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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)

**PROFIT WARNING AND INSIDE INFORMATION
PROVISION FOR LOSS ALLOWANCE ON TRADE AND
OTHER RECEIVABLES**

This announcement is made by Sunshine 100 China Holdings Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the assessment of the latest financial information, the Group is expected to record a significant decrease in profit and a loss attributable to the equity shareholders of the Company for the year ended 31 December 2018 as compared to the profit and the profit attributable to the equity shareholders of the Company for the year ended 31 December 2017, respectively, as a result of the provision for a one-off loss allowance on trade and other receivables in its financial statements dated 31 December 2018.

The Company conducted impairment testing for trade and other receivables, and a provision for loss allowance on trade and other receivables of RMB947.4 million was made for outstanding balances with increased credit risk. Pursuant to the accounting policy of the Group, the management measures loss allowance for trade and other receivables by applying the “expected credit loss” (ECL) model.

Among the total sum of provision for loss allowance, RMB902.5 million is to be recognized as loss allowance (the “**Loss Allowance**”) against a balance of loans (the “**Loan**”) provided to third parties. The increased credit risk in respect of the Loan was based on the management’s assessment of the enforceability of the guarantees and collaterals held by the Group against the Loan, and consideration of the overall tightened liquidity and increased credit risks in China. Therefore, in accordance with the International Financial Reporting Standards, provisions are required to be made for the Loss Allowance in the Group’s financial statements dated 31 December 2018.

The Loss Allowance will result in a decrease of RMB758.2 million in both the profit and profit attributable to the equity shareholders of the Company in its financial statements dated 31 December 2018.

The above-mentioned provision for Loss Allowance was considered and approved by the audit committee of the Board and the Board after discussion with its auditors on 28 March 2019, and will be disclosed in the notes of the financial statements of the Company dated 31 December 2018 as contained in the preliminary annual results announcement for the year ended 31 December 2018 and the 2018 annual report of the Company.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Beijing, the PRC
28 March 2019

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.