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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)

QUARTERLY UPDATE

UPDATE ON ACTIONS TAKEN TO RESOLVE DISCLAIMER OF OPINION

Reference is made to the annual report of Sunshine 100 China Holdings Ltd (the “**Company**”) for the year ended 31 December 2025 published on 29 April 2026 (the “**Annual Report**”). Unless the context requires otherwise, capitalised terms used in this announcement shall bear the same meaning as defined in the Annual Report.

As disclosed in the Annual Report, the relevant auditor of the Company did not express an opinion on the consolidated financial statements of the Group for the year ended 31 December 2025 (the “**Disclaimer of Opinion**”) due to multiple uncertainties relating to going concern.

As set out on pages 113 and 114 of the Annual Report, the Group incurred a net loss of approximately RMB3,685,051,000 for the year ended 31 December 2025. As at 31 December 2025, the Group recorded net current liabilities and net liabilities of approximately RMB15,581,444,000 and RMB8,680,123,000, respectively, while the Group reported capital deficits attributable to equity shareholders of the Company of approximately RMB9,591,873,000. In addition, as at 31 December 2025, the Group had total loans and borrowings of approximately RMB23,077,899,000 of which the current loans and borrowings amounted to approximately RMB22,120,234,000. However, the Group only had cash and cash equivalents of approximately RMB621,450,000.

As at 31 December 2025, the Group’s loans and borrowings of approximately RMB14,777,780,000, convertible bonds of USD50,866,000 (equivalent to approximately RMB357,528,000), senior notes of USD258,100,000 (equivalent to approximately RMB1,814,134,000), senior green notes with principal of USD219,600,000 (equivalent to approximately RMB1,543,524,000) and corporate bonds of approximately RMB2,202,000,000 were overdue pursuant to the relevant borrowing agreements which constituted events of default.

As at the date of this announcement, the Group had not finalised the land appreciation tax returns with the tax authorities for certain property development projects which had already met the requirement of finalisation of the People’s Republic of China (the “**PRC**”) land appreciation tax (“**Land Appreciation Tax**”). The potential Land Appreciation Tax payment obligations arising

from the clearance may have a significant impact on the liquidity position of the Group.

As at and subsequent to 31 December 2025, the Group is subjected to a number of legal proceedings which mainly in relation to disputes under construction contracts in respect of its various property development projects and defaults of repayment of several loans and borrowings, which arose during the normal course of business.

In addition, a winding-up petition was filed against the Company on 6 March 2026 and such petition will be heard before the High Court on 16 October 2026.

In view of such circumstances, the Company proposed to implement the plans and measures included in (1) to (11) below (the “**Plans and Measures**”) to address the Disclaimer of Opinion as follows:

- (1) negotiation with a number of creditors and lenders for renewal and extension of interest-bearing borrowings which would be due within 12 months for to ease the Group’s short-term repayment pressure and improving its liquidity position;
- (2) negotiation with a number of creditors and lenders for debt restructuring of interest-bearing borrowings to ease the Group’s long-term repayment pressure and improve its liquidity position;
- (3) negotiation with existing lenders to withhold or withdraw action to demand for immediate repayment of principal and accrued interest (including default interest) and other ancillary enforcement actions to avoid immediate cash outflow and preserve the Group’s liquidity and cash resources;
- (4) negotiation with various financial institutions and potential lenders/investors to identify various options for financing to secure additional financial resources to meet the Group’s debt obligations;
- (5) disposing of several investment properties instead of generating rental income to generate immediate cash inflow and strengthen the Group’s liquidity position;
- (6) accelerating the pre-sale and sale of its properties under development and completed properties held for sale to enhance the Group’s cash resources;
- (7) speeding up the collection of outstanding sale proceeds and loans to third parties to improve the Group’s cash flow position;
- (8) tightening cost controls over various operating expenses to reduce cash outflow and preserve the Group’s cash resources;
- (9) looking for larger property development enterprises and cooperating with investors to develop properties under development of the Group through joint effort to reduce the Group’s capital commitment and conserve the Group’s liquidity position;

- (10) procuring and negotiating the preliminary terms with larger property development enterprises for the sale of property development projects at a price deemed appropriate to generate cash inflow and relieving the Group's liquidity pressure; and
- (11) negotiation with the local tax authorities to postpone the finalisation and payment of Land Appreciation Tax of the property development projects which had already met the requirement of finalisation of Land Appreciation Tax for the purpose of delaying the settlement of the Group's tax obligations in the PRC and deferring cash outflow.

Accordingly, the Board is of the opinion that it is appropriate to adopt the going concern basis in the preparation of the financial statements. The Audit Committee agrees with the Board's position.

Notwithstanding the above, significant uncertainties exist as to whether the Group will be able to continue as a going concern. The assumptions underlying the Company's assessment on going concern as disclosed on pages 132 and 133 of the Annual Report remain valid.

The Audit Committee had critically reviewed the Disclaimer of Opinion, the position of the management concerning the Disclaimer of Opinion, and the Plans and Measures proposed by the Board, and concurred with the Board's view. The Audit Committee is in agreement with the management with respect to the Disclaimer of Opinion and the Group's ability to continue as a going concern and the Plans and Measures to be implemented by the management or the Group. The Audit Committee's views are based on a critical review of:

- (i) the management's action plan to address the Disclaimer of Opinion (and the assumption of successful and continued implementation); and
- (ii) discussions between the Audit Committee, the Auditor and the management regarding the Disclaimer of Opinion.

The Audit Committee is of the view that the management is taking appropriate steps in addressing the matter underlying the Disclaimer of Opinion and should continue its efforts in implementing the Plans and Measures to mitigate the Group's liquidity pressure and remove the Disclaimer of Opinion. The Audit Committee is of the opinion that the Plans and Measures are adequate and effective in resolving the Disclaimer of Opinion.

During the period from 1 July 2026 to the date of this announcement, the Company continued to implement the Plans and Measures to address the Disclaimer of Opinion, to the extent applicable. The Board would like to provide the shareholders and potential investors of the Company with the following updates on the implementation of the Plans and Measures.

In relation to item (1), since the Group has been in default for an extended period of time, the Group's major creditors have commenced legal action against the Company, with the exception of a few small regional banks have agreed to restructure or extend the relevant debts. The extended amount was RMB64.98 million, representing a negligible proportion of approximately 0.28% of the Group's total interest-bearing borrowings. Given the prolonged period of default across the Group's various debts and multiple rounds of negotiation, formulating a restructuring plan has proven challenging.

In relation to item (2), negotiations concerning the restructuring of the offshore US dollar bonds have now been temporarily suspended pending the outcome of the winding-up petition although the Company had, prior to such suspension, achieved significant progress with the offshore bond debtors.

In relation to item (3), referring to the updates on item (1), the major creditors of the Group have not withdrawn such actions.

In relation to item (4), the Group is unable to secure financing due to its continuing default and the ongoing legal proceedings.

In relation to item (5), the Group's major assets have been mortgaged, seized and/or subjected to enforcement auction procedures. Given the current market conditions and declining asset prices, even if certain disposals are completed, the net proceeds after deduction of taxes and related expenses may not be sufficient to fully discharge the corresponding secured indebtedness. Despite the continued efforts by the sales team, the plan for asset disposals has yet to achieve meaningful progress.

In relation to item (6), the sales team has implemented various measures to accelerate the disposal of properties, however, due to prevailing market conditions and the seizure order, current sales have dropped significantly. The proceeds realized from the disposal of properties for the nine months ended 30 September 2026 amounted to approximately RMB29.95 million.

In relation to item (7), the Group has reviewed its receivables and commenced legal action against the relevant third parties. Nevertheless, due to the declining macroeconomic environment, the debtors generally lack the ability to repay, and even where the Group is successful in litigation, there is little possibility of actual cash recovery.

In relation to item (8), the Group has continued to reduce administrative expenses by implementing multiple rounds of headcount reduction and salary cuts, such that operating expenses have been reduced to the minimum level commensurate with the Group's current scale of operations. The Group has adopted cost control measures since 2020, with administrative expenses reduced from RMB437 million in 2021 to RMB193 million in 2025, leaving very little margin for further reduction.

In relation to items (9) and (10), since the real estate sector is currently in a deep trough, a majority of real estate developers and main contractors are generally facing suspended projects and cash flow difficulties. Even where they have idle funds and are willing to invest in real estate projects, they will be highly selective, such that the feasibility of introducing large-scale partners, or completing a project acquisition and/or joint development, has been effectively compromised.

In relation to item (11), given that tax regulation has become increasingly stringent this year, with local tax bureaus continuing to increase tax audits and demands for supplementary tax payments, the room for negotiation has continued to narrow.

The Group continues to face a complex and challenging landscape in the real estate market. The Group will strive to find a way out in adversity, promote innovation, and lay a solid foundation for long-term transformation. The Group's management will continue to closely monitor the Group's financial performance and liquidity position, including but not limited to its revenue and cashflow position, with tighten costs control measures.

Meanwhile, the Board will continue, and remains on track, to actively implement the Plans and Measures with an aim to resolving the uncertainties regarding going concern underlying the Disclaimer of Opinion.

The Company will publish an announcement every three months from the date of this announcement until the Disclaimer of Opinion is resolved. Further announcement(s) may also be made by the Company for any material update(s) as and when appropriate.

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

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

Beijing, the PRC
30 September, 2026

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. Ng Fook Ai, Victor, Mr. Li Chunping and Mr. Mei Yongfeng.