% and 40%, respectively. Sunshine 100 Group, Shanghai Youngor and Ningbo Hongyi agreed to increase the paid up capital of the Project Company to RMB100,000,000 by making the Capital Contribution to the Project Company. Accordingly, Sunshine 100 Group shall contribute RMB20,000,000 in total as registered capital in the Project Company. The parties shall pay the Capital Contribution in full by no later than 31 December 2018. Each of Sunshine 100 Group, Shanghai Youngor and Ningbo Hongyi also granted the Shareholders' Loan to the Project Company. Accordingly, Sunshine 100 Group provided a loan of RMB200,065,000 to the Project Company. The interest on the Shareholders' Loan shall accrue at 12% per annum unless the Put Option is exercised as described below.

Shanghai Youngor and Ningbo Hongyi have agreed to grant to Sunshine 100 Group a call option (the "**Call Option**"), pursuant to which Sunshine 100 Group shall have the right, during the Call Option Period, to request each of Shanghai Youngor and Ningbo Hongyi to sell 14.5% (unless agreed otherwise in writing between Sunshine 100 Group and Shanghai Youngor and Ningbo Hongyi) of their respective equity interests in the Project Company at a price equal to 29% of the Project Company's total paid-up capital together with accrued interest thereon at a rate of 20% per annum. If Sunshine 100 Group exercises the Call Option, it shall simultaneously assume 29% of the total Shareholders' Loan outstanding on the date when Sunshine 100 Group notifies Shanghai Youngor and Ningbo Hongyi of its intention to exercise the Call Option plus any outstanding interest at a rate of 12% per annum accrued up to the date of receipt by Shanghai Youngor and Ningbo Hongyi.

Sunshine 100 Group agreed to grant to each of Shanghai Youngor and Ningbo Hongyi a put option (the "**Put Option**"), pursuant to which Shanghai Youngor and Ningbo Hongyi shall have the right, during the Put Option Period, to request Sunshine 100 Group (only if it has failed to procure the completion of the Title Transfer Obligation) to acquire from Shanghai Youngor and Ningbo Hongyi all (but not part) of their equity interests in the Project Company at a price equal to 80% of the Project Company's total paid-up capital if the Call Option has not be exercised; or at a price equal to 51% of the Project Company's total paid-up capital if the Call Option has been exercised, and in each case together with accrued interest thereon at a rate of 10% per annum.

If Shanghai Youngor and Ningbo Hongyi exercise the Put Option, Sunshine 100 Group shall assume the total amount of shareholders' loan granted by Shanghai Youngor and Ningbo Hongyi outstanding on the date when Shanghai Youngor and Ningbo Hongyi notifies Sunshine 100 Group of their intention to exercise the Put Option plus any outstanding interest accrued, at a rate of 10% per annum, up to the date of receipt by Shanghai Youngor and Ningbo Hongyi. For details, please refer to the announcement of the Company dated 27 June 2018.

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

HUMAN RESOURCES

As at 30 June 2018, the Group employed a total of 4,643 employees (corresponding period of 2017: 4,491 employees). The staff costs of the Group were RMB260.6 million during the Reporting Period (corresponding period of 2017: RMB246.0 million). The Group has adopted a performance-based rewarding system to motivate its staff. In addition to the basic salary, year-end bonuses are offered to staff with outstanding performance. In relation to staff training, the Group also provides various training programs to improve employees' skills and develop their respective expertise. Generally, salary will be determined based on the qualifications, position and experience of each employee. We have established a regular assessment mechanism to assess the performance of our employees. The assessment results are used as the basis for determining salary increment, bonuses and promotions. As required by laws and regulations in China, we make contributions to mandatory social security funds such as pension, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and the housing provident fund for the benefit of our employees in China. For the six months ended 30 June 2018, we made contributions in an aggregate of approximately RMB16.0 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 2018.

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 2018, the Company has adopted and complied with all applicable code provisions (the "**Code Provisions**") under the Corporate Governance Code in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**"), except 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 has performed the roles of chairman and chief executive officer of the Company since 11 May 2018, which has deviated from the rules set out in the Code Provision A.2.1, where the two positions should be held by two different individuals. However, the Board considers that this arrangement will not impair the balance of power and authority between the Board and the management of the Company as a majority of the Directors of the Company are non-executive Directors and independent non-executive Directors and the Board meets regularly to consider major matters affecting the operations of the Group and all Directors are properly and promptly briefed on such matters with adequate, complete and reliable information.

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 2018).

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 2018.

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

On 6 February 2018, the Company, the subsidiary guarantors and the initial purchasers entered into the purchase agreement in relation to the further issue of US$165 million 8.50% senior notes due 2020 by the Company which should be consolidated and form a single series with the 8.50% senior notes due 2020 in the aggregate principal amount of US$235 million issued by the Company on 27 September 2017 and guaranteed by the subsidiary guarantors (the "**Original Notes**") by the Company. The estimated net proceeds of the new notes issue, after deducting underwriting discounts and other estimated expenses, amounted to approximately US$168.1 million. The Company intended to use the net proceeds of the new notes for the repayment of certain of its existing indebtedness and for general corporate purposes. Similar to the Original Notes, such notes are listed on the official list of the SGX-ST. The purchase agreement and the new notes issue were completed on 12 February 2018. For details, please refer to the announcements of the Company dated 6 February 2018 and 7 February 2018.

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and to the knowledge of the Directors, the Company has maintained sufficient public float as required by the Listing Rules for the six months ended 30 June 2018.

EVENTS AFTER THE REPORTING PERIOD

On 14 December 2017, Sunshine 100 Group, a wholly-owned subsidiary of the Company, entered into the agreement with Beijing International Trust Co., Ltd. (the "**Trustee**"), pursuant to which, Sunshine 100 Group subscribed for 786,700,000 units of Class X trust units for RMB786,700,000 as the sole investor in the trust. Sunshine 100 Group had subscribed for 786,700,000 Class X trust units for RMB786,700,000 pursuant to the agreement. The Trustee held 89.1089% of the equity interest in Shaan'xi Jinyuan Napa Real Estate Co., Ltd. (the "**Target Company**").

On 24 January 2018, the Trustee sued against the Target Company and the other shareholders of the Target Company for the debts caused by their failure to fulfill the obligations under certain agreements between the parties. The Beijing Higher People's Court issued a written civil mediation agreement on 17 July 2018, and all parties have confirmed and agreed to execute the civil mediation agreement.

On 19 July 2018, the Trustee gave a written notice to Sunshine 100 Group, notifying Sunshine 100 Group that it would distribute all equity interest in the Target Company to the Sunshine 100 Group on 19 July 2018 and register the relevant equity interest under the name of Sunshine 100 Group in the following manner:

(a) An aggregate of 10.8911% equity interest in the Target Company held by Shaan'xi Jinyuan Investment Holding Group Co., Ltd and Napa Property Development Group Co., Ltd. shall be registered under the name of Sunshine 100 Group.

(b) 89.1089% equity interest in the Target Company held by the Trustee shall be registered under the name of Sunshine 100 Group.

Upon completion of the equity interest distribution on 19 July 2018, the Target Company became a wholly-owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Company from then on.

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 and the website of the Company at www.ss100.com.cn. The interim report of the Company for the six months ended 30 June 2018 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
27 August 2018

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.