Sunshine 100 China Holdings Ltd
陽光100中國控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2608)

PRELIMINARY ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

SUMMARY OF 2018 ANNUAL RESULTS

- Contracted sales amount was RMB12,096.1 million, representing an increase of 14.0% as compared to that of 2017; the average unit selling price for contracted sales increased by 6.8% to RMB12,287 per square metre.

- Revenue increased by 10.2% to RMB7,579.1 million, gross profit increased by 6.1% to RMB1,590.8 million, and gross profit margin was 21.0%.

- Profit for the year decreased by 71.4% to RMB242.8 million, mainly due to provision for loss allowance on trade and other receivables of RMB947.4 million. Excluding the one-off loss allowance, the adjusted profit for the year increased by 17.9% to RMB1,001.0 million, and the adjusted profit attributable to equity shareholders for the year increased by 22.8% to RMB728.3 million.

- Total assets increased by 10.2% to RMB61,452.1 million, and the total equity attributable to the equity shareholders of the Company was RMB7,474.8 million, representing an increase of 0.4% as compared to that as of 31 December 2017.

- Total GFA of the land reserves were 15.0 million square metres as of 31 December 2018.

The board of directors (the "**Board**") of Sunshine 100 China Holdings Ltd (the "**Company**") is pleased to announce the annual consolidated results of the Company and its subsidiaries (collectively, the "**Group**" or "**Sunshine 100**") for the year ended 31 December 2018 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2017. The annual results of the Group for the Reporting Period have been reviewed by the audit committee of the Company (the "**Audit Committee**") and approved by the Board on 28 March 2019.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2018
(Expressed in Renminbi)

	Note	**2018** *RMB'000*	2017 *(Note)* *RMB'000*
Revenue	*4*	**7,579,091**	6,874,583
Cost of sales		**(5,988,281)**	(5,375,157)
Gross profit		**1,590,810**	1,499,426
Valuation gains on investment properties		**888,666**	788,968
Other income		**278,970**	20,767
Selling expenses		**(553,707)**	(599,713)
Administrative expenses		**(545,904)**	(456,663)
Other operating expenses	*8(b)*	**(990,400)**	(26,249)
Profit from operations		**668,435**	1,226,536
Finance income	*5*	**519,354**	417,091
Finance costs	*5*	**(550,788)**	(358,915)
Share of profits less losses of associates		**(28,216)**	10,869
Profit before taxation		**608,785**	1,295,581
Income tax	*6*	**(366,012)**	(446,859)
Profit for the year		**242,773**	848,722

	Note	**2018**	2017
			(Note)
		RMB'000	*RMB'000*
Other comprehensive income for the year (after tax and reclassification adjustments)			
Items that will not be reclassified subsequently to profit or loss:			
Valuation surplus on investment properties transferred from property and equipment, net of deferred tax		**–**	3,171
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		**(18,017)**	11,532
Other comprehensive income for the year		**(18,017)**	14,703
Total comprehensive income for the year		**224,756**	863,425
(Loss)/profit for the year attributable to:			
Equity shareholders of the Company		**(29,954)**	593,093
Non-controlling interests		**272,727**	255,629
Profit for the year		**242,773**	848,722
Total comprehensive income for the year attributable to:			
Equity shareholders of the Company		**(47,971)**	607,796
Non-controlling interests		**272,727**	255,629
Total comprehensive income for the year		**224,756**	863,425
(Loss)/earnings per share *(RMB)*			
Basic	*7*	**(0.01)**	0.25
Diluted	*7*	**(0.01)**	0.18

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.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi)

	Note	31 December 2018 RMB'000	31 December 2017 (Note) RMB'000
Non-current assets			
Property and equipment		**697,864**	718,429
Investment properties		**11,707,246**	10,757,187
Restricted deposits		**130,054**	62,335
Investments in associates		**905,007**	757,016
Trade and other receivables	*8*	**576,506**	338,948
Deferred tax assets		**1,400,667**	1,071,458
Other non-current financial assets		**103,777**	–
Total non-current assets		**15,521,121**	13,705,373
Current assets			
Properties under development and completed properties held for sale		**32,464,688**	28,180,123
Land development for sale		**866,431**	1,136,350
Trade and other receivables	*8*	**7,674,633**	7,079,906
Contract costs		**246,555**	–
Restricted deposits		**1,975,407**	887,778
Cash and cash equivalents		**2,588,630**	4,654,189
Trading securities		**114,663**	136,594
Total current assets		**45,931,007**	42,074,940
Current liabilities			
Loans and borrowings		**10,419,807**	8,823,334
Trade and other payables	*9*	**7,207,298**	5,299,267
Contract liabilities		**9,094,428**	–
Contract retention payables		**173,482**	232,874
Sales deposits		**–**	9,355,100
Current tax liabilities		**1,093,894**	964,966
Total current liabilities		**27,988,909**	24,675,541
Net current assets		**17,942,098**	17,399,399
Total assets less current liabilities		**33,463,219**	31,104,772

	Note	**31 December 2018**	31 December 2017
			(Note)
		RMB'000	*RMB'000*
Non-current liabilities			
Loans and borrowings		**19,275,499**	17,941,805
Contract retention payables		**170,166**	154,213
Trade and other payables	*9*	**469,535**	316,914
Deferred tax liabilities		**3,939,724**	3,529,507
Total non-current liabilities		**23,854,924**	21,942,439
NET ASSETS		**9,608,295**	9,162,333
CAPITAL AND RESERVES	*10*		
Share capital		**20,704**	20,700
Reserves		**7,454,138**	7,426,158
Total equity attributable to equity shareholders of the Company		**7,474,842**	7,446,858
Non-controlling interests		**2,133,453**	1,715,475
TOTAL EQUITY		**9,608,295**	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.

NOTES TO THE FINANCIAL STATEMENTS

1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (IFRSs), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (IASs) and Interpretations issued by the International Accounting Standards Board (IASB), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2018 comprise the Company and its subsidiaries (together referred to as the "**Group**") and the Group's interests in associates.

The consolidated financial statements are presented in Renminbi ("**RMB**"), rounded to the nearest thousand, which is the functional currency of the Company and the entities carrying out the principal activities of the Group in the People's Republic of China (the "**PRC**").

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

– investment property;

– investments in equity securities; and

– derivative financial instruments.

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of new 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.

(i) 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.

The Group has applied IFRS 9 retrospectively to items that existed at 1 January 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 January 2018. Therefore, comparative information continues to be reported under IAS 39.

There is no material cumulative impact for the initial application of IFRS 9.

(ii) 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.

IFRS 15 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

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 IASs 11 and 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

4 REVENUE AND SEGMENT REPORTING

(a) Disaggregation of revenue

The principle 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 lines is as follows:

	2018	2017
		(Note)
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15		
Sale of properties	**6,944,119**	6,285,412
Property management and hotel operation income	**443,365**	388,472
Light-asset operation income	**38,726**	88,027
	7,426,210	6,761,911
Revenue from other sources		
Rental income from investment properties	**152,881**	112,672
	7,579,091	6,874,583
Disaggregated by timing of revenue recognition		
Point in time	**6,094,501**	6,373,439
Over time	**1,484,590**	501,144
	7,579,091	6,874,583

Note: The Group has initially applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated and was prepared in accordance with IAS 18 (See Note 3(ii)).

Disaggregation of revenue from contracts with customers by segment and by the timing of revenue recognition is disclosed in Note 4(b)(i).

The Group's customer base is diversified and there are no customers with whom transactions have exceed 10% of the Group's revenue.

(b) 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 services, 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.

(i) Segment results, assets and liabilities

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

Segment assets and liabilities include all non-current assets and liabilities and current assets and liabilities with the exception of unallocated head office and corporate assets and liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments. Head office and corporate expenses are not allocated to individual segments.

Segment profit represents the profit after taxation generated by individual segments.

Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Management is provided with segment information concerning revenue, cost of sales, valuation gains on investment properties, net operating expenses, finance costs, income tax, additions on investment properties and property and equipment, and loans and borrowings.

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 years ended 31 December 2018 and 2017 is set out below:

	Year ended 31 December 2018					
	Mixed-use business complexes *RMB'000*	Multi-functional residential communities *RMB'000*	Investment properties *RMB'000*	Property management and hotel operation *RMB'000*	Light-asset operation *RMB'000*	Total *RMB'000*
Disaggregated by timing of revenue recognition						
Point in time	1,176,631	4,879,144	–	–	38,726	6,094,501
Over time	221,258	667,086	152,881	443,365	–	1,484,590
Revenue from external customer	1,397,889	5,546,230	152,881	443,365	38,726	7,579,091
Inter-segment revenue	–	–	11,650	61,907	–	73,557
Reportable segment revenue	1,397,889	5,546,230	164,531	505,272	38,726	7,652,648
Cost of sales	(1,445,083)	(4,157,448)	–	(447,391)	(12,648)	(6,062,570)
Reportable segment gross (loss)/profit	(47,194)	1,388,782	164,531	57,881	26,078	1,590,078
Valuation gains on investment properties	–	–	888,666	–	–	888,666
Net operating expenses	(209,004)	(901,665)	(13,550)	(91,306)	(1,538)	(1,217,063)
Net finance (costs)/income	(579)	(171,049)	31	(20,268)	3	(191,862)
Reportable segment (loss)/ profit before taxation	(256,777)	316,068	1,039,678	(53,693)	24,543	1,069,819
Income tax	45,453	(280,720)	(256,344)	(1,668)	(2,209)	(495,488)
Reportable segment (loss)/ profit	(211,324)	35,348	783,334	(55,361)	22,334	574,331
Additions on investment properties and property and equipment	26,003	8,517	197,098	3,927	62	235,607

	At 31 December 2018					
	Mixed-use business complexes *RMB'000*	Multi-functional residential communities *RMB'000*	Investment properties *RMB'000*	Property management and hotel operation *RMB'000*	Light-asset operation *RMB'000*	Total *RMB'000*
Loans and borrowings	4,571,818	16,453,862	–	581,440	–	21,607,120
Reportable segment assets	11,692,208	38,992,879	11,930,806	1,238,111	107,395	63,961,399
Reportable segment liabilities	11,628,000	38,458,643	534,896	1,017,670	55,804	51,695,013

	Year ended 31 December 2017 *(Note)*					
	Mixed-use business complexes *RMB'000*	Multi-functional residential communities *RMB'000*	Investment properties *RMB'000*	Property management and hotel operation *RMB'000*	Light-asset operation *RMB'000*	Total *RMB'000*
Disaggregated by timing of revenue recognition						
Point in time	1,271,224	5,014,188	–	–	88,027	6,373,439
Over time	–	–	112,672	388,472	–	501,144
Revenue from external customer	1,271,224	5,014,188	112,672	388,472	88,027	6,874,583
Inter-segment revenue	–	–	8,576	78,332	–	86,908
Reportable segment revenue	1,271,224	5,014,188	121,248	466,804	88,027	6,961,491
Cost of sales	(1,158,180)	(3,950,906)	–	(366,225)	(22,010)	(5,497,321)
Reportable segment gross profit	113,044	1,063,282	121,248	100,579	66,017	1,464,170
Valuation gains on investment properties	–	–	788,968	–	–	788,968
Net operating expenses	(210,035)	(767,221)	(5,165)	(109,572)	(1,721)	(1,093,714)
Net finance income/(costs)	4,944	(98,991)	4	(37,140)	(50)	(131,233)
Reportable segment (loss)/ profit before taxation	(92,047)	197,070	905,055	(46,133)	64,246	1,028,191
Income tax	5,720	(177,994)	(218,462)	8,068	(5,792)	(388,460)
Reportable segment (loss)/ profit	(86,327)	19,076	686,593	(38,065)	58,454	639,731
Additions on investment properties and property and equipment	2,306	5,454	335,489	5,532	204	348,985

	At 31 December 2017 *(Note)*					
	Mixed-use business complexes *RMB'000*	Multi-functional residential communities *RMB'000*	Investment properties *RMB'000*	Property management and hotel operation *RMB'000*	Light-asset operation *RMB'000*	Total *RMB'000*
Loans and borrowings	5,664,218	17,277,253	–	611,427	–	23,552,898
Reportable segment assets	12,165,995	30,437,018	11,074,957	1,203,057	169,196	55,050,223
Reportable segment liabilities	12,989,434	30,997,300	282,736	965,549	110,740	45,345,759

Note: The Group has initially applied IFRS 15 using the cumulative effect method, the comparative information is not restated and was prepared in accordance with IASs 18 and 11 (see Note 3(ii)).

(ii) Reconciliations of reportable segment revenue, profit, assets and liabilities

	2018	2017
		(Note)
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**7,652,648**	6,961,491
Elimination of intra-group revenue	**(73,557)**	(86,908)
Consolidated revenue *(Note 4(a))*	**7,579,091**	6,874,583
Profit		
Reportable segment profit	**574,331**	639,731
Elimination of intra-group loss	**25,581**	17,851
Unallocated head office and corporate (loss)/income	**(357,139)**	191,140
Consolidated profit	**242,773**	848,722
Loans and borrowings		
Reportable segment loans and borrowings	**21,607,120**	23,552,898
Unallocated head office and corporate loans and borrowings	**8,088,186**	3,212,241
Consolidated loans and borrowings	**29,695,306**	26,765,139
Assets		
Reportable segment assets	**63,961,399**	55,050,223
Elimination of intra-group balances	**(19,957,249)**	(13,602,228)
Unallocated head office and corporate assets	**17,447,978**	14,332,318
Consolidated total assets	**61,452,128**	55,780,313

	2018	2017
		(Note)
	RMB'000	*RMB'000*
Liabilities		
Reportable segment liabilities	**51,695,013**	45,345,759
Elimination of intra-group balances	**(19,217,022)**	(14,474,297)
Unallocated head office and corporate liabilities	**19,365,842**	15,746,518
Consolidated total liabilities	**51,843,833**	46,617,980

Note: The Group has initially applied IFRS 15 using the cumulative effect method, the comparative information is not restated and was prepared in accordance with IASs 18 and 11 (see Note 3(ii)).

(iii) Geographical information

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

5 FINANCE INCOME AND FINANCE COSTS

	2018	2017
	RMB'000	*RMB'000*
Finance income		
Interest income on financial assets measured at amortised cost	**(517,404)**	(285,662)
Net foreign exchange gain	**–**	(26,116)
Net change in fair value of the trading securities	**–**	(12,260)
Dividend income from the trading securities	**(1,950)**	(8,464)
Net change in fair value of the derivative component of the convertible bonds	**–**	(84,589)
	(519,354)	(417,091)

	Note	2018 RMB'000	2017 RMB'000
Finance costs			
Total interest expense on loans and borrowings		**2,657,834**	2,506,616
Less: Interest expense capitalized into land development for sale, properties under development and investment properties under construction	*(i)*	**(2,274,488)**	(2,168,544)
		383,346	338,072
Net change in fair value of the derivative component of the convertible bonds		**16,745**	–
Net foreign exchange loss		**130,450**	–
Net change in fair value of the trading securities		**6,154**	–
Bank charges and others		**14,093**	20,843
		550,788	358,915

Note:

(i) The borrowing costs have been capitalized at a rate of 4.69%–18.00% per annum (2017: 3.29%–13.00%).

6 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	2018 RMB'000	2017 RMB'000
Provision for the year		
– PRC Corporate Income Tax	**254,721**	164,916
– Land Appreciation Tax	**184,381**	179,430
Over-provision of PRC Corporate Income Tax in respect of prior years	**(348)**	(14,429)
Deferred tax	**(72,742)**	116,942
	366,012	446,859

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

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

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

7 (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on the loss attributable to equity shareholders of the Company of RMB29,954,000 (2017: profit attributable to equity shareholders of the Company of RMB593,093,000) and the weighted average of 2,611,907,327 ordinary shares (2017: 2,377,214,149 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares:

	2018	2017
Issued ordinary shares at 1 January	**2,611,736,625**	2,375,000,000
Effect of issuance of shares	**–**	1,931,959
Exercise of conversion of convertible bonds	**170,702**	282,190
Weighted average number of ordinary shares at 31 December	**2,611,907,327**	2,377,214,149

There was no difference between basic and diluted loss per share for the year ended 31 December 2018.

8 TRADE AND OTHER RECEIVABLES

	Note	**31 December 2018** *RMB'000*	31 December 2017 *RMB'000*
Trade receivables and bill receivables	*(a)*	**952,602**	930,582
Loans provided to third parties	*(b)*	**3,029,336**	3,417,153
Loans provided to non-controlling interests of subsidiaries		**951,818**	853,487
Loans provided to associates		**648,417**	54,103
Amounts due from other related parties		**138,059**	–
Other receivables		**354,885**	223,669
Financial assets measured at amortised cost, net of loss allowance		**6,075,117**	5,478,994
Deposits and prepayments		**2,176,022**	1,939,860
		8,251,139	7,418,854
Less: non-current portion of other receivables		**576,506**	338,948
		7,674,633	7,079,906

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables and bill receivables (which are included in trade and other receivables), based on the revenue recognition date and net of allowance for doubtful debts, is as follows:

	31 December 2018 *RMB'000*	31 December 2017 *RMB'000*
Within 6 months	**130,814**	128,331
6 months to 1 year	**22,227**	43,698
Over 1 year	**799,561**	758,553
	952,602	930,582

(b) Loans provided to third parties

During the year ended 31 December 2018, a loss allowance of RMB902,473,000 was recognised against the balance of loans provided to third parties as "other operating expenses" on the consolidated statement of comprehensive income.

Pursuant to the accounting policy of the Group, the management measures loss allowance for loans provided to third parties on an individual basis at an amount equal to 12-month expected credit losses (the "**ECLs**") unless there has been a significant increase in credit risk of the loan balance since its initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The loss allowance recognised during the year ended 31 December 2018 is primarily due to the significant increase in credit risks of certain outstanding loans provided to third parties based on the management's assessment of the enforceability of the guarantees and collaterals held by the Group against such outstanding loan balance, and consideration of the overall tightened liquidity and increased credit risks in China.

9 TRADE AND OTHER PAYABLES

	Note	**31 December 2018** ***RMB'000***	1 January 2018[(i)] *RMB'000*	31 December 2017 *RMB'000*
Trade payables	*(a)*	**4,320,475**	3,875,485	3,875,485
Advances received from third parties		**473,589**	490,162	490,162
Consideration payables		**157,000**	6,000	6,000
Amounts due to related parties		**111,956**	32,676	32,676
Other payables		**1,350,791**	1,138,660	1,138,660
Financial liabilities measured at amortized cost		**6,413,811**	5,542,983	5,542,983
Other taxes payable		**1,263,022**	815,208	73,198
		7,676,833	6,358,191	5,616,181
Less: non-current portion of trade payables		**469,535**	316,914	316,914
		7,207,298	6,675,105	5,299,267

Note:

(i) The Group has initially applied IFRS 15 using the cumulative effect method and adjusted the opening balance at 1 January 2018. Comparative information has not been restated.

(a) 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:

	31 December 2018 ***RMB'000***	31 December 2017 *RMB'000*
Within 1 year	**3,959,015**	3,558,571
1 to 2 years	**223,679**	153,557
Over 2 years but within 5 years	**137,781**	163,357
	4,320,475	3,875,485

10 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

The Company did not declare any dividends for the years ended 31 December 2018 and 2017.

(b) Share capital

	2018		2017	
	No of shares	***HKD'000***	*No of shares*	*HKD'000*
Authorised:				
Ordinary shares	**4,000,000,000**	**40,000**	3,000,000,000	30,000

		2018		2017	
	Note	***No of shares***	***RMB'000***	*No of shares*	*RMB'000*
Ordinary shares, issued and fully paid:					
At 1 January		**2,611,736,625**	**20,700**	2,375,000,000	18,718
Issuance of shares	*(i)*	**–**	**–**	235,055,000	1,968
Conversion of convertible bonds		**423,852**	**4**	1,681,625	14
At 31 December		**2,612,160,477**	**20,704**	2,611,736,625	20,700

(i) Issuance of shares

During the year ended 31 December 2017, the Company issued 235,055,000 ordinary shares at HKD3.10 per share, and received a net proceed of HKD716,670,500 (equivalent to approximately RMB594,715,000).

CHAIRMAN'S STATEMENT

I am pleased to present the business review for the year ended 31 December 2018 and outlook of the Group to the shareholders of the Company.

REVIEW OF 2018

In 2018, Sunshine 100 continued its efforts in promoting transformation and development and achieved some results. During the year, as China maintained regulation and control over the real estate sector, strategically slowing down, investing cautiously while stepping up de-stocking have been prevalent business trends to prevent market risks in the short term. The slowdown of the industry growth called for higher standards in property developers' development strategies, and more developers sought new drivers of profit growth through strengthened and more diversified business positioning and operations. Over the past year, thanks to the concerted efforts of employees at all levels, we have made good achievements in the following aspects. Firstly, the returns of our projects steadily improved, with an increase of 6.8% in average selling price for the year, especially an increase of 17.3% in the average selling price of the Himalaya projects. Rental income from commercial sector surged by 35.7%. Secondly, our core products have steadily built up advantages. The Himalaya apartment products have been launched in a number of cities and were well received in the market, with sales climbing up and profit margin reaching industry-leading level. Sunshine 100 Commercial Street Complexes have established their presence in different cities and achieved success as expected. We have built up a sizeable and prime land bank of an increasing number of commercial properties, with a relatively balanced distribution across the country. Thirdly, following the reform of management and operation mechanisms, we introduced a "benefit sharing" mechanism and started to share profits of certain projects, which has greatly motivated and inspired our project teams.

I. Satisfactory Results Achieved in Transformation of Business Model

In recent years, the business model of Sunshine 100 has had a great change. As we have been transforming from a property developer to a property operator, our business model has changed from generating profits from property development to creating value through provision of services, with service income increasing continuously. In 2018, we recorded annual contracted sales of RMB12,096 million, representing a year-on-year increase of 14.0%. Our innovative Himalaya product lines have shown a good momentum. For instance, our Chongqing Himalaya project, a top-notch property in Chongqing, which was well-received among high-end investors, saw a sell-through rate of 99% before occupancy. The Himalaya product lines have shown a rapid growth in results and established a market reputation, and are expected to become our biggest growth driver in the future. Our commercial street complex projects have become the urban reception halls of the cities where they are located, and all of the 10 projects delivered are well operated, creating good brand effect. Our Arles Town residential projects also pursue integrated operation to create value through operation, which has pushed up the product value. Improvement of our after-sales services has also driven up rental and occupancy rates, laying down a solid foundation for steady growth in rental income in the future. In 2018, our total service income amounted to RMB635 million, which comprised income from property management and hotel operation of RMB443 million, rental income from investment properties of RMB153 million and income from asset-light operations of RMB39 million, representing an increase of 42.6% over 2016 and 7.8% over 2017. It is expected that our service income will continue to experience a high growth.

II. Competitive Edges of Core Products Further Enhanced

In 2018, our Himalaya projects have evolved to become a leading brand of shared serviced apartments. A mixed rental and sale model that generates high earnings and unique operational services have facilitated the rapid expansion of our Company. Our Himalaya products contributed contracted sales of RMB1,711 million, with an average selling price reaching RMB23,000 per square metre in different cities, representing an increase of 17.3% year on year. The increasingly sophisticated Himalaya products will become a source of growth of Sunshine 100 in the future.

Sunshine 100 Commercial Street Complex projects were launched and we have expanded operation in Liuzhou, Yixing, Changsha and other cities, respectively, achieving desirable results. For example, Sunshine 100 Yaobu Town in Liuzhou, which highlights the unique cultural charm of the city, has become a paragon of commercial streets that create a better lifestyle for people living in Liuzhou. It attracted about 5 million visitors throughout 2018 and was honored as the "Best Commercial Street in Liuzhou for Cultural Tourism" at the Beautiful Liuzhou – Forum on Human Settlements hosted by Guangxi Daily Media Group. Yixing Sunshine 100 Phoenix Street, which was launched in November 2017 has received nearly 3 million visitors in 2018. The first anniversary celebration ceremony and the opening ceremony for the Phoenix Community were held at the end of 2018, initiating a new era for The Bund, Yixing. The Sunshine 100 Phoenix Street property in Changsha has shown a remarkable sales record, while the themed apartments in the commercial street were sold out upon launch, with a sell-through rate of 95%, making it the Top 1 bestseller among commercial properties in Hexi, Changsha and was accredited the "Property with Best Investment Value of the Year" by Sohu Focus, a professional real estate media. The Sunshine 100 Phoenix Street property in Jinan has been popular on its launch and generated sales of RMB120 million on the launch date. In addition, negotiations have been underway with partners in a number of cities in respect of cooperation on development of Sunshine 100 Commercial Street Complexes. With high investment value, high-quality follow-up operations featuring citywide branding events and noticeable social effects, Sunshine 100 Commercial Street Complexes will continue to be one of the engines driving the future performance growth of the Company.

Owing to our sophisticated experience in running commercial street complexes and premium brand reputation, Arles Town projects have seen consistent growth in sales. In particular, Wuxi Sunshine 100 Arles was sold out upon launches in the year, and recorded contracted sales of RMB2,812 million for the year, which has nearly tripled as compared to that of 2017; Wenzhou Sunshine 100 Arles recorded contracted sales of RMB1,720 million for the year, up by 88.0% year on year; Qingyuan Sunshine 100 Arles and Chongqing Sunshine 100 Arles also recorded satisfactory sales performance.

III. Development of New Projects

In 2018, we prudently expanded our land reserves at a low cost by leveraging on our advantageous core products. In addition to the Yingde project in Qingyuan, Tianjin Sunshine 100 Nankai Himalaya and Xi'an Sunshine 100 Arles acquired in the first half of the year, we acquired the Shangdongfang project in Wuhan through a bidding process, which covers a site area of 125,000 square metres designated for commercial and residential purposes. It is expected that the Shangdongfang project will bring good cash returns and brand image to Sunshine 100 as the project has huge potential for development and appreciation in value and its mixed purposes also accord with the development focus of Sunshine 100. Further, we acquired partial equity interest in Wenzhou Sunshine 100 Repulse Bay. The project, with a total gross floor area ("**GFA**") of 100,000 square metres, enjoys prominent geographical advantages and will be developed into an unique seafront cultural tourism and vacation complex in Wenzhou.

As at 31 December 2018, we had a land bank with an aggregate GFA of 15.02 million square metres, which, based on an average selling price could amount to nearly RMB200 billion. Most land parcels in our land bank are located in Qingyuan, Wenzhou, Chongqing, areas surrounding Beijing, Wuxi, Chengdu, Wuhan, Changsha, Jinan, Shenyang and other provincial capital cities. In addition, we held commercial properties of an aggregate value of nearly RMB20 billion, and most of these properties are located in the heart of the cities and have become the urban reception halls of these cities, laying high potentials for value appreciation.

In respect of the strategy on land acquisition in the future, we will, as always, act on prudence and continue to increase our land bank by way of equity acquisitions. In respect of geographical deployment, we will continue to expand our presence mainly in the Yangtze River Delta, the Pearl River Delta and peripheral cities surrounding the "Capital Economic Circle", and focus on our three core product lines – commercial street complex, Himalaya serviced apartments and Arles Town projects. In 2019, we expect to acquire land lots in cities including but not limited to Wuhan, Changsha, Tianjin, Xinglong of Hebei, and Yueyang of Hunan.

In addition, we proactively seek cooperation with external parties who possess quality resources. In September 2018, we entered into an agreement in connection with comprehensive strategic cooperation with China Zheshang Bank Co., Ltd. Beijing Branch, and thereby secured an intentional credit line of RMB10 billion. In December 2018, we entered into a strategic cooperation agreement with China Construction Fifth Engineering Division Corp., Ltd., pursuant to which, both parties will carry out in-depth cooperation on general contracting business nationwide. In January 2019, Beijing Shangdao Yuetu Technology Co., Ltd.(北京商道悅途科技有限公司), a joint venture established by the Group and TCL Electronics Holdings Limited (TCL電子控股有限公司), entered into an agreement on comprehensive cooperation with Anyang Iron & Steel Group. Our efforts in exploring cooperation with various parties have created more possibilities for our continuous access to high-quality project resources and further expansion of operations in the future.

OUTLOOK OF 2019

While continuing to increase the proportions of our three core product lines of commercial street complex, Himalaya apartments and Arles Town projects, we will seek value enhancement through valued-added services instead of land appreciation, improve our brand impact and market competitiveness and shift our focus from "asset" to "people", and endow our products with distinctive features and additional services. As the product lines will be further specialized and become increasingly professionally sophisticated, we will expand our partnership network to support and realize specialization, thereby building our brand image. We plan to increase the scale of our commercial properties to drive rapid growth in income from operation services including rentals from our Himalaya projects and self-own commercial properties, and complete the design and development of standard procedures for operations of product lines of Himalaya, Phoenix Community, Arles Town and cultural tourism-oriented products.

Looking forward in 2019, China's economic growth will remain at the "new normal" stage. In such a market environment, we will, with firm confidence, continue to our transformation to property operation, consolidate and expand achievements therefrom. It is of great urgency for property enterprises to transform and upgrade their business models, and the whole property industry is also undergoing a transformation with the dominant role shifting from primary incremental market to secondary existing market, and moving from high-speed growth to a new stage of "operation services-driven growth". We believe that such a market environment has created good development opportunities for Sunshine 100 as we have always pursued differentiated competitive edges and are transforming from a property developer to an operation service provider. With the growing market presence and profitability of our three core product lines, we believe that Sunshine 100 will achieve even better growth in the new era of development.

In 2019, we will further implement the reform of the management systems and boost efficiency by streamlining administration and delegating power. To be specific, we will shift our management focus from centralized management to individual project management and adopt the mechanism of first responsible personnels for each project; we will continue to effectively implement the asset package operation mechanism; and each project team will be responsible for its own profits and losses, so as to enhance income, revitalize assets and improve benefits.

People are what Sunshine 100 relies on to develop and grow. Through decades of entrepreneurial efforts and development, Sunshine 100 has developed an excellent corporate culture and unique corporate values, which is the internal force that drives the continuous development and growth of Sunshine 100. In 2019, Sunshine 100 will further enhance trainings for its ground-level employees with a focus on providing a platform for employees to fully demonstrate their abilities and wisdom, and further refine the "people-oriented" management philosophy.

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

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 of RMB12,096.1 million, representing an increase of 14.0% from 2017, and an aggregate contracted sales area of 947,631 square metres, representing an increase of 9.3% from 2017. Moreover, the Group's average unit price for contracted sales was RMB12,287 per square metre, representing an increase of 6.8% over 2017. The sales of commercial properties and car parks increased prominently with aggregate contracted sales amounting to RMB3,603.6 million, representing an increase of 35.0% from 2017. Contracted sales generated from residential properties amounted to RMB8,492.5 million, representing an increase of 7.0% from 2017. Nearly 48.2% of the contracted sales was generated from the Yangtze River Delta, among which, contributions from Wuxi Sunshine 100 Arles and Wenzhou Sunshine 100 Arles were significant, contributing RMB2,812.4 million and RMB1,720.0 million to the contracted sales, respectively, which accounted for 23.3% and 14.2% of the total contracted sales of the Group respectively.

Breakdown of contracted sales of the Group by geographic location during the Reporting Period is as follows:

Economic area	City	Project	For the year ended 31 December 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
Bohai Rim	Shenyang	Shenyang Sunshine 100 International New Town	**53,300**	68,197	**499**	542	**8,829**	7,698
		Shenyang Sunshine 100 Golf Mansion	**5,205**	18,052	**51**	109	**9,330**	5,706
	Jinan	Jinan Sunshine 100 International New Town	**47,263**	18,537	**1,051**	566	**21,371**	21,686
	Dongying	Dongying Sunshine 100 Phoenix Community (formerly "Dongying Sunshine 100 City Garden")	**24,846**	44,652	**236**	311	**9,278**	6,875
	Weifang	Weifang Sunshine 100 Phoenix Community (formerly "Weifang Sunshine 100 City Plaza")	**53,729**	31,857	**423**	236	**7,866**	7,377
	Tianjin	Tianjin Sunshine 100 Nankai Himalaya (formerly "Tianjin Lijin Mansion")	**10,493**	–	**316**	–	**30,072**	–
		Tianjin Sunshine 100 Tianta Himalaya[(3)]	**11,875**	–	**413**	–	**34,804**	–
		Tianjin Sunshine 100 International New Town	**–**	–	**27**	86	**–**	–
	Sub-total		**206,711**	181,295	**3,016**	1,850	**14,083**	8,671

Economic area	City	Project	For the year ended 31 December					
			Contracted sales area *(square metres)*[(1)]		Contracted sales amount *(RMB million)*[(2)]		Unit selling price *(RMB/square metre)*[(1)]	
			2018	2017	**2018**	2017	**2018**	2017
Yangtze River Delta	Wuxi	Wuxi Sunshine 100 Arles (formerly "Wuxi Sunshine 100 International New Town")	**230,867**	77,125	**2,812**	965	**12,015**	12,499
		Wuxi Sunshine 100 Himalaya	**24,105**	3,746	**423**	61	**17,556**	16,284
	Wenzhou	Sunshine 100 Wenzhou Center	**16,042**	2,367	**342**	58	**19,174**	24,504
		Wenzhou Sunshine 100 Arles	**156,465**	86,999	**1,720**	915	**10,909**	9,862
		Wenzhou Sunshine 100 Repulse Bay[(3)]	**10,723**	–	**122**	–	**11,331**	–
	Changzhou	Changzhou Sunshine 100 Zone 7 Upper East Side	**14,178**	145,585	**310**	1,457	**19,764**	10,008
	Yixing	Yixing Sunshine 100 Phoenix Street	**4,403**	10,233	**103**	313	**23,441**	30,587
	Sub-total		**456,783**	326,055	**5,832**	3,769	**12,515**	11,382
Pearl River Delta	Qingyuan	Qingyuan Sunshine 100 Arles	**48,551**	171,881	**621**	1,838	**12,197**	10,048
	Dongguan	Dongguan Songshan Mansion	**493**	–	**5**	–	**11,010**	–
	Putian	Putian Sunshine 100 Phoenix Plaza[(3)]	**6,713**	67,547	**126**	986	**16,439**	14,597
	Sub-total		**55,757**	239,428	**752**	2,824	**12,698**	11,331

Economic area	City	Project	For the year ended 31 December 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
Midwest	Wuhan	Wuhan Sunshine 100 Lakeside Residence	**–**	4,489	**–**	97	**–**	11,138
	Chongqing	Chongqing Sunshine 100 Himalaya (formerly "Chongqing Sunshine 100 International New Town")	**9,447**	44,234	**217**	891	**20,885**	19,646
		Chongqing Sunshine 100 Arles	**49,801**	35,206	**586**	416	**11,204**	10,623
	Changsha	Changsha Sunshine 100 Phoenix Street (formerly "Changsha Sunshine 100 International New Town")	**36,547**	22,466	**670**	526	**17,939**	21,900
	Liuzhou	Liuzhou Sunshine 100 Yaobu Town	**3,177**	3,041	**111**	67	**31,139**	20,059
	Chengdu	Chengdu Sunshine 100 Mia Center	**157**	3,630	**5**	71	**16,511**	15,702
	Nanning	Nanning Sunshine 100 Upper East Side International	**177**	507	**59**	16	**11,419**	3,945
		Nanning Sunshine 100 Nine Peninsulas[3]	**78,038**	–	**513**	–	**6,414**	–
	Wuzhou	Wuzhou Sunshine 100 Sankee City[3]	**16,825**	–	**123**	–	**6,761**	–
	Lijiang	Lijiang Sunshine 100 COART Village	**952**	6,999	**13**	81	**14,149**	11,573
	Xi'an	Xi'an Sunshine 100 Arles	**30,828**	–	**178**	–	**5,576**	–
	Guilin	Pingle Sunshine 100 Li River Cultural Village (formerly "Guilin Sunshine 100 Original Lijiang")	**2,431**	–	**21**	–	**8,693**	–
	Sub-total		**228,380**	120,572	**2,496**	2,165	**10,107**	16,471
Total			**947,631**	867,350	**12,096**	10,608	**12,287**	11,509

Notes:

(1) Excluding car parks
(2) Including car parks
(3) Being light-asset operation projects

Breakdown of contracted sales of the Group by type of business during the Reporting Period is as follows:

Type	For the year ended 31 December					
	Contracted sales area (square metres)[(1)]		Contracted sales amount (RMB million)[(2)]		Unit selling price (RMB/square metre)[(1)]	
	2018	2017	**2018**	2017	**2018**	2017
Residential properties	**743,285**	728,319	**8,492**	7,938	**11,426**	10,899
Commercial properties and car parks	**204,346**	139,031	**3,604**	2,670	**15,422**	14,702
Total	**947,631**	867,350	**12,096**	10,608	**12,287**	11,509
Proportion						
Residential properties	**78%**	84%	**70%**	75%		
Commercial properties and car parks	**22%**	16%	**30%**	25%		
Total	**100%**	100%	**100%**	100%		

Notes:

(1) Excluding car parks
(2) Including car parks

Property Construction

During the Reporting Period, the Group commenced construction on GFA of 1,496,430 square metres, representing an increase of 4.0% from 2017. The completed GFA was 1,109,650 square metres, representing an increase of 21.0% from 2017. The increase was mainly due to the completion of certain large projects within the Reporting Period. The total GFA under construction was 4,592,158 square metres as at the end of the Reporting Period, representing an increase of 9.2% as compared with the end of 2017.

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

Economic area	City	2018 Newly-started total GFA (square metres)	2018 Completed total GFA (square metres)	2018 Total GFA under construction as at the end of the period (square metres)
Bohai Rim	Jinan	104,809	–	227,417
	Shenyang	64,631	81,739	103,206
	Dongying	4,124	15,497	8,888
	Weifang	191,672	78,026	190,047
	Tianjin	94,911	–	125,986
	Sub-total	**460,147**	**175,262**	**655,544**
Yangtze River Delta	Wuxi	280,158	127,136	536,951
	Wenzhou	219,503	82,909	1,466,292
	Changzhou	1,119	–	249,440
	Sub-total	**500,780**	**210,045**	**2,252,683**
Pearl River Delta	Qingyuan	7,757	190,948	331,386
	Putian	–	173,751	163,527
	Sub-total	**7,757**	**364,699**	**494,913**
Midwest	Chongqing	170,714	137,011	248,148
	Changsha	7,395	115,145	130,428
	Xi'an	168,639	–	168,639
	Guilin	668	19,839	24,098
	Nanning	51,987	87,649	122,707
	Wuzhou	126,577	–	460,300
	Lijiang	1,766	–	34,698
	Sub-total	**527,746**	**359,644**	**1,189,018**
Total		**1,496,430**	**1,109,650**	**4,592,158**

Investment properties

During the Reporting Period, the GFA of new investment properties of the Group increased by 39,535 square metres. In the meantime, the GFA of investment properties decreased by 31,387 square metres from that of the previous year. During the Reporting Period, the total GFA of the Group's investment properties, either completed or under construction, was 587,452 square metres and the planned GFA of the investment properties held by the Group for future development was 120,000 square metres. Moreover, the Group's rental income for the Reporting Period was RMB152.9million, representing an increase of 35.7% as compared to 2017.

Land Acquisition

During the Reporting Period, the Group paid an aggregate amount of RMB1,182.9 million for various land acquisitions and project acquisitions, which mainly included the payment of RMB851.7 million for acquiring the land use rights and related expenses in connection with a parcel of land located at Qixin Village, Zhifang Street, Jiangxia District, Wuhan, Hubei, the PRC.

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

Economic area	**City**	**Total GFA**	**Proportion**	**Attributable GFA**	**Proportion**
		(square metres)		*(square metres)*	
Bohai Rim	Weifang	1,186,718	8%	1,186,718	12%
	Shenyang	737,288	5%	672,823	7%
	Yantai	450,173	3%	450,173	4%
	Jinan	341,881	2%	167,521	2%
	Tianjin	239,192	2%	147,414	1%
	Dongying	43,976	0%	43,976	0%
	Sub-total	**2,999,228**	**20%**	**2,668,625**	**26%**
Midwest	Chongqing	1,257,419	8%	1,191,498	12%
	Guilin	382,742	3%	346,822	3%
	Changsha	201,932	1%	201,932	2%
	Liuzhou	284,247	2%	248,957	1%
	Nanning	1,501,110	10%	554,919	5%
	Wuzhou	1,498,307	10%	415,780	4%
	Wuhan	460,159	3%	460,158	5%
	Chengdu	97,910	1%	97,911	1%
	Xi'an	168,639	1%	168,639	2%
	Lijiang	311,912	2%	159,075	2%
	Sub-total	**6,164,377**	**41%**	**3,845,691**	**37%**

Economic area	City	Total GFA	Proportion	Attributable GFA	Proportion
		(square metres)		*(square metres)*	
Yangtze River Delta	Wenzhou	1,542,748	10%	786,802	8%
	Wuxi	1,106,314	7%	1,106,315	11%
	Changzhou	249,440	2%	127,214	1%
	Yixing	86,740	1%	69,392	1%
	Sub-total	**2,985,242**	**20%**	**2,089,723**	**21%**
Pearl River Delta	Qingyuan	2,566,921	17%	1,411,806	14%
	Putian	183,806	1%	90,065	1%
	Sub-total	**2,750,727**	**18%**	**1,501,871**	**15%**
Northern Mariana Islands	Saipan	120,000	1%	61,200	1%
	Sub-total	**120,000**	**1%**	**61,200**	**1%**
Total		**15,019,574**	**100%**	**10,167,110**	**100%**

Financial Performance

Revenue

During the Reporting Period, the Group's revenue increased by 10.2% to RMB7,579.1 million in 2018 from RMB6,874.6 million in 2017 mainly due to the increase in revenue generated from sale of properties of the Group.

Income from sale of properties

During the Reporting Period, revenue generated from the sale of properties increased by 10.5% to RMB6,944.1 million in 2018 from RMB6,285.4 million in 2017, mainly due to delivery of certain properties with higher unit selling price and upward adjustment to income from 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.

Income from property management and hotel operation

During the Reporting Period, revenue generated from property management and hotel operation of the Group increased by 14.1% to RMB443.4 million in 2018 from RMB388.5 million in 2017, mainly due to the increase in the area under property management by the Group.

Rental income from investment properties

During the Reporting Period, rental income from investment properties of the Group increased by 35.7% to RMB152.9 million in 2018 from RMB112.7 million in 2017, mainly due to the increase in the rentable area of the Group and the increased rental rate.

Light-asset operation income

During the Reporting Period, light-asset operation income of the Group decreased by 56.0% to RMB38.7 million in 2018 from RMB88.0 million in 2017, mainly because the old projects by way of light-asset operation are approaching completion and new projects had not commenced large-scale pre-sales, resulting in the decrease in the overall contracted amount of the projects under the Group's operation as compared with last year, which accordingly brought down the sales agency fee and brand royalties charged by the Group.

Cost of sales

During the Reporting Period, the cost of sales of the Group increased by 11.4% to RMB5,988.3 million in 2018 from RMB5,375.2 million in 2017. Cost of sales of properties increased by 10.3% to RMB5,493.3 million in 2018 from RMB4,980.7 million in 2017, primarily due 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. Cost of property management and hotel operation increased by 29.5% to RMB482.3 million in 2018 from RMB372.5 million in 2017, primarily due to the increase in the area under property management by the Group. In addition, the cost incurred for light-asset operation decreased by 42.3% to RMB12.7 million in 2018 from RMB22.0 million in 2017.

Gross profit

As a result of the foregoing, for the Reporting Period, the Group's gross profit increased by 6.1% to RMB1,590.8 million in 2018 from RMB1,499.4 million in 2017. The Group's gross profit margin was 21.0%, similar to that in 2017.

Valuation gains on investment properties

During the Reporting Period, valuation gains on investment properties of the Group were RMB888.7 million, primarily due to the transfer of certain properties under development and completed for sale to investment properties.

Other income

During the Reporting Period, the Group's other income increased by RMB258.2 million, mainly due to gain on bargain purchase related to acquisition of subsidiaries.

Selling expenses

During the Reporting Period, the Group's selling expenses decreased by 7.7% to RMB553.7 million in 2018 from RMB599.7 million in 2017, primarily due to the capitalization of commission fee due to the application of new accounting standards on the revenue by the Group during the Reporting Period.

Administrative expenses

During the Reporting Period, the administrative expenses of the Group increased by 19.5% to RMB545.9 million in 2018 from RMB456.7 million in 2017, mainly due to the 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.

Other operating expenses

During the Reporting Period, the Group recorded other operating expenses of RMB990.4 million, mainly because provision for loss allowance on trade and other receivables of RMB947.4 million was made by the Group for outstanding balances with significant increase in credit risk.

Finance income

During the Reporting Period, finance income of the Group increased by 24.5% to RMB519.4 million in 2018 from RMB417.1 million in 2017, which was mainly attributable to the increase in interest income.

Finance costs

During the Reporting Period, finance costs of the Group increased by 53.5% to RMB550.8 million in 2018 from RMB358.9 million in 2017, which was mainly attributable to the negative impact of changes in the exchange rate of RMB against the United States dollar ("**US dollar**") during the Reporting Period on the Company's offshore bonds denominated in US dollar and the effect of loss on fair value change of the derivative component of the convertible bonds.

Income tax

During the Reporting Period, the income tax expenses of the Group decreased by 18.1% to RMB366.0 million in 2018 from RMB446.9 million in 2017.

Profit for the year

During the Reporting Period, the Group's profit for the year decreased by 71.4% to RMB242.8 million in 2018 from RMB848.7 million in 2017.

Loss attributable to equity shareholders of the Company

Due to the factors mentioned above, the loss attributable to equity shareholders of the Company was RMB30.0 million in 2018, while the profit attributable to equity shareholders of the Company was RMB593.1 million in 2017.

Working capital, financial and capital resources

Cash and cash equivalents

As at 31 December 2018, the Group had RMB2,588.6 million of cash and cash equivalents, representing a decrease of RMB2,065.6 million as compared to those as at 31 December 2017, mainly due to the increase in deposits for bank borrowings and payment of land premium.

Current ratio, gearing ratio and net gearing ratio

As at 31 December 2018, the Group's current ratio decreased to 164.1% from 170.5% as at 31 December 2017. The Group's current assets increased from RMB42,074.9 million as at 31 December 2017 to RMB45,931.0 million as at 31 December 2018, while current liabilities increased to RMB27,988.9 million as at 31 December 2018 from RMB24,675.5 million as at 31 December 2017.

As at 31 December 2018, the Group's gearing ratio (calculated as total loans and borrowings divided by total assets) slightly increased to 48.3% from 48.0% as at 31 December 2017. Net gearing ratio (calculated as total loans and borrowings minus cash and cash equivalents and current restricted deposits, divided by total equity) increased by 30.0 percentage points to 261.6% from 231.6% as at 31 December 2017, which was mainly attributable to the increase in the total loans and borrowings.

Contingent liabilities

During the Reporting Period, the Group entered into agreements with certain banks to provide guarantees for the mortgage loans of purchases of its properties. As at 31 December 2018, the Group provided guarantees for mortgage loans in an aggregate amount of RMB7,266.6 million (31 December 2017: RMB6,562.9 million) to those banks in respect of such agreements.

Loans and borrowings and pledged assets

As at 31 December 2018, the Group had total loans and borrowings of RMB29,695.3 million, of which RMB10,419.8 million, RMB10,382.1 million, RMB8,503.4 million and RMB390.0 million are payable within one year or on demand, after 1 year but within 2 years, after 2 years but within 5 years and after 5 years, respectively. The Group's borrowings are denominated in Renminbi and US dollar, mostly with fixed interest rate. As at 31 December 2018, the Group had comprehensive credit facilities granted by bank and other financial institutions in an aggregate amount of RMB18,500.0 million, of which RMB16,515.9 million had not been utilized. The Group currently has no interest rate hedging policy. However, the management will monitor the interest rate risks and consider taking other necessary actions if any material risks are expected.

As at 31 December 2018, the Group had pledged properties and restricted deposits with a carrying value of RMB15,128.5 million (31 December 2017: RMB14,146.2 million) to secure banking facilities granted to the Group.

Capital commitment

As at 31 December 2018, the Group's contracted capital commitment for properties under development and investment properties under construction not provided for in the financial statements was RMB4,686.2 million (31 December 2017: RMB4,302.7 million). Approved but not contracted for capital commitment of the Group was RMB10,012.7 million as at 31 December 2018 (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 Hong Kong dollar ("**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 exposure 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. (天津志晟新聯商貿有限公司) ("**Target Company**")*

The Target Company entered into an asset transfer agreement (the "**Transfer Agreement**") with Tianjin Wangdingdi Industry and Trade Group Co., Ltd.* (天津市王頂堤工貿集團有限公司) ("**Wangdingti Group**") in relation to the acquisition of all properties on the first and second floors of Lijin Building (the "**Target Properties**") at a total consideration of RMB40.0 million.

On 25 June 2018, Sunshine 100 Real Estate Group Co., Ltd.* ("**Sunshine 100 Group**"), a wholly-owned subsidiary of the Company, entered into an equity transfer agreement (the "**Equity Transfer Agreement**") with Mr. Zhu Zhi, Mr. Zhao Zhenping and the Target Company, pursuant to which, Sunshine 100 Group agreed to purchase, and Mr. Zhu Zhi and Mr. Zhao Zhenping agreed to sell the entire equity interest of the Target Company at nil cash consideration on the condition that Sunshine 100 Group shall provide guarantee for the payment obligations of the Target Company under the Transfer Agreement. For further details of the acquisition, please refer to the announcement of the Company dated 25 June 2018.

Prior to the acquisition, Tianjin Lijin Jiaye Real Estate Co., Ltd.* (天津麗津嘉業房地產有限公司), another wholly-owned subsidiary of the Company, had purchased from Wangdingdi Group all property interests of Lijin Building aside from the first and second floors at a consideration of RMB360.0 million.

As at the date of the announcement, the transactions contemplated under the agreements mentioned above have been completed.

Capital contribution and provision of shareholder's loan to Suzhou Langyida Enterprise Management Co., Ltd (蘇州琅壹達企業管理有限公司) (the "**Project Company**") and the respective grant or receipt of put and call options regarding equity interest in the Project Company*

On 27 June 2018, Sunshine 100 Group entered into the Joint Venture Agreement with Shanghai Youngor Property Development Co., Ltd.* (上海雅戈爾置業開發有限公司) ("**Shanghai Youngor**"), Ningbo Hongyi Equity Investment LLP* (寧波泓懿股權投資合夥企業(有限合夥)) ("**Ningbo Hongyi**") and the Project Company to jointly invest and develop the Yihao Building located at the southwest side of the intersection of Weijin South Road and Tianta Road in Nankai District, Tianjin City, PRC. Pursuant to the agreement, Sunshine 100 Group was required to make a capital contribution of RMB20.0 million to the registered capital of the Project Company and provide a loan of RMB200.65 million to the Project Company at the interest rate of 12% per annum. As at the date of this announcement, Sunshine 100 Group has made full payments for the capital contribution and shareholder's loan.

In addition, Shanghai Youngor and Ningbo Hongyi agreed to grant a call option to Sunshine 100 Group, pursuant to which Sunshine 100 Group shall have the right to request each of Shanghai Youngor and Ningbo Hongyi to sell 14.5% of its equity interest in the Project Company to the Sunshine 100 Group. Sunshine 100 Group also agreed to grant a put option to each of Shanghai Youngor and Ningbo Hongyi, pursuant to which Shanghai Youngor and Ningbo Hongyi shall have the right to request Sunshine 100 Group to acquire from Shanghai Youngor and Ningbo Hongyi all of its equity interest in the Project Company. The highest possible monetary value payable by Sunshine 100 Group, or by the Company pursuant to the guarantee with respect to the call and put options will not be more than RMB1,040 million. For details, please refer to the announcement of the Company dated on 27 June 2018.

As at the date of this announcement, Sunshine 100 Group, Shanghai Youngor and Ningbo Hongyi had not exercised any of the put and call options.

Acquisition of land use rights in Wuhan

On 5 September 2018, Wuhan Yihai Jiaye Real Estate Development Co., Ltd.* (武漢易海嘉業房地產開發有限公司) ("**Wuhan Yihai Jiaye**"), a wholly-owned subsidiary of the Company, successfully bid the land use rights of a piece of land located at Qixin Village, Zhifang Street, Jiangxia District, Wuhan, Hubei Province, the PRC, with a total site area of 125,028.90 square metres, for a consideration of RMB818.8 million. On 10 September 2018, Wuhan Yihai Jiaye entered into the state-owned construction land use rights grant contract (國有建設用地使用權出讓合同) with Wuhan Jiangxia District Land Resources and Planning Bureau. As at the date of this announcement, the transactions contemplated under the agreement mentioned above has been completed.

Loan agreement between Sunshine 100 Group and Wenzhou Zhongxin Haoyuan

On 17 December 2018, Sunshine 100 Group, as lender, entered into the Loan Agreement with Wenzhou Zhongxin Haoyuan Investment Co. Ltd. (溫州中信昊園投資有限公司) ("**Wenzhou Zhongxin Haoyuan**", a company owned as to 49% by Sunshine 100 Group), as borrower. Pursuant to the Loan Agreement, Sunshine 100 Group has agreed to provide a loan of no more than RMB600 million to Wenzhou Zhongxin Haoyuan at the interest rate of 12% per annum for a term of two years commencing from the drawdown date. The Loan is secured by the guarantee provided by Chongqing Shihe Tongsheng Investment Co. Ltd.* (重慶世和同晟投資有限公司) and Sichuan Zhonghang Haoyuan Investment Co. Ltd. (四川中行昊園投資有限公司), both being wholly-owned by a substantial shareholder of a subsidiary of the Company.

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

Future plans for substantial investments or capital assets

As at the date of this announcement, there is no plan authorized by the Board for other substantial investments or additions of capital assets.

Human Resource

As at 31 December 2018, the Group employed a total of 4,472 employees (31 December 2017: 4,439 employees). The staff costs of the Group for the Reporting Period were RMB565.8 million (2017: RMB494.6 million). The Group has adopted a performance-based incentive system to motivate its staff. In addition to basic salaries, 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. The Group has established a regular assessment mechanism to assess the performance of its employees. The assessment results are used as the basis for determining salary increment, bonuses and promotions. As required by laws and regulations in China, the Group makes 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 its employees in China. During the Reporting Period, the Group made contributions in an aggregate of RMB37.6 million to the employee retirement scheme (2017: RMB30.5 million).

FINAL DIVIDENDS

The Board did not recommend payment of any final dividend for the year ended 31 December 2018.

ANNUAL GENERAL MEETING

The annual general meeting ("**AGM**") is proposed to be held on Friday, 21 June 2019. A notice convening the AGM will be published and despatched to the shareholders of the Company in the manner as required by the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the eligibility of the shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 18 June 2019 to Friday, 21 June 2019 (both days inclusive), during which no share transfer will be registered. In order to qualify for attending and voting at the AGM, all share transfer documents together with the relevant share certificate must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 17 June 2019 for registration.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standard of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability of the Company. During the Reporting Period, the Company adopted and complied with all applicable code provisions under the Corporate Governance Code in Appendix 14 to the Listing Rules ("**CG Code**"), except for the following deviation:

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Yi Xiaodi has served as the chairman and chief executive of the Company since 11 May 2018. This arrangement deviates from the requirement that the two positions should be held separately by different individuals as prescribed in the code provision A.2.1 of the CG Code. However, the Board is of the view that the roles of chairman and chief executive officer assumed by Mr. Yi Xiaodi will not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operation of the Board as the majority of Board members are non-executive directors and independent non-executive directors. Moreover, the Board comprises experienced and high caliber individuals and meets regularly to discuss major issues affecting operations of the Company, and all directors are properly and promptly briefed on relevant 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. Currently, the Audit Committee comprises three independent non-executive directors, including Mr. Ng Fook Ai, Victor, Mr. Gu Yunchang and Mr. Wang Bo. Mr. Ng Fook Ai, Victor is 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, risk management and financial reporting matters of the Group (including reviewing the annual results of the Group for the Reporting Period).

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the "**Remuneration Committee**") in compliance with the Listing Rules. Currently, the Remuneration Committee comprises one executive director, Mr. Fan Xiaochong, and two independent non-executive directors, Mr. Gu Yunchang and Mr. Wang Bo. Mr. Wang Bo is the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee include (but are not limited to): (i) making recommendations to the directors of the Company (the "**Directors**") in respect of the remuneration policies and structure of Directors and senior management of the Company and the formal and transparent procedures in the formulation of remuneration policies; (ii) providing recommendations to the Board in respect of the remuneration packages of the Directors and senior management; (iii) reviewing and approving the remuneration packages of the management with reference to the 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. Currently, the Nomination Committee comprises one executive Director, Mr. Yi Xiaodi, and two independent non-executive Directors, Mr. Gu Yunchang and Mr. Wang Bo. Mr. Yi Xiaodi is the chairman of the Nomination Committee.

The primary duty of the Nomination Committee is to make recommendations to the Board on the appointment of members of the Board.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standards contained in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**"). Each Director had been given a copy of the code of conduct regarding security transactions upon his/her appointment, and the Company issues two reminders each year thereafter, being 30 days prior to the Board meeting approving the interim results of the Company and 60 days prior to the Board meeting approving the annual results of the Company, 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 during 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 Reporting Period.

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

Issue of US$165.0 million 8.5% senior notes due 2020

On 6 February 2018, the Company, offshore subsidiaries of the Company providing guarantees for the notes and the initial purchasers (including Haitong International Securities Company Limited ("**Haitong International**"), Orient Securities (Hong Kong) Limited ("**Orient Securities (HK)**"), Guotai Junan Securities (Hong Kong) Limited ("**Guotai Junan International**"), China Industrial Securities International Brokerage Ltd. ("**China Industrial Securities International**"), Yue Xiu Securities Company Limited ("**Yue Xiu Securities**") and CCB International Capital Limited ("**CCB International**") entered into a subscription agreement in relation to the issue of US$165.0 million 8.50% senior notes due on 27 September 2020. Haitong International, Orient Securities (HK), Guotai Junan International, China Industrial Securities International, Yue Xiu Securities and CCB International were the joint global coordinators, joint lead managers and joint bookrunners in connection with the issue of the notes. At any time on or after 27 September 2019, the Company may redeem the notes, in whole or in part, at a redemption price of 104.25% of the principal amount of the notes plus accrued and unpaid interest, if any, to (but not including) the redemption date. The notes were listed on The Singapore Exchange Securities Trading Limited on 14 February 2018. For details, please refer to the announcements of the Company dated 7 February 2018 and 21 September 2017.

Issue of HK$750.0 million 4.8% convertible bonds due 2023

On 17 September 2018, the Company and Haitong International entered into a subscription agreement, pursuant to which the Company has conditionally agreed to issue, and Haitong International has conditionally agreed to subscribe, or procure subscribers to subscribe, the convertible bonds in an aggregate principal amount of HK$750.0 million, with interest of 4.8% per annum and payable semi-annually. The convertible bonds are convertible into shares of HK$0.01 each in the issued share capital of the Company at an initial conversion price of HK$4.50 per share (subject to adjustments). Assuming full conversion of the convertible bonds at the initial conversion price, the convertible bonds will be convertible into 166,666,666 shares. The Company may at any time from 3 October 2021 to 3 October 2023 redeem the bonds in whole for the time being outstanding at a redemption price equal to 100% of the principal amount of the bonds together with interest accrued to the date fixed for redemption. As at the date of this announcement, the holders of the convertible bonds have not exercised the conversion rights.

The bonds were listed on The Singapore Exchange Securities Trading Limited on 4 October 2018. For details, please refer to the announcement of the Company dated 18 September 2018.

Issue of US$170.0 million 10.5% senior notes due 2021

On 28 November 2018, the Company, offshore subsidiaries of the Company providing guarantees and the initial purchasers (including Haitong International, CCB International and Yue Xiu Securities) entered into a subscription agreement in relation to the issue of US$170.0 million 10.5% senior notes due on 5 December 2021. Haitong International, CCB International and Yue Xiu Securities were the joint global coordinators, joint lead managers and joint bookrunners in connection with the issue of the notes. At any time on or after 5 December 2020, the Company may redeem the notes, in whole or in part, at a redemption price of 105.25% of the principal amount of the notes plus accrued and unpaid interest, if any, to (but not including) the redemption date. The notes were listed on The Singapore Exchange Securities Trading Limited on 6 December 2018. For details, please refer to the announcement of the Company dated 29 November 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 shares.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and to the knowledge of the Directors, the Company had maintained sufficient public float as required under the Listing Rules during the Reporting Period.

EVENTS AFTER THE REPORTING PERIOD

The Company has repurchased a total of 50,927,000 shares on the Stock Exchange from 31 December 2018 up to the date of this announcement, details of which are as follows:

Dates of repurchase	Number of shares repurchased	Price per share Highest	Price per share Lowest
18 January 2019	29,754,000	HK$1.79	HK$1.36
22 January 2019	4,346,000	HK$1.68	HK$1.52
24 January 2019	2,727,000	HK$1.51	HK$1.46
25 January 2019	6,660,000	HK$1.64	HK$1.50
29 January 2019	1,658,000	HK$1.70	HK$1.65
31 January 2019	1,043,000	HK$1.69	HK$1.65
4 February 2019	1,235,000	HK$1.73	HK$1.70
19 February 2019	997,000	HK$1.59	HK$1.51
20 February 2019	995,000	HK$1.57	HK$1.54
21 February 2019	450,000	HK$1.58	HK$1.56
22 February 2019	733,000	HK$1.58	HK$1.56
25 February 2019	329,000	HK$1.59	HK$1.58

Save as disclosed herein, from 31 December 2018 up to the date of this announcement, no repurchase of shares (whether on the Stock Exchange or otherwise) had been made by the Company and there were no other events subsequent to the Reporting Period which have material effect on the Group. The repurchased shares were cancelled on 27 March 2019.

SCOPE OF WORK OF KPMG

The financial figures in respect of Group's consolidated statement of comprehensive income, consolidated statement of financial position for the Reporting Period and the related notes thereto as set out in this preliminary announcement have been compared by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the auditor.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE, THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED AND THE COMPANY

The annual results announcement has been published on the websites of the Stock Exchange at www.hkexnews.com.hk, The Singapore Exchange Securities Trading Limited at www.sgx.com and the Company at www.ss100.com.cn. The annual report of the Company for the Reporting Period, which contains all information required by the Listing Rules, will be despatched to the Company's shareholders and published on the websites mentioned above in due course.

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

Beijing, the PRC
28 March 2019

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

* *For identification purpose only*