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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)**

**DISCLOSEABLE TRANSACTION  
PROVISION OF FINANCIAL ASSISTANCE**

**INTRODUCTION**

In January 2022, Hainan Yangguang Qiheng, a subsidiary of the Company, entered into a loan agreement to grant the Loan to the Borrower, in a principal amount of up to RMB200,000,000.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Loan under Rule 14.07 of the Listing Rules are more than 5% but less than 25%, the granting of the Loan constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Company acknowledges it did not make timely disclosure on the making of the Loan. Therefore, the Company did not comply with the applicable reporting and announcement requirements under Chapter 14 of the Listing Rules in respect of the Loan.

## **INTRODUCTION**

In January 2022, Hainan Yangguang Qiheng, a subsidiary of the Company, entered into a loan agreement to grant the Loan to the Borrower, in an aggregate principal amount of up to RMB200,000,000.

The background and principal terms of the Loan are as follows:

## **DETAILS OF THE LOAN**

### **Principal terms of Loan**

Date	:	25 January 2022
Parties	:	(1) Hainan Yangguang Qiheng (as lender) (2) the Borrower (as borrower)
Principal	:	Up to RMB200,000,000
Outstanding principal amount as at the date of this announcement	:	RMB200,000,000
Interest rate	:	9.28% per annum
Penalty interest rate	:	15.4% per annum from the date of overdue if the Borrower is late in repaying the outstanding Loan
Term	:	The Borrower shall repay the outstanding Loan within 19 months from the date(s) of drawdown (being 26 January 2022, 27 January 2022, 29 January 2022 and 8 February 2022).
Security	:	Pledge granted by Shenzhen Chengjin over its 100% equity interest in the Borrower pursuant to the Pledge Agreement
Guarantee	:	Joint guarantees provided by (i) Shenzhen Nanyou Huaxing; and (ii) Lin Wenguan (林文冠) and Xiao Qing (肖晴, spouse of Lin Wenguan), respectively, pursuant to the Guarantee Contract 1 and the Guarantee Contract 2

- Credit enhancement measure : (1) Hainan Yangguang Qiheng shall have right to take certain properties owned by Dongguan Langyitong and Dongguan Qingyuan Incubator as settlement of the overdue repayment. The value of such properties shall be determined separately
- (2) Hainan Yangguang Qiheng shall have right to co-manage Dongguan Qingyuan Incubator with the Borrower such that, among other things, Hainan Yanggang Qiheng's approval is required for certain key corporate actions pursuant to the Co-management Agreement

## **REASONS FOR AND BENEFITS OF THE LOAN**

The Company granted the Loan mainly due to the following commercial reason:

On 2 August 2019, Shenzhen Shoujia as vendor, Shenzhen Chengjin as purchaser, Lin Wenguan and Xiao Qing as guarantors of the purchaser, Sunshine 100 Group as guarantor of the vendor and Dongguan Qingyuan Incubator as the target company entered into the Equity Transfer Agreement pursuant to which Shenzhen Shoujia shall transfer its 100% equity interest in Dongguan Qingyuan Incubator to Shenzhen Chengjin at a total consideration of RMB513,000,000. The total consideration shall be settled in instalments with the final instalment of RMB230,000,000 (the “**Final Instalment**”) being payable within 37 months after the date of the Equity Transfer Agreement. As of January 2022, an aggregate amount of RMB283,000,000 of the total consideration was settled with RMB230,000,000 remaining to be settled in accordance with the Equity Transfer Agreement.

In January 2022, Shenzhen Chengjin offered an early settlement of RMB30,000,000 of the Final Instalment with the remaining RMB200,000,000 of the Final Instalment being converted into a loan of a term of 19 months (equivalent to an extension of one year after the expiry of the original payment term).

Accordingly, after arm's length negotiations taking into account the security, guarantees and credit enhancement measures, the Company's financial pressure, the immediate cash inflow of RMB30,000,000 and Shenzhen Chengjin's financial situation, the Company agreed to grant the Loan to the Borrower. Shenzhen Chengjin paid the remaining RMB200,000,000 of the Final Instalment in cash to the Group as settlement under the Equity Transfer Agreement and subsequently made drawdowns amounting to RMB200,000,000 under the Loan.

The interest rate for the Loan was also agreed between Hainan Yangguang Qiheng and the Borrower after arm's length negotiations, having taken into account the cash flow needs of both parties and the interest rates for similar loans offered in the market at the relevant times. Therefore, the Board considered that the transactions contemplated by the Loan were on normal commercial terms and the terms of the Loan were fair and reasonable and were in the interests of the Company and its Shareholders as a whole.

## **INFORMATION OF THE PARTIES**

### **The Company, Hainan Yangguang Qiheng and Shenzhen Shoujia**

The Company is a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange. The principal business of the Company is investment holding.

Hainan Yangguang Qiheng is a company established under the laws of the PRC with limited liability on 17 December 2021. The Company is in actual control of Hainan Yangguang Qiheng and Hainan Yangguang Qiheng is therefore accounted for and consolidated in the audited consolidated accounts of the Company as a subsidiary pursuant to applicable accounting standards. It is principally engaged in real estate development and operation.

Shenzhen Shoujia is a company established under the laws of the PRC with limited liability on 16 May 2017 and is currently a wholly-owned subsidiary of the Company. It is principally engaged in domestic trade, management services for hotels, investment in business, property management, and design and construction of indoor and outdoor decoration projects.

### **The Borrower and Shenzhen Chengjin**

Shenzhen Chengjin Information Technology Co., Ltd.\* (深圳市誠進信息科技有限公司) is a company established in the PRC with limited liability. It is principally engaged in multimedia broadband wireless information terminal, technology research and development, and consulting of wireless mobile communication product and information system integration. The Borrower is 100% owned by Shenzhen Chengjin which in turn is owned as to 90% and 10% by Shenzhen Lijiaying and Lin Wenqiu (林文秋), respectively. Shenzhen Lijiaying is 100% owned by Lin Wenguan.

### **Dongguan Langyitong**

Dongguan Langyitong is a company established in the PRC with limited liability. It is principally engaged in technology research and development, results transfer and technical services of multimedia broadband wireless information terminal and wireless mobile communication product, information system integration services and self-owned property leasing services. Dongguan Langyitong is 100% owned by Lin Wenguan.

## **Dongguan Qingyuan Incubator**

Dongguan Qingyuan Incubator is a company established in the PRC with limited liability. It is principally engaged in providing office space and related supporting facilities and services for technology research and development, pilot production, and operation for small and medium-sized high-tech enterprises, establishing research bases for high-tech research and development and providing high-tech venture capital and related consulting services. Dongguan Qingyuan Incubator was formerly a wholly-owned subsidiary of the Company. As of the date of this announcement, Dongguan Qingyuan Incubator is 100% owned by Shenzhen Guanchang Mingji, which in turn is owned as to 60% by Shenzhen Chengjin and 40% by Shenzhen Pengli Technology Development Co., Ltd.\* (深圳市鵬利科技發展有限公司). Shenzhen Pengli Technology Development Co., Ltd. is owned as to 60% by You Jiachang (遊佳昌) and 40% by You Peng (遊鵬).

## **Shenzhen Nanyou Huaxing**

Shenzhen Nanyou Huaxing is a company established in the PRC with limited liability. It is principally engaged in sales of metal materials, building materials, mechanical equipment and accessories, stationery and sports supplies, self-owned property leasing and real estate development, software development and research and development of industrial control computers, bioengineering technology and special construction machinery and equipment. Shenzhen Nanyou Huaxing is owned as to 50%, 25% and 25% by Shenzhen Shenlinghang, Tang Weizhong (唐偉忠) and Zhang Xiaohua (張小華), respectively. Shenzhen Shenlinghang is ultimately 98.1835% owned by Lin Wenguan.

Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry at the relevant times, each of the Borrower and the pledgor, guarantors and security providers of the Loan and their respective ultimate beneficial owners were third parties independent of the Company and connected persons of the Company.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Loan under Rule 14.07 of the Listing Rules are more than 5% but less than 25%, the granting of the Loan constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Company acknowledges it did not make timely disclosure on the making of the Loan. Therefore, the Company did not comply with the applicable reporting and announcement requirements under Chapter 14 of the Listing Rules in respect of the Loan.

## **INTERNAL CONTROL MEASURES**

The following key internal control measures have been adopted by the Company to prevent similar events in the future:

1. the Company has published this announcement to inform the Shareholders of the details of the Loan;
2. the Company has engaged an internal control consultant to review the internal control policies and procedures concerning, among other things, payments and compliance;
3. the Company's list of connected persons has been updated, approved and circulated amongst the senior management;
4. trainings for senior management, financial personnel and employees have been completed;
5. a designated responsible personnel has been assigned to perform size test before entering into material transactions and records of such size tests shall be properly kept for future reference;
6. an upper limit in relation to payment approval and loan contracts approval has been set for each approver. When the payment or loan amount exceeds the maximum threshold, approval from two executive Directors would be required; and
7. the Company has further engaged an external internal control consultant to conduct internal control review of the Company on a regular basis.

## **UPDATE ON THE LOAN**

As of the date of this announcement, the Loan is overdue, and the Company has not commenced any legal proceedings or any other actions in relation to the Loan.

The Company will continue to closely monitor any further developments of the matter and will make further announcement(s) in compliance with the Listing Rules to inform its Shareholders as and when appropriate.

## RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2022. Application has been made by the Company for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 21 September 2023.

## DEFINITIONS

In this announcement, the following expressions have the meanings as set out below unless the context otherwise requires:

“Board”	the board of Directors
“Borrower”	Shenzhen Chengjin Information Technology Co., Ltd.* (深圳市誠進信息科技有限公司), a company established in the PRC with limited liability
“Co-management Agreement”	the co-management agreement dated 25 January 2022 entered into among Hainan Yangguang Qiheng, the Borrower and Dongguan Qingyuan Incubator
“Company”	Sunshine 100 China Holdings Ltd (陽光100中國控股有限公司), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Dongguan Langyitong”	Dongguan Langyitong Technology Co., Ltd.* (東莞市朗易通信息科技有限公司), a company established in the PRC with limited liability
“Dongguan Qingyuan Incubator”	Dongguan Qingyuan Incubator Co., Ltd.* (東莞市清園孵化器有限公司), a company established in the PRC with limited liability which is a former subsidiary of the Company and currently 100% owned by Shenzhen Guanchang Mingji
“Equity Transfer Agreement”	the equity transfer agreement dated 2 August 2019 as amended by three supplemental agreements dated 18 October 2019, 25 March 2020 and 8 April 2020 among Shenzhen Shoujia, Shenzhen Chengjin, Lin Wenguan, Xiao Qing, Sunshine 100 Group, Dongguan Qingyuan Incubator and Shenzhen Guanchang Mingji

“Group”	the Company and its subsidiaries
“Guarantee Contract 1”	the guarantee contract dated 25 January 2022 entered into among Shenzhen Nanyou Huaxing and Hainan Yangguang Qiheng
“Guarantee Contract 2”	the guarantee contract dated 25 January 2022 entered into among Lin Wenguan, Xiao Qing and Hainan Yangguang Qiheng
“Hainan Yangguang Qiheng”	Hainan Yangguang Qiheng Operation Services Co., Ltd.* (海南陽光啟恒運營服務有限公司), a company established in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the RMB200,000,000 loan granted by Hainan Yangguang Qiheng pursuant to a loan agreement dated 25 January 2022 entered into between Hainan Yangguang Qiheng and the Borrower
“Pledge Agreement”	the pledge agreement dated 25 January 2022 entered into between Hainan Yangguang Qiheng and Shenzhen Chengjin
“PRC” or “China”	the People’s Republic of China which, for the purposes of this announcement, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholders of the Company
“Shenzhen Chengjin”	Shenzhen Chengjin Holding Group Co., Ltd.* (深圳市誠進控股集團有限公司), a company established in the PRC with limited liability
“Shenzhen Guanchang Mingji”	Shenzhen Guanchang Mingji Industrial Co., Ltd.* (深圳市冠昌名基實業有限責任公司), a company established in the PRC with limited liability



“Shenzhen Lijiaxing”	Shenzhen Lijiaxing Investment Co., Ltd.* (深圳市利嘉興投資有限公司), a company established in the PRC with limited liability
“Shenzhen Nanyou Huaxing”	Shenzhen Nanyou Huaxing Industrial Co., Ltd.* (深圳南油華星實業有限公司), a company established in the PRC with limited liability
“Shenzhen Shenlinghang”	Shenzhen Shenlinghang Technology Co., Ltd.* (深圳市深領航科技有限公司), a company established in the PRC with limited liability
“Shenzhen Shoujia”	Shenzhen Shoujia Holding Development Co., Ltd.* (深圳首佳控股發展有限公司), a company established in the PRC with limited liability and a subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunshine 100 Group”	Sunshine 100 Real Estate Group Co., Ltd.* (陽光壹佰置業集團有限公司) (formerly known as Beijing Sunshine 100 Real Estate Development Co., Ltd.* (北京陽光壹佰房地產開發有限責任公司) and Beijing Sunshine 100 Real Estate Group Co., Ltd.* (北京陽光壹佰置業集團有限公司)), a company with limited liability established under the laws of China on 19 April 2001 and currently a wholly-owned subsidiary of the Company

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

Beijing, the PRC  
20 September 2023

*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. Li Chunping.*

\* *For identification purpose only*